CAPITALAND LIMITED

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

ANNOUNCEMENT

CAPITALAND'S COMMITMENT TO CAPITAMALL TRUST'S RIGHTS ISSUE

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1. Introduction

CapitaLand refers to today's announcement by **CMTML**, as manager of **CMT**, in relation to the **CMT Rights Issue** to raise gross proceeds of approximately S$1.23 billion. **CMT** is a real estate investment trust authorised by the Monetary Authority of Singapore and which **Units** are listed on the Main Board of the **SGX-ST**. **CMTML** is an indirect wholly-owned subsidiary of **CapitaLand**.

CapitaLand has, in connection with the **CMT Rights Issue**, provided the **CL Pro Rata Undertaking** to **CMTML** and the **Joint Lead Managers and Underwriters** pursuant to which, **CapitaLand** will procure that the **Subscribing Subsidiaries** subscribe for the **CL Proportionate Rights Units**.

Additionally, **CapitaLand** has today also entered into the **CL Commitment Agreement** with the **Joint Lead Managers and Underwriters** pursuant to which it has agreed, to subscribe, directly or indirectly, through the **Subscribing Subsidiaries** for up to 60.0% of the total number of **Rights Units** to the extent that they are not validly subscribed for under the **CMT Rights Issue**, less such number of **CL Proportionate Rights Units** which **CapitaLand** and its **Subscribing Subsidiaries** would have subscribed for under the **CMT Rights Issue**. The **CL Pro Rata Undertaking** and the **CL Commitment Agreement** are conditional upon, amongst others, the approval of the **CMT Rights Issue** by **Unitholders** (which is conditional upon the **Whitewash Resolution** being obtained) at the **EGM**.

The **CMT Rights Issue** at the **Rights Issue Price** of S$0.82 per **Rights Unit** is made on the **Rights Ratio** of 9 **Rights Units** for every 10 **Existing Units** held by Unitholders as at the **Rights Issue Books Closure Date**.

2. Details of CapitaLand's Commitment to the CMT Rights Issue

Based on the **Rights Issue Price**, the total consideration payable by **CapitaLand** and **the Subscribing Subsidiaries** in relation to its subscription of **Rights Units,** in accordance with the **CL Pro Rata Undertaking** and the **CL Commitment Agreement,** based on the following scenarios are as follows:

(i) for **Scenario A** where **CapitaLand** and the **Subscribing Subsidiaries** subscribe for all the **CL Proportionate Rights Units** of 29.7% of the **CMT Rights Issue** and assuming that **CapitaLand** and the **Subscribing Subsidiaries** do not subscribe for the **CL Commitment Rights Units** and do not apply for any **Excess Rights Units**, the total consideration for the subscription of **Units** is S$365.8 million; and

(ii) for **Scenario B** where **CapitaLand** and the **Subscribing Subsidiaries** subscribe for all the **CL Proportionate Rights Units** and the **CL Commitment Rights Units** totalling 60% of the **CMT Rights Issue**, and assuming that **CapitaLand** and the **Subscribing Subsidiaries** do not apply for any **Excess Rights Units**, the total consideration for the subscription of **Units** is S$739.2 million.

3. Rationale

The **CL Pro Rata Undertaking** and the **CL Commitment Agreement** are in line with **CapitaLand's** commitment of supporting **CMT** through facilitating the underwriting of the **CMT Rights Issue** by the **Joint Lead Managers and Underwriters**, thereby enhancing the chances of a successful **CMT Rights Issue**, as the **Joint Lead Managers and Underwriters** have indicated that they will only underwrite the **CMT Rights Issue** if **CapitaLand** enters into the **CL Pro Rata Undertaking** and the **CL Commitment Agreement**.

The **CMT Rights Issue** will give **CapitaLand** and the **Subscribing Subsidiaries** the opportunity of acquiring additional **Units** at a discount of approximately 43.4% to the **Closing Price** of S$1.45 per Unit, which also represents a discount of approximately 49.1% to the **30-day VWAP** of S$1.61 per **Unit** and a discount of approximately 28.7% to the **TERP** of S$1.15 per **Unit**.

