CAPITALAND LIMITED

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

ANNOUNCEMENT

CAPITALAND'S PARTICIPATION IN AUSTRALAND[1] RIGHTS ISSUE

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiaries, Ausprop Holdings Limited ("Ausprop") and Austvale Holdings Ltd ("Austvale"), have agreed to subscribe for their respective full entitlement (the "Subscriptions") of the stapled securities[2] under the non-underwritten 1 for 1 renounceable accelerated priority issue of stapled securities in Australand at an issue price of A$0.60 per new stapled security (the "ALZ Rights Issue"). Australand is primarily listed on the Australian Stock Exchange ("ASX") and secondarily listed on the Singapore Stock Exchange. It is a strategic business unit in the CapitaLand Group and its primary business activities are development of residential land, housing and apartments, development of and investment in income producing commercial and industrial properties and property management.

Currently, CapitaLand through Ausprop and Austvale has an interest of approximately 54.2% comprising a total of 502,772,610 stapled securities in Australand. The total consideration for the Subscriptions of A$302 million will be paid for wholly in cash. The last transacted price of an existing Australand stapled security on the ASX on 25 July 2008 was A$0.975.

In the event that the ALZ Rights Issue is fully taken up, CapitaLand's interest in Australand will remain unchanged at 54.2%. However, if the ALZ Rights Issue is not fully taken up by other security holders of Australand, CapitaLand's interest in Australand could increase from 54.2% to a maximum of approximately 70%. Approval has previously been granted by the Foreign Investment Review Board of Australia for CapitaLand to increase its interest in Australand to 70% through Australand's capital raisings.

The Australian Securities and Investments Commission has issued relief which will have the effect that CapitaLand's participation in the ALZ Rights Issue will not cause CapitaLand, its controlling shareholder or their related bodies corporate to breach the takeovers provisions of Australia's Corporations Act nor require them to make a takeover bid for Australand.

The impact of the Subscriptions as well as the ALZ Rights Issue on the net tangible assets and earnings per share of the CapitaLand Group would depend on the extent of the take up of the ALZ Rights Issue by the other security holders of Australand, and is therefore not ascertainable until the close of the ALZ Rights Issue. CapitaLand will make an appropriate announcement upon the close of the ALZ Rights Issue.

Save as disclosed above, none of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the Subscriptions.

By Order of the Board

Low Sai Choy
Company Secretary
28 July 2008

---

[1] Australand comprises Australand Holdings Limited (ABN 12 008 443 696) (AHL), Australand Property Limited (ABN 90105 462 137; AFS Licence No. 231130) (APL) as the responsible entity of Australand Property Trust (ARSN 106 680 424) (APT), Australand Investments Limited (ABN 12 086 673 092; AFS Licence No. 228837) (AIL) as the responsible entity of Australand Property Trust No.4 (ARSN 108 254 413) (APT4) and Australand Property Trust No.5 (ARSN 108 254 413) (APT5)

[2] Each stapled security will comprise one AHL Share, one APT Unit, one APT4 Unit and one APT5 Unit stapled together so that they must not be traded separately. New stapled securities will rank equally with the existing stapled securities.