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

ANNOUNCEMENT

PROPOSED SALE AND PURCHASE OF RAFFLES CITY

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect associated company, Tincel Properties (Private) Limited ("TPPL") had on 18 March 2006 entered into a conditional put and call option agreement (the "Put and Call Option Agreement") with the trustee of CapitaCommercial Trust ("CCT"), HSBC Institutional Trust Services (Singapore) Limited ("CCT Trustee") for the sale of the entire Raffles City comprising the office tower known as "Raffles City Tower", the podium block known as the "Raffles City Shopping Centre" and the two hotel towers for a property purchase price of S$2,085 million (the "Proposed Transaction").

Concurrently with the execution of the Put and Call Option Agreement, CCT Trustee has entered into a collaboration agreement with the trustee of CapitaMall Trust ("CMT"), HSBC Institutional Trust Services (Singapore) Limited to establish a joint ownership vehicle for the purpose of completing the Proposed Transaction. Under the terms of the joint ownership, CCT and CMT will respectively hold an interest of 60% and 40% in the joint ownership vehicle.

TPPL is a 45% associated company of Raffles Holdings Limited ("RHL"). CapitaLand (through its subsidiaries) currently has a deemed interest of approximately 58.86% of the issued share capital of RHL.

CapitaLand (through its subsidiaries) currently has a deemed interest of approximately 37.40% and 33.91% of the total number of units in issue of CCT and CMT, respectively.

On completion of the Proposed Transaction, CapitaLand is expected to recognise a gain of approximately S$79 million.

Based on the unaudited consolidated financial statements of CapitaLand for the financial year ended 31 December 2005:

(i) assuming that the Proposed Transaction was effected on 1 January 2005, CapitaLand's earnings per share would have increased from 28.3 cents to 31.2 cents for the year ended 31 December 2005; and

(ii) assuming that the Proposed Transaction was effected on 31 December 2005, the financial impact on CapitaLand's net tangible assets per share is not significant.

The Proposed Transaction is subject to the conditions precedent as set out in the announcements by RHL, CCT and CMT respectively. Copies of the said announcements are attached.

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
20 March 2006