4. Company Lock-up

In the event that the unitholdings of **CapitaLand** and the **Subscribing Subsidiaries** in **CMT** equal to or exceed 30.0% after the issue of the **Rights Units**, **CapitaLand** has, pursuant to the **CL Commitment Agreement**, agreed to a lock-up arrangement in respect of all the **Units** held by **CapitaLand** and/or its **Subscribing Subsidiaries** (subject to the terms and conditions therein), during the period from the date on which the **Rights Units** are listed on the SGX-ST to the date falling 180 days thereafter.

5. Commitment Fees

CapitaLand will be compensated with the **Commitment Fees** for forgoing its ability to trade, and committing to take up, its rights entitlements and for committing to take up **Rights Units** over and above the **CL Proportionate Rights Units** up to the number of **CL Commitment Rights Units,** as follows:

(a) a commission of 1.75% of the **Rights Issue Price** multiplied by the number of **CL Proportionate Rights Units**; and

(b) a commission of 2.25% of the **Rights Issue Price** multiplied by the number of the **CL Commitment Rights Units**,

together with any goods and services tax payable thereon.

6. Financial Effects

Following the completion of the **CMT Rights Issue**, the aggregated percentage unitholding in **CMT** of **CapitaLand** and the **Subscribing Subsidiaries** will be approximately 29.7% (based on **Scenario A**) and approximately 44.1% (based on **Scenario B**).

Based on the unaudited consolidated financial statements of **CapitaLand Group** for the year ended 31 December 2008:

(i) assuming that the **CMT Rights Issue** was completed on 1 January 2008:

(a) Based on Scenario A, the financial impact on **CapitaLand Group's** earnings per share would not be material; and

(b) Based on Scenario B, **CapitaLand Group's** earnings per share would have increased from 44.7 cents to 59.5 cents.

(ii) assuming that the **CMT Rights Issue** was completed on 31 December 2008, the financial impact on **CapitaLand Group's** net tangible assets per share would not be material under both scenarios.

7. Discloseable Transaction

The relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the **Listing Manual** are as follows:

(a) **Rule 1006(b)**

Based on the audited consolidated financial statements of **CMT Group** for the financial year ended 31 December 2008, the net profits before income tax, minority interests and extraordinary items attributable to the **CL Proportionate Rights Units** and the **CL Commitment Rights Units** is (i) nil (based on **Scenario A)** and (ii) approximately S$80.7 million (based on **Scenario B**) which constitutes 4.75% of **CapitaLand Group's** net profits before income tax, minority interests and extraordinary items.

(b) **Rule 1006(c)**

The **Scenario A Subscription Amount** and **Scenario B Subscription Amount** is equivalent to 5.49% and 11.09% of the market capitalisation of **CapitaLand,** respectively. **CapitaLand'**s market capitalisation is S$6.7 billion and is based on the total number of issued shares excluding treasury shares and the last transacted price of **CapitaLand's** shares transacted on 6 February 2009, being the last **Market Day** preceding the day on which the **CL Pro Rata Undertaking** and the **CL Commitment Agreement** were entered into.

Rule 1006(a) and Rule 1006(d) of the **Listing Manual** are not applicable as there is no disposal of assets and **CapitaLand** is not issuing equity securities as consideration, respectively.

8. Interests of Directors and Controlling Shareholders

As at the date of this announcement, **CapitaLand** holds, through its indirect wholly-owned subsidiaries, being Albert Complex Pte Ltd, Pyramex Investments Pte Ltd, Premier Healthcare Services International Pte Ltd and **CMTML**, an aggregate interest in 495,698,941 **Units**, comprising approximately 29.7% of the total number of **Units** in issue.

As at the date of this announcement, certain directors of **CapitaLand** collectively hold an aggregate interest (direct and deemed) in 1,179,594 **Units**. Mr Liew Mun Leong is the President and Chief Executive Officer of **CapitaLand**. He is also the Deputy Chairman of **CMTML** and the Chairman of the executive committee of **CMTML**. Mr James Koh Cher Siang, a director of **CapitaLand**, is also the Chairman of **CMTML** and the Chairman of the audit committee of **CMTML**.

