RAFFLES HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number 199506093G

CAPITALAND LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number 198900036N

JOINT ANNOUNCEMENT

PROPOSED VOLUNTARY DELISTING OF RAFFLES HOLDINGS LIMITED

- CapitaLand is tabling a proposal to seek the voluntary delisting of Raffles Holdings from the Singapore Exchange. If the voluntary delisting is approved by the shareholders of Raffles Holdings, CapitaLand will make an exit offer to give shareholders of Raffles Holdings a clean cash exit before the company is delisted.

- **The exit offer price shall be S$0.06 in cash for each offer share**, **which is in addition to the S$0.70 per share** which Raffles Holdings expects to pay on 17 October 2006 pursuant to the capital distribution and special dividend.

- The exit offer price of S$0.06 per offer share takes into account the tangible and intangible assets of Raffles Holdings, and represents a premium of 37% over the unaudited NTA of Raffles Holdings as at 30 September 2006, after adjusting for the capital distribution and special dividend. The exit offer price values the entire company at **S$128.1 million**.

- Shareholders of Raffles Holdings should be mindful that with the sale of the company's 45% interest in Raffles City and the return of cash to shareholders, Raffles Holdings no longer has any material assets or businesses and does not intend to invest in or acquire any new businesses. As such, the Singapore Exchange may suspend and eventually delist the company's shares even if the voluntary delisting is not approved by shareholders of Raffles Holdings at the EGM.

1. INTRODUCTION

Raffles Holdings Limited ("**RHL**" or the "**Company**") and CapitaLand Limited ("**CapitaLand**") wish to announce that CapitaLand has presented to the directors (the "**Directors**") of the Company a formal proposal (the "**Delisting Proposal**") to seek the voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pursuant to Rule 1306 of the SGX-ST Listing Manual.

Under the Delisting Proposal, CapitaLand will make a conditional cash offer to acquire all the issued ordinary shares ("**Shares**") in the capital of the Company, other than those already held, directly or indirectly, by CapitaLand (the "**Offer Shares**") (the "**Exit Offer**"). In

connection with the Exit Offer, CapitaLand will also make an appropriate proposal (the "**Options Proposal**"), in accordance with Rule 19 of the Singapore Code on Take-overs and Mergers (the "**Code**"), to all holders of options ("**Options**") granted pursuant to the Raffles Holdings Share Option Plan which are outstanding as at the date of the Exit Offer Letter (as hereinafter defined).

The Directors have reviewed the Delisting Proposal and have resolved that an extraordinary general meeting ("**EGM**") of the Company will be convened to seek the approval of shareholders of the Company ("**RHL Shareholders**") for the Delisting Proposal.

The Exit Offer and Options Proposal will only be made after the Company has made a cash distribution of **S$0.37** for each Share to RHL Shareholders (the "**Capital Distribution**") pursuant to a capital reduction exercise (the "**Capital Reduction**") and after the Company has paid a special interim tax exempt (one-tier) cash dividend of **S$0.33** for each Share for the financial year ending 31 December 2006 (the "**Special Dividend**"). The expected date of payment for both the Capital Distribution and the Special Dividend is 17 October 2006.

2. THE EXIT OFFER

The consideration payable by CapitaLand will be:-

For each Offer Share: S$0.06 in cash (the "**Exit Offer Price**").

The Exit Offer Price is in addition to the S$0.70 per Share which the Company expects to pay to RHL Shareholders on 17 October 2006 pursuant to the Capital Distribution and Special Dividend.

The Exit Offer Price was arrived at after taking into consideration, *inter alia*:-

(a) the sum of the unaudited residual net tangible assets ("**NTA**") of the Company, its subsidiaries and associated companies (the "**RHL Group**") as at 30 September 2006 after taking into account the Capital Distribution and Special Dividend; and

(b) the valuation of certain trademarks and contracts of the RHL Group as assessed by Brand Finance Consultancy (Singapore) Pte Ltd, an independent valuer appointed by RHL.

The Exit Offer Price represents a premium of 37 per cent. over the unaudited residual NTA of the RHL Group as at 30 September 2006, after adjusting for the Capital Distribution and Special Dividend.

RHL Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares. Each Shareholder who accepts the Exit Offer will receive S$60.00 for every 1,000 Offer Shares tendered for acceptance under the Exit Offer.

