CAPITALAND LIMITED

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

ANNOUNCEMENT

ELIGIBILITY TO LIST FOR FIRST PURE-PLAY CHINA RETAIL REIT IN SINGAPORE CAPITARETAIL CHINA TRUST

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1. Eligibility to List

1.1 CapitaLand Limited ("**CapitaLand**" or the "**Sponsor**") is pleased to announce that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has on 23 October 2006 issued a conditional eligibility-to-list letter ("**ETL**") for the admission of all of the units in CapitaRetail China Trust ("**CRCT**" and units in CRCT the "**Units**") to the Official List of the Main Board of the SGX-ST. The ETL is not an indication of the investment merits of CRCT and the Units being offered for investment.

1.2 CRCT is sponsored by CapitaLand and was constituted on 23 October 2006 as a private trust. CRCT is proposed to be a real estate investment trust ("**REIT**") and an application for its authorisation as a collective investment scheme has been made to the Monetary Authority of Singapore ("**MAS**") under Section 286(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). CRCT will be managed by CapitaRetail China Trust Management Limited (the "**Manager**"), an indirect wholly-owned subsidiary of the Sponsor. HSBC Institutional Trust Services (Singapore) Limited is the trustee of CRCT (the "**Trustee**").

1.3 CRCT was established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in People's Republic of China (which shall, in addition to China, include Hong Kong Special Administrative Region and Macau Special Administrative Region). The initial property portfolio of CRCT will comprise seven retail mall properties (the "**Properties**") located in various cities in China.

2. Strong Support from CapitaLand and Other Strategic Investors

2.1 The Manager and the Trustee have on 23 October 2006 entered into subscription agreements with certain strategic investors, being Retail Crown (BVI) Limited (the "**Vendor**"), Retail Crown Pte. Ltd. ("**RCPL**"), CapitaMall Trust ("**CMT**"), Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen ("**PGGM"**) and The Great Eastern Life Assurance Company Limited ("**Great Eastern**") to subscribe for such number of Units as specified in the respective subscription agreements. The Vendor and RCPL are indirect wholly-owned subsidiaries of CapitaLand while CMT is an associate of CapitaLand. PGGM and Great Eastern are also strategic investors in CapitaRetail China Development Fund (the "**Development Fund**") and CapitaRetail China Incubator Fund (the "**Incubator Fund**"), two

private trusts established by CapitaLand to invest in retail properties in China (please see paragraphs 4.1 and 4.2 of this Announcement for further information on the Development Fund and the Incubator Fund). Their role as strategic investors has been extended to CRCT as a few of the assets in CRCT's initial property portfolio were originally earmarked for the Development Fund and the Incubator Fund.

2.2 CMT has agreed to subscribe for 20% of the Units. Separately, CapitaLand has, through the Vendor and RCPL agreed to subscribe for 66.7% of the Units, of which 46.7% of the Units are intended to be offered for sale by the Vendor under the Offering (as defined herein). To demonstrate CapitaLand's commitment in CRCT, it is intended that CapitaLand will, through RCPL, retain 20% of the Units after the listing of CRCT, assuming that the over-allotment option to be granted by the Vendor in connection with the Offering is exercised in full. Including CapitaLand's interest in CMT, CapitaLand will have an effective interest of 26.29% in CRCT.

2.3 The Vendor proposes to make an offering of its Units (the "**Offering**"), which will consist of (i) an international placement to investors, including institutional and other investors in Singapore and overseas (the "**Placement**") and (ii) an offering to the public in Singapore (the "**Singapore Public Offer**"), subject to receipt of all the relevant regulatory clearances and approvals. A portion of the Singapore Public Offer will be reserved for purchase by the directors, management, employees and business associates of the Sponsor and its subsidiaries.

2.4 CapitaLand Financial Limited is the financial adviser to 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, the Placement in Singapore and the Placement outside of Singapore while China International Capital Corporation Limited ("**CCIC**"), will jointly underwrite only the Palcement outside of Singapore together with JPMorgan and UBS (JPMorgan, UBS and CICC, collectively, the "**Underwriters**"). DBS Bank Ltd. ("**DBS**") is the co-ordinator and sub-underwriter in respect of the Singapore Public Offer.

2.5 CapitaLand views the retail industry in China as a strategic growth area and intends to participate in the growing retail market in China through CRCT. In addition, CapitaLand has established significant acquisition pipelines in China which are expected to enhance the acquisition growth potential of CRCT.

2.6 It is the intention of the Manager to drawdown on certain loan facilities to partially finance CRCT's investment in the Properties. The Manager also intends to maintain an initial gearing of approximately 31.5% upon the listing of CRCT.

2.7 A preliminary prospectus of CRCT in connection with the proposed Offering, containing details on CRCT including, the Properties, the risk factors and distribution policy will be lodged with the MAS in due course. **The proposed Offering is subject to, among other things, receipt of all relevant regulatory clearances and approvals. Accordingly, shareholders and other investors should note that the proposed Offering is dependent on a number of factors and subject to a number of conditions, which may or may not be satisfied. The Sponsor has not made a final decision on whether or not to proceed, and if so, when to proceed with the proposed Offering. As such, there can be no assurance that the proposed Offering will proceed.**

3. CRCT's Initial Property Portfolio

3.1 CRCT is expected to be the first pure-play China retail REIT in Singapore, with its initial property portfolio comprising Wangjing Mall, Jiulong Mall, Anzhen Mall, Qibao Mall, Zhengzhou Mall, Jinyu Mall and Xinwu Mall located in various cities in China.

3.2 It is intended that CRCT will invest in each of these Properties through its ownership of special purpose companies which will in turn own the project companies incorporated in China which directly hold the Properties.

