For immediate release
5 September 2006

NEWS RELEASE

CapitaLand signs MOU for second residential project in Ho Chi Minh City

Singapore, 5 September 2006 -- CapitaLand has recently signed a Memorandum of Understanding (MOU) with South Saigon Development Corporation (SADECO) to jointly develop a residential site in Ho Chi Minh City, Vietnam.

SADECO (www.sadecovn.com), which is the current owner of the site, is a state-owned joint-stock company established by the Ho Chi Minh City People's Committee in 1994. The company has developed over 10 projects and infrastructures spanning 800 hectares in the South Saigon New Urban area. SADECO is actively involved in land clearance, resettlement, and the construction of infrastructures.

The residential site is located in District 7 in Ho Chi Minh City, adjacent to the Phu My Hung Urban area. This is a popular residential neighbourhood with a bustling mix of retail shops and malls, serene parks, golf course, international schools and medical centres.

Mr Lui Chong Chee, CEO of CapitaLand Residential, said: "This is CapitaLand's second residential project in Ho Chi Minh City. We had signed a conditional joint venture agreement for our first project in February this year, to develop over 1,000 homes in Ho Chi Minh City's District 2. We are currently looking at additional opportunities to grow our development presence in Vietnam. CapitaLand is confident of the growth potential of Vietnam's real estate market. The country is the second fastest growing economy in Asia, after China. With a population of close to 84 million, there is a strong and genuine demand for quality housing in the country, especially in the urban cities, such as Ho Chi Minh City and Hanoi. The current housing supply is only sufficient to meet approximately one-tenth of the demand."

About CapitaLand Limited (www.capitaland.com)

CapitaLand is one of the largest listed real estate companies in Asia. Headquartered in Singapore, the multinational company's core businesses in property, hospitality and real estate financial services are focused in gateway cities in Asia Pacific, Europe and the Middle East.

The company's property and hospitality portfolio spans more than 70 cities in nearly 20 countries. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop real estate financial products and services in Singapore and the region.

The listed subsidiaries and associates of CapitaLand include The Ascott Group, Raffles Holdings, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust and Australand, which is listed both in Singapore and Australia.

Issued by: CapitaLand Limited *(Co. Regn: 198900036N)*
Date: 5 September 2006

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