CAPITALAND LIMITED

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

ANNOUNCEMENT

PROPOSED ISSUE OF CONVERTIBLE BONDS

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1. INTRODUCTION

CapitaLand Limited (the "**Company**") wishes to announce that it proposes to issue bonds ("**Convertible Bonds**") convertible into new ordinary shares in the capital of the Company ("**New Shares**"). The Convertible Bonds are proposed to be placed with institutional investors and sophisticated investors. The Company has appointed Credit Suisse (Singapore) Limited ("**Credit Suisse**") as the sole bookrunner, lead manager and underwriter for the issue of the Convertible Bonds (the "**Issue**").

2. DETAILS OF THE ISSUE

The Company proposes to issue S$1.1 billion in principal amount of Convertible Bonds and may increase the size of the Issue by up to S$100 million within the next 30 days.

The terms of the Convertible Bonds will be confirmed upon the pricing of the Issue, following the completion of a bookbuilding exercise by Credit Suisse.

3. PRICING OF THE CONVERTIBLE BONDS

Pricing of the Convertible Bonds is expected to take place before 23.00 hours (Singapore time) on 30 July 2009. An announcement of the definitive terms of the Convertible Bonds will be made by the Company following pricing of the Issue.

4. STATUS OF CONVERTIBLE BONDS

The Convertible Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company, ranking *pari passu* without preference amongst themselves. The payment obligations of the Company under the Convertible Bonds will, save for certain specific exceptions and such exceptions as may be provided by applicable legislation, rank at least equally with all its other present and future unsecured and unsubordinated obligations.

5. LISTING OF CONVERTIBLE BONDS

An application will be made to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of the Convertible Bonds and the New Shares.

6. CONDITIONS

The Issue is conditional upon, *inter alia*, the approval in-principle of the SGX-ST for the listing of the Convertible Bonds and the New Shares.

7. CLOSING DATE

The closing date for the Issue is expected to be on or about 3 September 2009.

8. USE OF PROCEEDS

The Company expects to use the proceeds of the Issue primarily to refinance its existing indebtedness (including the repurchase of its outstanding medium term notes and/or convertible bonds) and the balance to finance new investments and/or for working capital.

9. FINANCIAL EFFECTS OF THE ISSUE

The financial effects of the Issue will depend on the terms of the Convertible Bonds and will be disclosed in the announcement to be issued by the Company following the pricing of the Issue.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

None of the Directors or the controlling shareholder of the Company has any interest, direct or indirect, in the Issue.

11. CONSENT FROM JOINT LEAD MANAGERS AND JOINT UNDERWRITERS OF COMPANY'S RIGHTS ISSUE

The Joint Lead Managers and Joint Underwriters for the Company's renounceable underwritten rights issue (the "**Rights Issue**") which closed on 20 March 2009 have agreed with the Company to a carve out from the 180 days lock up period set out in the management and underwriting agreement dated 9 February 2009 entered into between the Company and the Joint Lead Managers and Joint Underwriters in relation to the Rights Issue for the Company's share capital to be diluted by up to 10 per cent. provided that such dilution does not arise from an equity placement to non-existing shareholders.

By Order of the Board

Low Sai Choy
Company Secretary
30 July 2009