Save as disclosed above, none of the directors or the controlling shareholders of **CapitaLand** has any interest, direct or indirect, in the **CL Pro Rata Undertaking** and the **CL Commitment Agreement**.

Definitions:

30 day-VWAP	The volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 30 Market Days immediately preceding 9 February 2009
CapitaLand	CapitaLand Limited
CapitaLand Group	CapitaLand and its subsidiaries
CDP	The Central Depository (Pte) Limited
CL Commitment Agreement	The commitment agreement dated 9 February 2009 entered into between the Joint Lead Managers and Underwriters and CapitaLand

CL Commitment Rights Units	60.0% of the total number of Rights Units (based on the 1,502,358,923 Rights Units which are fully underwritten by the Joint Lead Managers and Underwriters under the terms and conditions of the Underwriting Agreement) less the CL Proportionate Rights Units
Closing Price	The closing price of S$1.45 per Unit on 6 February 2009
CL Proportionate Rights Units	The entire provisional allotments of Rights Units of CapitaLand and the Relevant Subsidiaries
CL Pro Rata Undertaking	The undertaking dated 9 February 2009 provided by CapitaLand to the Manager and the Joint Lead Managers and Underwriters pursuant to which CapitaLand will procure that the Relevant Subsidiaries accept, and/or procure any one or more of the existing subsidiaries of CapitaLand and/or new subsidiaries set up by CapitaLand to hold Units to subscribe for, the Relevant Subsidiaries' respective provisional allotments of Rights Units
CMT	CapitaMall Trust
CMT Group	CMT and its subsidiaries
CMTML	CapitaMall Trust Management Limited, in its capacity as manager of CMT
CMT Rights Issue	The proposed issue of new Units on an underwritten and renounceable basis to Eligible Unitholders on the basis of 9 Rights Units for every 10 existing Units held as at the Rights Issue Books Closure Date at the Rights Issue Price
Commitment Fees	The commission payable by Joint Lead Managers and Underwriters to CapitaLand pursuant to the CL Commitment Agreement which comprise: (i) a commission of 1.75% of the Rights Issue Price multiplied by the number of CL Proportionate Rights Units; and (ii) a commission of 2.25% of the Rights Issue Price multiplied by the number of the CL Commitment Rights Units, together with any goods and services tax payable thereon
EGM	The extraordinary general meeting to be held by CMTML on 2 March 2009 at 2.30 p.m. at STI Auditorium, Level 9, 168 Robinson Road, Capital Tower, Singapore 068912

Eligible Unitholders	Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at a time and date to be determined by the directors of the Manager for the purpose of determining the Unitholders' entitlements under the CMT Rights Issue or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, including Entitled QIBs and such Unitholders who CMTML, on behalf of CMT, and the Joint Lead Managers and Underwriters agree, may be offered Rights Units without breaching applicable securities laws
Entitled QIB	Beneficial holders of Units resident in the U.S. or who are U.S. persons (the identities of which are to be agreed between the Manager and the Joint Lead Managers and Underwriters) that the Manager and the Joint Lead Managers and Underwriters reasonably believe are "QIBs" and who provide to CMTML and the Joint Lead Managers and Underwriters a signed investor representation letter in the form to be set out in the Offer Information Statement
Excess Rights Units	Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their provisional allotments of Rights Units under the CMT Rights Issue (during the "nil-paid" rights trading period prescribed by the SGX-ST) and/or (ii) all Unitholders other than Eligible Unitholders which have not been sold during the "nil-paid" rights trading period or (B) that have not been validly taken up by the original allottees, renounces of the provisional allotments or the purchasers of the "nil-paid" rights
Existing Units	The outstanding Units in issue as at the Rights Issue Books Closure Date
Joint Lead Managers and Underwriters	DBS Bank Ltd and J.P. Morgan (S.E.A.) Limited, the joint lead managers and underwriters to the CMT Rights Issue
Listing Manual	The Listing Manual of the SGX-ST
Market Day	A day on which the SGX-ST is open for trading in securities
QIB	Qualified institutional buyers within the meaning of the U.S. Securities Act of 1933, as amended
Relevant Subsidiaries	The wholly-owned subsidiaries of CapitaLand which holds either a direct or indirect interest in Units, being CapitaLand Financial Limited, CapitaLand RECM Pte. Ltd., CMTML, CapitaLand Retail Limited, Albert Complex Pte Ltd, Pyramex Investments Pte Ltd and Premier Healthcare Services International Pte Ltd
Rights Entitlements	The provisional allotments of Rights Units to Eligible Unitholders under the CMT Rights Issue

