CAPITALAND LIMITED

ANNOUNCEMENT BY CAPITALAND'S SUBSIDIARY, AUSTRALAND HOLDINGS LIMITED – "AUSTRALAND ANNOUNCES STAPLING PROPOSAL"

CapitaLand Limited's ("CapitaLand") subsidiary, Australand Holdings Limited ("Australand"), has today issued an announcement (the "Announcement") on the above matter. Australand's announcement is attached for information.

CapitaLand wishes to inform that:

(a) It supports Australand's objective to increase recurrent income from income producing properties.

(b) It supports the Stapling Proposal and intends to take up its full entitlement under Australand's proposed A$225 million non-renounceable entitlement offer. This will involve an amount of approximately A$130 million. This will reinforce CapitaLand's strategy to expand overseas.

(c) Depending on whether AWPT and AWPT2 unitholders (as described in the Announcement) choose cash or stapled securities, CapitaLand's shareholding in Australand may be adjusted. However, Australand will remain a subsidiary of CapitaLand. Based on the forecasts in the Announcement, CapitaLand expects the quality of earnings and absolute contribution from Australand in 2004 to improve.

(d) The Stapling Proposal is not expected to have a material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2003.

(e) JP Morgan is acting as the financial adviser to CapitaLand for this transaction.

Liew Mun Leong, President and CEO of CapitaLand, said: "CapitaLand's results for the half year ended June 2003 clearly demonstrates that the Group has benefited from its multi-local strategy through geographical diversification. Australia has featured prominently in this strategy and we support Australand's Stapling Proposal as this would maximise the opportunity in Australia."

None of the Directors of CapitaLand has any interest, direct or indirect, in the aforesaid transaction. As far as CapitaLand is aware, none of its controlling shareholders has any interest, direct or indirect, in the aforesaid transaction.

By Order of the Board

Tan Wah Nam
Company Secretary
20 August 2003


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