CAPITALAND LIMITED

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

ANNOUNCEMENT

REDEMPTION AT THE OPTION OF CAPITALAND LIMITED OF ITS S$380,000,000 $^{5}/_{8}$ PER CENT. CONVERTIBLE BONDS DUE 2007

CapitaLand Limited ("**CapitaLand**") refers to the S$380,000,000 $^{5}/_{8}$ per cent. Convertible Bonds due 2007 (the "**Bonds**") issued by CapitaLand on 3 May 2002. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as defined in the terms and conditions of the Bonds (the "Terms and Conditions").

The Terms and Conditions of the Bonds provide for redemption of the Bonds at the option of the Issuer (being CapitaLand) if certain prerequisites are met.

Pursuant to Condition 8.2.1 of the Terms and Conditions, in the event that the closing price of the Shares for each of 30 consecutive Trading Days, the last day of which period occurs no more than 20 Trading Days prior to the date upon which notice of such redemption is given pursuant to Condition 16 of the Terms and Conditions, was at least 130 per cent. of the Conversion Price in effect on such Trading Day, CapitaLand has the option to redeem the Bonds in whole or in part.

The prerequisites for redemption by CapitaLand as set out under Condition 8.2.1 of the Terms and Conditions have been met and the Issuer has decided to exercise its option to redeem the whole of the outstanding Bonds on 26 October 2005.

A summary of the details of this redemption in whole is set out below.

Where:

Conversion Price	= S$1.9970 per Share (As per Adjusted Conversion Price effective as of 15 May 2004)
130 per cent. of Conversion Price	= S$2.5961 per Share
30 Trading Day period during which Closing Price was at least 130 per cent. of Conversion Price	= 22 July 2005 to 2 September 2005
Closing Price of the Shares as at 2 September 2005 (as quoted on the Singapore Stock Exchange)	= S$2.950
Aggregate principal amount of Bonds outstanding as at 7 September 2005	= S$43,250,000
Redemption Date	= 26 October 2005

Pursuant to Condition 5.1(b) of the Terms and Conditions, the Bonds will be redeemed at principal plus interest accrued at $^{5}/_{8}$ per cent. up to but excluding the Redemption Date.

Where:

Denomination of each Bond	= S$250,000
Accrued Interest per Bond from 3 May 2005 and up to but excluding Redemption Date	= 176/365 x 0.625% x S$250,000 = S$753.42
Redemption Price per Bond (Principal + Accrued Interest)	= S$250,000 + S$753.42 = S$250,753.42

The redemption in whole will therefore be effected on 26 October 2005 (the "Redemption Date") with a Redemption Price of S$250,753.42 per Bond.

Payment will be made by transfer to the registered account of the bondholder or by Singapore dollar cheque drawn on a bank in Singapore mailed to the registered address of the bondholder, if the bondholder does not have a registered account. Where payment is to be made by transfer to a registered account, payment instructions (for value on the same date as the Redemption Date (the "**Actual Payment Date**")) will be initiated on the Actual Payment Date. Where payment is to be made by cheque, the cheque will be mailed on the Actual Payment Date.

Bondholders shall not be entitled to any interest or other payment for any delay in receiving the Redemption Payment.

By Order of the Board

Rose Kong
Company Secretary
7 September 2005