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and thereafter attaching thereto, including the right to

receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by the Company, on or after the date of this Announcement, **but excluding the Capital Distribution and the Special Dividend expected to be paid to RHL Shareholders on 17 October 2006**.

3. THE OPTIONS PROPOSAL

As at the date of this Announcement, the Company has in aggregate 9,260,547 outstanding Options. CapitaLand will make the Options Proposal for any outstanding Options as at the date of the Exit Offer Letter.

4. REGULATORY APPROVALS

An application was made by CapitaLand to the Securities Industry Council (the "**SIC**") to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC ruled on 15 September 2006 that:

(a) the Exit Offer is exempt from compliance with the following provisions of the Code:

  (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;

  (ii) Rule 22 on the offer timetable;

  (iii) Rule 28 on acceptances; and

  (iv) Rule 29 on the right of acceptors to withdraw their acceptances;

(b) subject to, *inter alia*, the Exit Offer remaining open for at least:

  (i) 21 days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter is despatched after RHL Shareholders' approval for the delisting has been obtained; or

  (ii) 14 days after the date of the announcement of RHL Shareholders' approval of the delisting if the Exit Offer Letter is despatched on the same date as the circular issued to RHL Shareholders in relation to the Delisting Proposal (the "**Circular**"); and

(c) the Exit Offer has to comply with the other provisions of the Code, including but not limited to the following:

  (i) Rule 15 on voluntary offers;

  (ii) Rule 21 on purchases of voting rights above the offer price;

  (iii) Rule 23 on offer documents;

  (iv) Rule 24 on the offeree circular; and

(v) Rule 25 on profit forecasts.

5. CONDITIONS OF THE DELISTING PROPOSAL

Under Rule 1306 of the SGX-ST Listing Manual, the SGX-ST may agree to an application for the Company to delist from the Official List of the SGX-ST if:

(a) the Company convenes an EGM to obtain RHL Shareholders' approval for the Delisting Proposal;

(b) the resolution to approve the Delisting Proposal is approved by a majority of at least 75 per cent. in nominal value of the Shares held by RHL Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors and CapitaLand are not required to abstain from voting on the Delisting Proposal); and

(c) the resolution to approve the Delisting Proposal is not voted against by 10 per cent. or more in nominal value of the Shares held by RHL Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

In addition, under Rule 1307 of the SGX-ST Listing Manual, if the Company is seeking to delist from the SGX-ST:

(i) a reasonable exit alternative, which should normally be in cash, should be offered to RHL Shareholders; and

(ii) the Company should appoint an independent financial adviser to advise on the Exit Offer.

The delisting of the Company from the Official List of the SGX-ST and the Exit Offer will be conditional on, *inter alia*, the approval of the Delisting Proposal by RHL Shareholders at the EGM to be convened.

RHL Shareholders should be mindful that with the sale of the Company's 45 per cent. interest in Raffles City and the return of cash to RHL Shareholders, the Company no longer has any material assets or businesses and does not intend to invest in or acquire any new businesses. As such, the SGX-ST may suspend and eventually delist the Shares even if the Delisting Proposal is not approved at the EGM.

RHL Shareholders should note that, under Rule 1306(2) of the SGX-ST Listing Manual, the Directors and CapitaLand are not required to abstain from voting on the Delisting Proposal. As at the date of this Announcement, CapitaLand (through its wholly-owned subsidiaries, CapitaLand Corporate Investments Pte Ltd ("**CCIPL**") and Areca Investment Pte Ltd ("**Areca**")) has a deemed interest in 1,249,273,450 Shares, representing approximately 58.51 per cent. of the Shares.

The Exit Offer will **not** be conditional upon a minimum number of acceptances being received.

6. RATIONALE FOR DELISTING

Since the completion of the sale (the "**Sale**") by the Company's 45 per cent. associated company, Tincel Properties (Private) Limited, of Raffles City on 1 September 2006, the Company does not have any material assets or businesses, and will be distributing substantially all its available cash to RHL Shareholders by way of the Capital Distribution and the Special Dividend on or around 17 October 2006. As the Company does not intend to invest or acquire any new business, the SGX-ST may, pursuant to Rule 1018 of the SGX-ST Listing Manual, suspend trading of the Shares after the completion of the Sale, and may delist the Shares from the Official List of the SGX-ST 12 months from the suspension date.

