CAPITALAND LIMITED

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

ANNOUNCEMENT

PROPOSED ISSUE OF CONVERTIBLE BONDS

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1. INTRODUCTION

CapitaLand Limited ("**CapitaLand**" or the "**Company**") wishes to announce that the Company proposes to issue bonds ("**Convertible Bonds**") convertible into new ordinary shares in the capital of the Company ("**New Shares**"). The Convertible Bonds are proposed to be placed with institutional investors and sophisticated investors. The Company has appointed J.P. Morgan (S.E.A.) Limited ("**JPMorgan**") as the sole bookrunner and lead manager of the issue of the Convertible Bonds (the "**Issue**").

2. DETAILS OF THE ISSUE

CapitaLand proposes to issue:

(a) approximately S$350 million principal amount of Convertible Bonds; and

(b) additional Convertible Bonds, pursuant to an exercise of an over-allotment option for up to an additional S$150 million principal amount of Convertible Bonds.

The terms of the Convertible Bonds will be confirmed upon the pricing of the Issue, following the completion of a bookbuilding exercise by JPMorgan.

3. PRICING OF THE CONVERTIBLE BONDS

Pricing of the Convertible Bonds is expected to take place before 6.00 am 6 October 2006 Singapore time. An announcement will be made by CapitaLand of the definitive terms of the Convertible Bonds following pricing.

4. STATUS OF CONVERTIBLE BONDS

The Convertible Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company, ranking *pari passu* without preference amongst themselves. The payment obligations of the Company under the Convertible Bonds will, save for certain specific exceptions and such exceptions as may be provided by applicable legislation, rank at least equally with all its other present and future unsecured and unsubordinated obligations.

5. LISTING OF CONVERTIBLE BONDS

An application will be made to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of the Convertible Bonds and the New Shares.

6. CONDITIONS

The issue of the Convertible Bonds is conditional upon, *inter alia*, the approval in-principle of the SGX-ST for the listing of the Convertible Bonds and the New Shares.

7. CLOSING DATE

The closing date for the Issue is expected to be on or about 15 November 2006.

8. USE OF THE PROCEEDS

CapitaLand expects to use the proceeds of the Issue to refinance its existing borrowings, finance new investments, and/or for working capital.

9. FINANCIAL EFFECTS OF THE ISSUE

The financial effects of the Issue will depend on the terms of the Convertible Bonds and will be disclosed in the announcement to be issued by the Company following the pricing of the Issue.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDER

None of the Directors and substantial shareholder of the Company have any interest, direct or indirect, in the Issue.

By Order of the Board

Low Sai Choy
Company Secretary
5 October 2006