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Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	CAPITALAND LIMITED
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Announcement is submitted with respect to *	CAPITALAND LIMITED
Announcement is submitted by *	Low Sai Choy
Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

Announcement Title * Sale and Purchase of Wilkie Edge

Description

CapitaLand Limited ("CapitaLand") refers to the attached announcement issued by its wholly-owned subsidiary, CapitaCommercial Trust Management Limited ("CCTML"), the manager of CapitaCommercial Trust ("CCT") in relation to its acquisition of Wilkie Edge from CapitaLand Selegie Private Limited, a wholly-owned subsidiary of CapitaLand (the "Transaction").

CapitaLand wishes to announce that the Transaction is not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2007.

As at 16 July 2007 (the "Latest Practicable Date"), certain directors of CapitaLand collectively hold an aggregate direct interest in 360,000 units in CCT.

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

As at the Latest Practicable Date, CapitaLand has an indirect interest in 421,059,071 units in CCT ("CapitaLand Interest"), representing approximately 30.4% of the existing units in CCT. Temasek Holdings (Private) Limited ("Temasek"), the controlling shareholder of CapitaLand has an indirect interest in 430,946,893 units in CCT (inclusive CapitaLand Interest in which Temasek is deemed to have an interest).

Save as disclosed above, none of the directors or the controlling shareholder of CapitaLand have any interest, direct or indirect, in the Transaction.

Attachments:

CCTAnnc.WilkieEdge.20Jul07.pdf

Total size = **107K**
(2048K size limit recommended)

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(Constituted in the Republic of Singapore pursuant to
a trust deed dated 6 February 2004 (as amended))

PROPOSED ACQUISITION OF WILKIE EDGE

1. INTRODUCTION

1.1 Agreement to Purchase Wilkie Edge

The manager of CapitaCommercial Trust ("**CCT**"), CapitaCommercial Trust Management Limited (the "**Manager**"), wishes to announce that CCT's trustee, HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**"), has today entered into a conditional sale and purchase agreement (the "**Purchase Agreement**") with CapitaLand Selegie Private Limited ("**CSPL**") in respect of the proposed acquisition by CCT (the "**Acquisition**") of the property currently known as "Wilkie Edge" at 8 Wilkie Road, Singapore 228095 (being the whole of Lot 230C of Town Subdivision 19 together with the mixed development (the "**Development**") being erected thereon) (the "**Property**").

1.2 Information on the Property

Wilkie Edge is a 12-storey mixed development located along Selegie Road and near the junction of Wilkie Road and Sophia Road and comprises:

(a) retail offering on levels 1 and 2 with approximately 3,496[1] square metre of net lettable area ("**NLA**");

(b) office from levels 3 to 8 with approximately 9,588 square metre of NLA;

(c) serviced apartments with 154 apartment units from levels 6 to 12; and

(d) approximately 215 car park lots at basements 1 and 2.

The Property is within a 10-minute walk to the Dhoby Ghaut Mass Rapid Transit Station and within walking distance to Prinsep Street, a prime food and beverage and entertainment zone with a variety of restaurants, cafes and pubs, and Selegie / Bras Basah / Bugis area, which is transforming into an Arts, Culture, Learning and Entertainment Hub.

Construction of Wilkie Edge is in progress and is expected to be completed in the 4th quarter of 2008.

[1] Inclusive of approximately 155 square metre of outdoor recreational area

1.3 Disclosure Requirements Under the Listing Manual and the Property Funds Guidelines

At the date of this announcement, CapitaLand Limited ("**CapitaLand**") holds an aggregate indirect interest in 421,059,071 units in CCT ("**Units**"), comprising approximately 30.4% of the total number of Units in issue, and is therefore regarded as a "controlling unitholder" of CCT under both the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Property Funds Guidelines (the "**Property Funds Guidelines**") in the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore.

As CapitaLand has an indirect interest of 100% in CSPL, CSPL is therefore a subsidiary of a controlling unitholder of CCT. For the purpose of Chapter 9 of the Listing Manual, CSPL (being a subsidiary of a controlling unitholder of CCT) is an "interested person" of CCT. For the purposes of the guidelines relating to interested party transactions under the Property Funds Guidelines, CSPL (being a subsidiary of a controlling unitholder of CCT) is an "interested party" of CCT.

The Manager is making this announcement because the Acquisition would constitute an interested person transaction under Chapter 9 of the Listing Manual as well as an interested party transaction under the Property Funds Guidelines. In addition, the Acquisition qualifies as a discloseable transaction under Chapter 10 of the Listing Manual.

2. PRINCIPAL TERMS OF THE PURCHASE AGREEMENT

2.1 Purchase Consideration

The purchase consideration of S$262,000,000 (subject to adjustments) for the Property (the "**Purchase Consideration**") was arrived at on a willing-buyer and willing-seller basis.

