CAPITALAND LIMITED

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

ANNOUNCEMENT

REGISTRATION OF CAPITARETAIL CHINA TRUST PROSPECTUS

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1. INTRODUCTION

1.1 Further to the announcement dated 8 November 2006 by CapitaLand Limited (the "**Company**") in relation to the lodgement of the preliminary prospectus of CapitaRetail China Trust ("**CRCT**") with the Monetary Authority of Singapore ("**MAS**") by an indirect wholly-owned subsidiary of the Company, CapitaRetail China Trust Management Limited, as manager of CRCT (the "**Manager**"), the Company is pleased to announce that the final prospectus of CRCT (the "**Prospectus**") has been registered by the MAS today.

1.2 As set out in the Prospectus, Retail Crown (BVI) Limited (the "**Vendor**"), an indirect wholly-owned subsidiary of the Company, is making an offering (the "**Offering**") of 193,300,000 units in CRCT (each unit in CRCT, a "**Unit**"), comprising 40.6% of the aggregate number of 475,630,513 issued and outstanding Units ("**Aggregate Outstanding Units**"). The Offering consists of (i) (a) a placement to investors, including institutional and other investors outside Singapore (the "**International Placement**") and (b) a placement to institutional and other investors in Singapore (the "**Singapore Placement**" and together with the International Placement, the "Placement") and (ii) an offering of Units to the public in Singapore (the "**Singapore Public Offer**"), out of which 11,000,000 Units have been reserved for purchase by the directors, management, employees and business associates of the Company and its subsidiaries. The size of the Singapore Public Offer is 29,000,000 Units, subject to an increase of up to an additional 4,000,000 Units (with a corresponding decrease in the number of Units offered under the Placement).

1.3 As at the date of this Announcement, indications of interest pursuant to the Placement have been received for a total of 31,440,565,108 Units, representing approximately 196 times the 160,300,000 Units available for purchase under the Placement.

1.4 The purchase price for each Unit has been fixed at S$1.13 per Unit (the "**Offering Price**"), being the top-end of the offering price range.

1.5 CapitaLand Financial Services Limited, an indirect wholly-owned subsidiary of the Company, is the financial adviser to the Vendor and the Manager and J.P. Morgan (S.E.A.) Limited ("**JPMorgan**") is the sole financial adviser to the Offering. JPMorgan and UBS AG, acting through its business group, UBS Investment Bank ("**UBS**"), are the joint underwriters of the Singapore Public Offer and the Singapore Placement while JPMorgan, UBS and China International Capital Corporation Limited ("**CICC**", and together with JPMorgan and UBS, the "**Underwriters**") are the joint underwriters of the International Placement. DBS Bank Ltd ("**DBS**") is the coordinator for the Singapore Public Offer and the sub-underwriter.

1.6 In connection with the Offering, JPMorgan has been granted an over-allotment option (the "**Over-allotment Option**") by the Vendor to purchase from the Vendor up to an aggregate of 28,800,000 Units at the Offering Price, solely to cover the over-allotment of Units (if any) subject to any applicable laws and regulations.

1.7 As at the date of this Announcement, the Company, through the Vendor and its indirect wholly-owned subsidiary, Retail Crown Pte. Ltd. ("**RCPL**"), holds an aggregate of 66.7% of the Aggregate Outstanding Units while CapitaMall Trust ("**CMT**"), Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen ("**PGGM**") and The Great Eastern Life Assurance Company Limited ("**Great Eastern**" and each of the Vendor, RCPL, CMT, PGGM and Great Eastern, a "**Strategic Investor**") hold the remaining 33.3% of the Aggregate Outstanding Units. CMT is a real estate investment trust managed by CapitaMall Trust Management Limited, an indirect wholly-owned subsidiary of the Company, and the Company has an indirect interest of 31.1% in CMT.

1.8 At the completion of the Offering and assuming that the Over-allotment Option is exercised in full, the Company, through RCPL, will hold 95,130,513 Units comprising 20.0% of the Aggregate Outstanding Units and CMT will hold 95,100,000 Units comprising 20.0% of the Aggregate Outstanding Units.