On 24 April 2006, the Company announced that it was exploring various options to provide RHL Shareholders a clean exit from their Shares, including but not limited to a voluntary delisting of the Shares with an exit offer in cash to be made to RHL Shareholders. In view of the potential suspension and delisting of the Shares from the Official List of the SGX-ST upon completion of the Sale, the Company applied to the SGX-ST for a waiver from compliance with Rule 1018 and Rule 1303(2) of the SGX-ST Listing Manual to allow trading of the Shares on the SGX-ST upon completion of the Sale.

On 21 June 2006, the SGX-ST granted the Company's application to allow the Shares to continue to trade from the completion of the Sale to the completion of the clean exit for RHL Shareholders, subject to, *inter alia*, the Company announcing the details of the clean exit on or before 13 October 2006.

In view of the above, CapitaLand has proposed the Delisting Proposal and the Exit Offer so that RHL Shareholders will have the opportunity to make a clean exit from the Company.

7. COMPULSORY ACQUISITION

In the event CapitaLand acquires 90 per cent. or more of the Offer Shares pursuant to the Exit Offer, CapitaLand will be entitled to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Act**") at the Exit Offer Price.

CapitaLand has confirmed in the Delisting Proposal that it intends to exercise its right of compulsory acquisition in the event that it acquires 90 per cent. or more of the Offer Shares. In such an event and upon completion of the compulsory acquisition, the Company will then become a wholly-owned subsidiary of CapitaLand.

8. INFORMATION ON CAPITALAND

CapitaLand was incorporated in Singapore on 5 January 1989. As at 29 September 2006, it has an issued share capital of S$4,300,887,168 comprising 2,776,377,521 CapitaLand shares and a market capitalisation exceeding S$14 billion.

CapitaLand, together with its subsidiaries and associated companies, is one of the largest listed real estate companies in Asia. Headquartered in Singapore, the multi-national

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.

CapitaLand's property and hospitality portfolio spans more than 80 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.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

(a) The Company

The table below sets out the interests of the Directors and the substantial shareholders in the Company:-

	Direct Interest		Deemed Interest		Number of Shares comprised in outstanding Options
	No. of Shares	%	No. of Shares	%	
Directors					
Cheng Wai Keung	573,000	0.027	-	-	216,200
Liew Mun Leong	200,205	0.009	358,900[(1)]	0.017	369,293
Jennie Chua Kheng Yeng	7,407,623	0.347	-	-	2,520,150
Giam Chin Toon	238,350	0.011	-	-	167,150
Chew Gek Khim	504,550	0.024	-	-	134,450
Tham Kui Seng	497,453	0.023	-	-	201,927
Christopher Forbes	566,700	0.027	-	-	118,100
Lui Chong Chee	182,143	0.009	-	-	234,997
Loo Chong Yong (Dr)	237,850	0.011	-	-	164,450
Aman Mehta	-	-	-	-	134,450
Tan Ngiap Joo	-	-	-	-	-
Substantial Shareholders					
CCIPL	793,824,376	37.18	-	-	-
Areca	455,449,074	21.33	-	-	-
CapitaLand	-	-	1,249,273,450[(2)]	58.51	-
Temasek Holdings (Private) Limited	-	-	1,335,988,654[(3)]	62.57	-
Oversea-Chinese Banking Corporation Limited	-	-	162,968,294[(4)]	7.63	-

Notes:

(1) Mr Liew Mun Leong is deemed to be interested in 358,900 Shares held by his spouse.

(2) CCIPL and Areca are wholly-owned subsidiaries of CapitaLand. Accordingly, CapitaLand is deemed through its interest in CCIPL and Areca to have an interest in their aggregate holdings of 1,249,273,450 Shares by virtue of Section 7 of the Act.

(3) CapitaLand is an associated company of Temasek Holdings (Private) Limited ("**Temasek**"). Accordingly, by virtue of Section 7 of the Act, Temasek is deemed to have an interest in (a) the 1,249,273,450 Shares held by the CapitaLand group of companies; and (b) the 86,715,204 Shares held by DBS Group Holdings Limited group of companies and PSA International Pte Ltd group of companies. Temasek is wholly-owned by the Minister of Finance, Incorporated.

(4) Oversea-Chinese Banking Corporation Limited is deemed to be interested in an aggregate of 162,968,294 Shares through each of Specialists' Centre Private Limited, The Great Eastern Life Assurance Company Limited ("**GEL**"), The Overseas Assurance Corporation Limited ("**OAC**"), United Overseas Bank Nominees (Pte) Ltd (for the beneficial interests of GEL) and DBS Nominees Pte Ltd (for the beneficial interest of OAC).