The Manager has commissioned an independent property valuer, CB Richard Ellis (Pte) Ltd ("**CBRE**") and the Trustee has commissioned an independent property valuer, Jones Lang Lasalle Property Consultants Pte Ltd ("**JLL**") to value the Property. CBRE in its certificate dated 12 July 2007 stated that the open market value of the Property is S$262,000,000. JLL in its certificate dated 17 July 2007 stated that the open market value of the Property is S$260,500,000.

2.2 Acquisition subject to Option for Agreement for Lease

2.2.1 The Acquisition is on the express condition that CSPL shall have the option (the "**Option**") to require the Trustee to enter into an agreement for lease (the "**Agreement for Lease**") to facilitate the grant of a lease (the "**Lease**") of the serviced apartments component of the Development (the "**Serviced Apartments Component**") in favour of a party nominated by CSPL (the "**Nominee**").

2.2.2 The Agreement for Lease is for a leasehold term commencing on the earlier of (i) the date falling 14 days after the notice to take possession of the

Property has been issued by Trustee to the Nominee and (ii) the date on which the Nominee takes possession of the Serviced Apartments Component, and ending on 19 February 2105.

2.2.3 The Option must be exercised by CSPL by no later than the date falling 3 months after the date of the Purchase Agreement by giving written notice (the "**Vendor's Nomination Notice**") to the Trustee and specifying the name of the Nominee. The Vendor's Nomination Notice may only be served by CSPL after the URA Approval (defined below) has been satisfied, or waived by the Trustee.

2.2.4 Upon exercise of the Option as aforesaid by CSPL, the Trustee must execute and deliver to CSPL the Agreement for Lease.

2.2.5 In the event that the Option is exercised and the Trustee executes the Agreement for Lease, the Purchase Consideration will be reduced by an amount equivalent to S$79,300,000 (the "**Lease Consideration**"), to S$182,700,000.

2.3 Payment of Purchase Consideration

An amount of S$2,620,000 (amounting to 1% of the Purchase Consideration) (the "**Initial Payment**") has been paid on the date of signing of the Purchase Agreement. A further 20% of the Purchase Consideration (less the Initial Payment) is payable within 14 days after all conditions precedent have been satisfied or waived. The balance 80% of the Purchase Consideration is payable in accordance with an agreed payment schedule which corresponds with completion of the various stages of construction of the Development.

2.4 Legal Completion

Completion of the sale and purchase of the Property ("**Completion**") will take place upon issue by CSPL to the Trustee of a notice to complete, which notice will be delivered within 14 days after the date of delivery of vacant possession of the Property (and after the Temporary Occupation Permit in respect of the Development has been obtained). 2% of the Purchase Consideration will be payable on the date of Completion, with the remaining 8% of the Purchase Consideration to be held by the Trustee's solicitors as stakeholders pending the issue of the certificate of statutory completion for the Development.

2.5 Conditions Precedent

Under the Purchase Agreement, Completion is subject to and conditional upon the following:

2.5.1 the obtaining of approval by the unitholders of CCT ("**Unitholders**") at an extraordinary general meeting for the Acquisition as required under the Listing Manual and under the Property Funds Guidelines by 30 November 2007 (or such other date as CSPL and the Trustee may agree in writing) (the "**Long Stop Date**");

2.5.2 the obtaining of approval from the President of the Republic of Singapore (as head lessor of the Property) (the "**Head Lessor**") for (i) the mortgage and/or charge of the Property by the Trustee, and (ii) the entry by the Trustee of leases and/or licences in respect of the office and retail component of the Development or any part(s) thereof by the Long Stop Date;

2.5.3 the obtaining of approval from the Urban Redevelopment Authority to the amended plans of the Development (the "**URA Approval**") by 1 October 2007 (or such other date as CSPL and the Trustee may agree in writing); and

2.5.4 the obtaining of approval from the Head Lessor to the sale of the Property to the Trustee by the Long Stop Date.

3. RATIONALE FOR THE ACQUISITION

The Manager's principal investment strategy for CCT is to invest in quality income-producing commercial assets which will provide yield accretion and value creation opportunities to deliver stable distributions and sustainable total returns to the Unitholders. The Manager is of the view that the Acquisition fits the above investment strategy.

With the Property located in Rochor Planning Area, at the fringe of the Downtown Core and within the Arts, Culture, Learning and Entertainment hub of the Selegie/Bras Basah/Bugis area, the Manager believes that this Property, when completed in the 4th quarter 2008, will enjoy healthy occupancy rates and rental rates due to the tight office supply. The Manager believes that the Acquisition is expected to benefit Unitholders by improving income diversification and reducing the reliance of CCT's income stream on any single asset as well as allowing CCT to diversify its portfolio of assets in a different planning area.

