



CAPITALAND LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.: 198900036N

ANNOUNCEMENT

CHANGE OF INTEREST IN ISLAND CITY PTE. LTD.

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand Fund Management Limited, had disposed of its entire 100% stake (comprising 10 ordinary shares of S\$1 each (the "Shares")) in the share capital of Island City Pte. Ltd. ("ICPL") to Ascott Investment Group Holdings Ltd. ("AIGH") for a cash consideration of S\$10 (the "Transfer"). AIGH is an indirect wholly-owned subsidiary of CapitaLand.

ICPL, a company incorporated in Singapore, is set up for investment holding purpose. The net asset value of the Shares based on the management accounts of ICPL as of 31 May 2008 is S\$10.

Subsequent to the Transfer, ICPL issued and AIGH has subscribed for cash 20 ordinary shares at S\$1 each and 7,552 preference shares at JPY100,000 each in the share capital of ICPL (the "Subscription"). ICPL also issued and ArcResidential Japan Investments Limited, a party unrelated to CapitaLand, has also subscribed for cash 70 ordinary shares at S\$1 each and 17,622 preference shares at JPY100,000 each in the share capital of ICPL.

As a consequence of the Subscription, CapitaLand's interest in ICPL is reduced to 30% (comprising 30 ordinary shares and 7,552 preference shares). ICPL has ceased to be a subsidiary and become an associated company of CapitaLand.

The Transfer and Subscription are not expected to have any material impact on the net tangible assets per share and the earnings per share of CapitaLand Group for the financial year ending 31 December 2008.

None of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the Transfer and Subscription.

By Order of the Board

Low Sai Choy
Company Secretary
18 June 2008