3.3 Summary of Key Information of the Properties

The aggregate appraised value of the Properties as at 30 September 2006 was approximately RMB3.5 billion (approximately S$690 million[(1)]) based on a valuation of the Properties undertaken by CB Richard Ellis (Pte) Ltd ("**CBRE**"), the independent valuer appointed by the Manager. The aggregate appraised values of the Properties as at the same date carried out by Knight Frank Petty ("**Knight Frank**"), the independent valuer appointed by the Trustee was approximately RMB3.8 billion (approximately S$758 million [(1)]).

The table below sets out some key information on the Properties:

Property	Location	Proposed investment by CRCT	Gross rentable area[(2)]	Value as determined by CBRE[(3)]	Value as determined by Knight Frank[(3)]
			(sq m)	**(RMB'000)**	**(RMB'000)**
Wangjing Mall	Chaoyang district, Beijing	100% Ownership	67,500	1,102,000	1,175,000
Jiulong Mall	Chaoyang district, Beijing	100% Ownership	49,526	414,000	457,000
Anzhen Mall	Chaoyang district, Beijing	100% Ownership	43,442	772,000	838,000
Qibao Mall	Min Hang district, Shanghai	Master lease over whole Property	72,729	264,000	297,000
Zhengzhou Mall	Er Qi district, Zhengzhou, Henan	100% Ownership	92,356	454,000	540,000
Jinyu Mall	Saihan district, Huhehaote, Inner Mongolia	100% Ownership	41,938	315,000	316,000
Xinwu Mall	Xinwu district, Wuhu, Anhui Province	51% Ownership	45,375	130,000[(4)]	169,000[(4)]
Total	**-**	**-**	**412,866**	**3,451,000**	**3,792,000**

Notes:

(1) Based on an exchange rate of S$1 = RMB5.
(2) As at 31 August 2006.
(3) As at 30 September 2006.
(4) Assuming CRCT's ownership of 100% in Xinwu Mall.

4. Acquisition Growth

The significant acquisition pipelines established by CapitaLand and the various rights of first refusal to be granted to CRCT as set out below are expected to enhance CRCT's growth potential.

4.1 CapitaRetail China Development Fund (the "Development Fund")

4.1.1 The Development Fund, a private trust established by CapitaLand to invest primarily in greenfield retail mall developments in China, and which has raised committed capital of US$600 million (approximately S$960 million), will grant a right of first refusal to CRCT over properties which it proposes to sell.

4.1.2 Pursuant to its joint venture with Shenzhen International Trust & Investment Co., Ltd ("**SZITIC**"), CapitaLand has secured for investment by the Development Fund, a portfolio of 19 retail mall developments across China, comprising over 900,000 sq m of aggregate gross floor area and an aggregate value of approximately US$900 million (approximately S$1,440 million) with SZITIC and its subsidiaries and associates (the "**SZITIC Group**").

4.1.3 CapitaLand also has the right to invest in an additional 14 retail mall developments in China (to be anchored by Wal-Mart hypermarket) and covering approximately 600,000 sq m of gross floor area, and up to 70% of future Wal-Mart projects located in China to be developed by the SZITIC Group by the end of 2010.

4.1.4 The Development Fund may also invest in a potential pipeline of retail mall developments pursuant to CapitaLand's strategic alliance with Beijing Hualian Group Investment Holding Co., Ltd and its subsidiaries and associates (the "**Beijing Hualian Group**").

4.1.5 The Development Fund may also invest in properties with or from sources other than the SZITIC Group and the Beijing Hualian Group.

4.2 CapitaRetail China Incubator Fund (the "Incubator Fund")

4.2.1 The Incubator Fund, another private trust established by CapitaLand to warehouse completed retail malls in China for repositioning, asset enhancement or leasing to increase occupancy rates, and which has raised committed capital of US$425 million (approximately S$680 million), will grant a right of first refusal to CRCT over properties which it proposes to sell.

4.2.2 The Incubator Fund may invest in a potential pipeline of retail malls to be anchored by the Beijing Hualian Group, including the prime Xihuan Plaza Retail Mall in Xizhimen, Beijing which was acquired by the Sponsor at approximately US$164 million (approximately S$262 million).

4.2.3 The Incubator Fund may also invest in properties with or from sources other than the Beijing Hualian Group.

4.3 CapitaLand Retail Limited ("CRTL")

CapitaLand, through its retail property arm and wholly-owned subsidiary, CRTL, will grant first to CRCT, and then to the Incubator Fund, a right of first refusal over future completed retail properties located in China which are identified and targeted for acquisition by CRTL or its subsidiaries.

By Order of the Board

Low Sai Choy
Company Secretary
23 October 2006

IMPORTANT NOTICE

This Announcement is made in reliance on Section 300(4)(a) of the SFA and does not constitute an offer, invitation to purchase or subscribe for or solicitation of the Units in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever. The information in this Announcement is qualified in its entirety by, and is subject to, the more detailed information to be set out in the final prospectus (the "Final Prospectus") to be registered by the MAS. The information presented in this Announcement is subject to change. After registration of the Final Prospectus by the MAS, copies of the Final Prospectus relating to the proposed Offering may be obtained, subject to availability, from JP Morgan, UBS and DBS and, where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. Anyone wishing to purchase the Units should read the Final Prospectus before deciding whether to purchase the Units and will need to make an application in the manner set out in the Final Prospectus. Any decision to purchase the Units should be made solely on the basis of information contained in the Final Prospectus and no reliance should be placed on any information other than that contained in the Final Prospectus.

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, CapitaLand, 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 Properties, 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 Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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