CAPITALAND LIMITED

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

ANNOUNCEMENT

INTEREST IN CAPITACOMMERCIAL TRUST AND CAPITAMALL TRUST

Interest in CapitaCommercial Trust

CapitaLand Limited ("CapitaLand") wishes to announce that it has through its indirect wholly-owned subsidiaries, SBR Private Limited ("SBR") and E-Pavilion Pte. Ltd. ("E-Pavilion"), subscribed for an aggregate of 77,522,945 new units in CapitaCommercial Trust ("CCT" and the new units in CCT, the "New CCT Units") and amounting to an aggregate consideration of S$129.7 million. Out of these New CCT Units, 16,782,660 New CCT Units and 16,740,285 New CCT Units are subscribed by SBR and E-Pavilion respectively through the acceptance of their provisional allocation of New CCT Units at an issue price of S$1.665 per New CCT Unit under the preferential offering tranche of an equity fund raising exercise (the "CCT Equity Fund Raising") carried out by CCT for the purpose of part financing the acquisition of an interest of 60.0% in Raffles City.

The remaining 44,000,000 New CCT Units are subscribed by SBR at an issue price of S$1.68 per New CCT Unit under the private placement tranche of the CCT Equity Fund Raising (the "Private Placement") pursuant to an undertaking (the "CCID Undertaking") given by CapitaLand Commercial and Integrated Development Limited ("CCID"), a wholly-owned subsidiary of CapitaLand, in connection with the CCT Equity Fund Raising.

Pursuant to the terms of the CCID Undertaking, CCID is obliged to subscribe, and/or procure its subsidiaries to subscribe, for between 179,014,412 and 186,797,695 New CCT Units. Depending on the demand level for New CCT Units by other investors under the CCT Equity Fund Raising, the unitholdings of CapitaLand and its subsidiaries in CCT may, in percentage terms, be increased or diluted.

Due to strong demand for New CCT Units under the CCT Equity Fund Raising, CCID has subscribed for only an aggregate of 77,522,945 New CCT Units under the CCT Equity Fund Raising through its indirect wholly-owned subsidiaries, SBR and E-Pavilion so as to satisfy excess demand, help increase the free float of the units of CCT (the "CCT Units") and thereby improve the trading liquidity of CCT Units.

As a result, CapitaLand's interest in the CCT Units will be reduced from approximately 37.4% of the total issued and outstanding CCT Units (comprising 896,270,700 CCT Units) immediately prior to the CCT Equity Fund Raising to 30.0% of the total issued and outstanding CCT Units (comprising 1,375,239,677 CCT Units) immediately after the completion of the CCT Equity Fund Raising.

Interest in CapitaMall Trust

CapitaLand also wishes to announce that it has, through its indirect wholly-owned subsidiary, Pyramex Investments Pte Ltd ("Pyramex"), subscribed for an aggregate of 16,038,000 new units in CapitaMall Trust ("CMT" and the new units in CMT, the "New CMT Units") at an issue price of S$2.30 per New CMT Unit (the "CMT Issue Price") and amounting to an aggregate consideration of S$36.9 million.

The subscription is made pursuant to an undertaking (the "CRTL Undertaking") given by CapitaLand Retail Limited ("CRTL"), a wholly-owned subsidiary of CapitaLand, in connection with an equity fund raising exercise (the "CMT Equity Fund Raising") carried out by CMT for the purpose of part financing the acquisition of an interest of 40.0% in Raffles City. Pursuant to the terms of the CRTL Undertaking, CRTL is obliged to subscribe, and/or procure its subsidiaries to subscribe, for 59,278,994 New CMT Units less the number of New CMT Units which are subscribed by retail investors under "Automated Teller Machine" offering tranche of the CMT Equity Fund Raising (the "ATM Offering").

Due to strong interest from retail investors, the size of the ATM Offering was increased from the initial 8,696,000 New CMT Units to the maximum of 13,044,000 New CMT Units, out of which valid applications for 12,980,000 New CMT Units were received. CRTL was therefore obliged under the CRTL Undertaking to subscribe, and/or procure its subsidiaries to subscribe, for 46,298,994 New CMT Units at the CMT Issue Price.

Due to strong demand for New CMT Units under the private placement tranche of the CMT Equity Fund Raising (the "CMT Private Placement"), CRTL has subscribed for only 16,038,000 New CMT Units under the CMT Private Placement through its wholly-owned subsidiary, Pyramex so as to satisfy excess demand under the CMT Private Placement. CRTL believes that this will help to increase the free float of units in CMT (the "CMT Units") and thereby improve the trading liquidity of the CMT Units.

As a result, CapitaLand's interest in the CMT Units will be reduced from approximately 34.0% of the total issued and outstanding CMT Units (comprising 1,382,460,305 CMT Units) immediately prior to the CMT Equity Fund Raising to 31.2% of the total issued and outstanding CMT Units (comprising 1,556,808,305 CMT Units) immediately after the completion of the CMT Equity Fund Raising.

Financial Impact

On completion of the CCT Equity Fund Raising and the CMT Equity Fund Raising on 1 September 2006, CapitaLand will recognise an aggregate dilution gain of approximately S$19.9 million.

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

(i) assuming that the CCT Equity Fund Raising and the CMT Equity Fund Raising were completed on 1 January 2005, the financial impact on CapitaLand's earnings per share is not significant; and

(ii) assuming that the CCT Equity Fund Raising and the CMT Equity Fund Raising were completed on 31 December 2005, the financial impact on CapitaLand's net tangible assets per share is not significant.

Interest of Directors and Controlling Shareholder

Temasek Holdings (Private) Limited ("Temasek") is the controlling shareholder of CapitaLand which is a controlling unitholder of both CCT and CMT. Temasek holds an aggregate direct and indirect interest in 358,949,055 CCT Units and 511,857,327 CMT Units.

Certain directors of CapitaLand collectively hold an aggregate direct and indirect interest in 492,000 CCT Units and 847,900 CMT Units. Certain directors of CapitaCommercial Trust Management Limited ("CCTML"), the manager of CCT (the "CCT Manager") (including those of the aforesaid directors of CapitaLand who are also directors of the CCT Manager) collectively hold an aggregate direct and indirect interest in 330,000 CCT Units. Certain directors of CapitaMall Trust Management Limited ("CMTML"), the manager of CMT (the "CMT Manager") (including those of the aforesaid directors of CapitaLand who are also directors of the CMT Manager) collectively hold an aggregate direct and indirect interest in 1,344,000 CMT Units.

Mr Richard Edward Hale and Mr Liew Mun Leong are directors of both CapitaLand and CCTML.

Mr Hsuan Owyang and Mr Liew Mun Leong are directors of both CapitaLand and CMTML.

Save as disclosed above, none of the directors or controlling shareholder of CapitaLand has any interest, direct or indirect, in the aforesaid transactions.

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
1 September 2006