(5) The interests of the Directors and the substantial shareholders in the Company set out in the table above are based on information available to the Company as at 29 September 2006, save for interests of Temasek which is based on information available to the Company as at 27 September 2006.

(b) CapitaLand

As at the date of this Announcement, CapitaLand owns 1,249,273,450 Shares through its wholly-owned subsidiaries, CCIPL and Areca.

Save as disclosed below, none of the directors of CapitaLand has any interest, direct or indirect, in the Shares or convertible securities of RHL:

Name of director	**Holdings in the name of the director, spouse and/or infant children**	%	**Number of Shares comprised in outstanding Options**
Hsuan Owyang	5,000	0.0002	-
Liew Mun Leong	559,105	0.0262	369,293
Richard Edward Hale	5,000	0.0002	-
James Koh Cher Siang	4,000	0.0002	-

As at the date of this Announcement, (i) CapitaLand and its directors, and (ii) the wholly-owned subsidiaries of CapitaLand and their respective directors (each, a "**Relevant Person**") own, control or have agreed to acquire an aggregate of 1,249,846,555 Shares, representing approximately 58.54 per cent. of the issued share capital of RHL (based on the latest information available to CapitaLand as at the date of this Announcement).

Save as disclosed in this Announcement, none of CapitaLand and the Relevant Persons (i) owns, controls or has agreed to acquire any Shares as at the date of this Announcement, (ii) has dealt for value in any Shares during the three (3) month period immediately preceding the date of this Announcement, or (iii) has received any irrevocable undertaking from any party to accept or reject the Exit Offer as of the date of this Announcement.

In the interests of confidentiality, CapitaLand has not made enquiries in respect of certain other parties who may be deemed to be acting in concert with CapitaLand in connection with the Exit Offer. Further enquiries will be made of such persons and the

relevant disclosures will be made in due course and in the Circular. Subsequent to such enquiries, the Offeror will make the relevant disclosures in the event that the aggregate holdings of Shares of CapitaLand and all parties acting in concert with it differ by 0.5 per cent. or more of the total issued share capital of RHL.

10. FINANCIAL ADVISER

The Company has appointed DBS Bank Ltd ("**DBS Bank**") as its financial adviser in respect of the proposed voluntary delisting of the Company.

11. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank has confirmed that sufficient financial resources are available to CapitaLand to satisfy in full all acceptances of the Exit Offer on the basis of the Exit Offer Price.

12. INDEPENDENT FINANCIAL ADVISER

The Company has appointed CIMB-GK Securities Pte. Ltd. ("**CIMB-GK**") as the independent financial adviser to advise the directors of the Company who are considered independent for the purposes of the Delisting Proposal and the Exit Offer (the "**Independent Directors**") on the Exit Offer. The recommendation of the Independent Directors (including CIMB-GK's detailed advice) will be set out in the Circular.

13. FURTHER INFORMATION

The Circular containing, *inter alia*, further information on the Delisting Proposal and the terms and conditions of the Exit Offer, the advice of CIMB-GK to the Independent Directors, the recommendation of the Independent Directors and the notice of EGM, will be despatched to RHL Shareholders in due course. The letter to RHL Shareholders from CapitaLand setting out the terms of the Exit Offer (the "**Exit Offer Letter**"), together with the relevant forms of acceptance, will be despatched by CapitaLand to RHL Shareholders with Singapore registered addresses on the same day as the Circular.

In the meantime, RHL Shareholders are advised to exercise caution in their dealings in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests.

BY ORDER OF THE BOARD
RAFFLES HOLDINGS LIMITED

Ng Lai Leng
Company Secretary
1 October 2006

BY ORDER OF THE BOARD
CAPITALAND LIMITED

Low Sai Choy
Company Secretary
1 October 2006

The Directors (including any director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to CapitaLand) are fair and accurate and that no material facts have been omitted, and they jointly and severally accept responsibility accordingly. Where any information in this Announcement has been extracted from published or publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of CapitaLand (including any director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein in so far as they relate solely to CapitaLand are fair and accurate and that no material facts relating solely to CapitaLand have been omitted, the omission of which would make any statement in this Announcement relating solely to CapitaLand misleading in any material respect. The directors of CapitaLand jointly and severally accept responsibility accordingly. Where any information in this Announcement has been extracted from published or publicly available sources, the sole responsibility of the directors of CapitaLand has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.