Rights Issue Books Closure Date	6 March 2009 at 5.00 p.m., being the date on which the Transfer Books and Register of Unitholders are closed to determine the provisional allotments of Eligible Unitholders
Rights Units	The new Units proposed to be issued by way of the CMT Rights Issue
Rights Ratio	The basis of the CMT Rights Issue of 9 Rights Units for every 10 Existing Units
Rights Issue Price	S$0.82 being the issue price per Rights Unit
Scenario A	The scenario where CapitaLand and the Subscribing Subsidiaries subscribe for all the CL Proportionate Rights Units and assuming that CapitaLand and the Subscribing Subsidiaries do not subscribe for the CL Commitment Rights Units and do not apply for any Excess Rights Units
Scenario A Subscription Amount	S$365.8 million, being the total consideration payable by CapitaLand where CapitaLand and the Subscribing Subsidiaries subscribe for all the CL Proportionate Rights Units and assuming that CapitaLand and the Subscribing Subsidiaries do not subscribe for the CL Commitment Rights Units and do not apply for any Excess Rights Units
Scenario B	The scenario where CapitaLand and the Subscribing Subsidiaries subscribe for all (i) the CL Proportionate Rights Units and (ii) the CL Commitment Rights Units and assuming that CapitaLand and the Subscribing Subsidiaries do not apply for any Excess Rights Units
Scenario B Subscription Amount	S$739.2 million, being the total consideration payable by CapitaLand where CapitaLand and the Subscribing Subsidiaries subscribe for all (i) the CL Proportionate Rights Units and (ii) the CL Commitment Rights Units and assuming that CapitaLand and the Subscribing Subsidiaries do not apply for any Excess Rights Units
SGX-ST	Singapore Exchange Securities Trading Limited
Subscribing Subsidiaries	The Relevant Subsidiaries and any existing subsidiaries of CapitaLand and new subsidiaries set up by CapitaLand to hold Units
TERP	The theoretical ex-rights price, is calculated as follows, assuming that 1.50 billion Rights Units are issued under the CMT Rights Issue:

$$\text{TERP} = \frac{\text{Market capitalisation of CMT based on the Closing Price} + \text{Gross proceeds from the CMT Rights Issue}}{\text{Units outstanding after the CMT Rights Issue}}$$

Trust Deed	The trust deed dated 29 October 2001 constituting CMT, as supplemented by the first supplemental deed dated 26 December 2001, the second supplemental deed dated 28 June 2002, the first amending and restating deed dated 29 April 2003, the fourth supplemental deed dated 18 August 2003, the second amending and restating deed dated 9 July 2004, the sixth supplemental deed dated 18 March 2005, the seventh supplemental deed dated 21 July 2005, the eighth supplemental deed dated 13 October 2005, the ninth supplemental deed dated 20 April 2006, the third amending and restating deed dated 25 August 2006, the eleventh supplemental deed dated 15 February 2007, the twelfth supplemental deed dated 31 July 2007 and the thirteenth supplemental deed dated 20 May 2008 all entered into between the Trustee and CMTML, as amended, varied, or supplemented from time to time
Underwriting Agreement	The management and underwriting agreement dated 9 February 2009 entered into between CMTML and the Joint Lead Managers and Underwriters
Units	Units in CMT
Unitholders	Unitholders of CMT
Whitewash Resolution	The proposed whitewash resolution for the waiver of the rights of Unitholders other than CapitaLand, parties acting in concert with it and parties which are not independent of CapitaLand to receive a mandatory offer from CapitaLand and the Subscribing Subsidiaries for the remaining Units not owned or controlled by them

By Order of the Board

Low Sai Choy
Company Secretary
9 February 2009