The Acquisition is also in line with the Manager's target to grow the asset size of CCT to between S$5 billion and S$6 billion by 2009. With the inclusion of the Acquisition, the gross assets of CCT will increase from S$4.6 billion to approximately S$4.8 billion. This will further strengthen CCT's position as the largest commercial real estate investment trust by asset size in Singapore.

4. METHOD OF FINANCING

The Manager intends to finance the Acquisition, at least initially, wholly with debt. The Manager is currently reviewing various plans for the long term financing of the Acquisition.

5. FINANCIAL EFFECTS OF THE ACQUISITION

The pro forma financial effects of the Acquisition have been prepared based on the audited financial statements of CCT for the year ended 31 December 2006 and taking into account the Purchase Consideration, as well as the assumption that the Acquisition is wholly funded by borrowings.

5.1 Distribution Per Unit

Assuming that the Acquisition had been completed on 1 January 2006, there is no financial impact on the distribution per Unit after the Acquisition as the Property is under construction.

5.2 Net Asset Value

As the Manager intends to finance the Acquisition, at least initially, wholly with debt, the Acquisition will not have a significant effect on the net asset value per Unit.

6. AUDIT COMMITTEE STATEMENT

The audit committee of the Manager (which comprises a majority of independent directors of the Manager) (the "**Audit Committee**") is in the process of selecting and appointing an independent financial adviser (the "**Independent Financial Adviser**") to provide an opinion on whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of CCT and its minority Unitholders. The Audit Committee will form its own view after reviewing the opinion of the Independent Financial Adviser, which will be disclosed in the circular to Unitholders to be issued in due course together with a notice of extraordinary general meeting of Unitholders which the Trustee will convene for the purpose of obtaining the approval of Unitholders for the Acquisition.

7. OTHER INTERESTED PERSON TRANSACTIONS

As at 16 July 2007 (the latest practicable date prior to the date of this announcement) (the "**Latest Practicable Date**"), the value of all interested person transactions between CCT and CapitaLand and/or the associates of CapitaLand for the current financial year was approximately S$32.0 million. These transactions comprise all of CCT's interested person transactions during the current financial year (until 16 July 2007).

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, certain directors of CapitaLand collectively hold an aggregate direct interest in 360,000 Units and certain directors of the Manager (including those of the aforementioned directors of CapitaLand who are also directors of the Manager) collectively hold an aggregate direct interest in 75,000 Units. Mr Liew Mun Leong is the President and Chief Executive Officer of CapitaLand and is the Deputy Chairman and Non-Executive Director of the Manager.

Through E-Pavilion Pte. Ltd., SBR Private Limited and the Manager, CapitaLand has an indirect interest in 421,059,071 Units (comprising approximately 30.4% of the existing Units) as at the Latest Practicable Date.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the directors of the Manager or the Substantial Unitholders[2] has an interest, direct or indirect, in the Acquisition.

9. OTHER INFORMATION

9.1 Director's Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition, the Purchase Agreement or any other transaction contemplated in relation to the Acquisition.

9.2 Disclosure Under Rule 1010(13) of the Listing Manual

9.2.1 Chapter 10 of the Listing Manual classifies transactions by CCT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases:

(i) the net profits attributable to the assets acquired or disposed of, compared with CCT's net profits;

(ii) the aggregate value of the consideration given, compared with CCT's market capitalisation; and

(iii) the number of Units issued by CCT as consideration for the Acquisition, compared with the number of Units previously in issue.

9.2.2 As the Property is still under construction, the relative figure for the basis of comparison set out in sub-paragraph 9.2.1(i) does not apply for the Acquisition.

9.2.3 Based on the Purchase Consideration of S$262 million and CCT's market capitalisation as at the Latest Practicable Date, the relative figure for the basis of comparison set out in sub-paragraph 9.2.1(ii) is 6.5%. As the relative figure of 6.5% exceeds 5%, under Rule 1010(13) of the Listing Manual, the Acquisition falls within the classification of discloseable transaction.

9.2.4 The relative figure of the number of Units issued by CCT as consideration for an acquisition compared with the number of Units previously in issue does not apply for the Acquisition.

[2] A person with an interest in one or more Units constituting not less than 5.0% of all outstanding Units.

9.3 Documents for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 39 Robinson Road, #18-01 Robinson Point, Singapore 068911, for a period of 3 months commencing from the date of this announcement:

9.3.1 the Purchase Agreement;

9.3.2 CBRE valuation certificate on the Property dated 12 July 2007; and

9.3.3 JLL valuation certificate on the Property dated 17 July 2007.

BY ORDER OF THE BOARD
CapitaCommercial Trust Management Limited
(Company registration no. 200309059W)
As manager of CapitaCommercial Trust

Michelle Koh
Company Secretary
Singapore
20 July 2007

Important Notice

The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of CCT 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.

The past performance of CCT is not necessarily indicative of the future performance of CCT.

This announcement contains forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.