2. BACKGROUND

2.1 CapitaLand Retail China Pte. Ltd. ("**CRCPL**"), an indirect wholly-owned subsidiary of the Company, had on 8 November 2006 entered into three share purchase agreements with HSBC Institutional Trust Services (Singapore) Limited, as trustee of CRCT (the "**Trustee**"), pursuant to which CRCPL sold the entire issued share capital of three Barbados companies, being CapitaRetail China Investments (B) Alpha Pte. Ltd., CapitaRetail China Investments (B) Pte. Ltd. and CapitaRetail China Investments (B) Gamma Pte. Ltd. (together, the "**Barbados Companies**" and the sale of the Barbados Companies by CRCPL to the Trustee, the "**Transfers**").

2.2 The Barbados Companies, through project companies established in China, directly hold interest in seven retail mall properties.

2.3 The Transfers were partly financed by loan facilities and partly financed by the proceeds raised from the subscription of Units by the Strategic Investors shortly after the constitution of CRCT.

2.4 By way of the Transfers, the Company's interest in the Barbados Companies is diluted to 66.7%.

3. VENDOR'S SALE OF THE UNITS

3.1 The Vendor's gross proceeds from the Offering, based on the sale of 222,100,000 Units at the Offering Price on the assumption that the Over-allotment Option is exercised in full, is approximately S$251.0 million.

4. FINANCIAL EFFECTS OF THE OFFERING

4.1 The financial impact of the Offering on CapitaLand's earnings per share and net tangible assets per share for the financial year ending 31 December 2006 is not expected to be significant.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER OF THE COMPANY

Mr Hsuan Owyang is the Deputy Chairman and Independent Director of the Company and the Chairman and Independent Director of the Manager. As at 23 November 2006 (the "**Latest Practicable Date**"), Mr Owyang has a direct interest in 120,000 shares in the Company.

Mr Liew Mun Leong is the President and Chief Executive Officer of the CapitaLand Group and the Deputy Chairman and Non-Executive Director of the Manager. As at the Latest Practicable Date, Mr Liew has a deemed interest in 1,458,000 shares in the Company.

Temasek Holdings (Private) Limited ("**Temasek**") is the controlling shareholder of the Company. As at the Latest Practicable Date, Temasek has an aggregate direct and deemed interest in 1,199,110,427 shares in the Company.

Save as disclosed above, none of the directors or the controlling shareholder of the Company have any interest, direct or indirect, in the abovementioned transactions.

By Order of the Board

Low Sai Choy
Company Secretary
29 November 2006

IMPORTANT NOTICE

This Announcement is made in reliance on Section 300(4)(a) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). The information in this Announcement is qualified in its entirety by, and is subject to, the information set out in the Prospectus registered by the MAS today. Copies of the Prospectus relating to the Offering may be obtained during business hours, subject to availability, from JPMorgan, UBS and DBS and, where applicable, from members of the Association of Banks in Singapore and merchant banks in Singapore. Anyone wishing to purchase the Units should read the Prospectus before deciding whether to purchase the Units and will need to make an

application in the manner set out in the Prospectus. Any decision to purchase the Units should be made solely on the basis of information contained in the Prospectus and no reliance should be placed on any information other than that contained in the Prospectus.

The MAS assumes no responsibility for the contents of the Prospectus. The registration by the MAS of the Prospectus does not imply that the SFA or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of CRCT. The distribution of the Prospectus and the offering, subscription, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. The Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations or, deposits in, or guaranteed by, the Company, the Vendor, the Manager, the Trustee, the Underwriters, DBS or any of their respective affiliates. An investment in the Units will be subject to investment risks, including without limitation, risks relating to the initial property portfolio of CRCT, risks relating to CRCT's operations and risks relating to investing in real estates, and including the possible loss of the principal amount invested. Investors will have no right to request that the Manager redeem or purchase the Units while the Units are listed. It is intended that holders of the Units may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement should not be distributed to persons with addresses in the United States of America or in any other country where such distribution may lead to a breach of any applicable law and/or regulation. The Units will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the relevant securities laws of any state or other jurisdiction of the United States. Accordingly, the Units may not (unless an exemption under the Securities Act or other relevant securities laws is available) be offered, sold, taken up, or delivered, directly or indirectly, in, into or from the United States or any other jurisdiction where this would constitute a violation of the relevant laws of, or require registration thereof in, such a jurisdiction.

This Announcement may contain forward-looking statements that involve risks and uncertainties. Any actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Company, the Vendor, the Manager, the Trustee, the Underwriters, DBS or any of their respective affiliates or any other person or that these results will be achieved or are likely to be achieved. Potential investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Company's current view of future events.

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