CapitaLand Limited
168 Robinson Road #30-01 Capital Tower Singapore 068912
Tel: 65 6823 3200 Fax: 65 6820 2202 Website: www.capitaland.com

2 April 2003

Editor
The Business Times
c/o Singapore Press Holdings
1000 Toa Payoh North Podium Level 3
Singapore 318944

Dear Sir

We refer to Lee Han Shih's article "CapitaLand directors worth their money?" dated 1 April 2003.

CapitaLand recorded operating profit of $496.1 million in 2001 and $616.5 million in 2002. Given the recessionary conditions affecting the real estate industry in the last two years, the Group had prudently taken accounting provisions that led to a reduction in its profitability. There was a net loss of $281.4 million in 2001, but the Group successfully turned around with a net profit of $290.2 million in 2002. In addition, CapitaLand has a healthy cash balance of $1.1 billion at end 2002 to ride the continued recessionary environment.

The Board members are eminent, experienced and internationally prominent leaders who have led, and most continue to lead, world class organisations. We are honoured to have them serve on our Board. Their stewardship, guidance and corporate governance oversight were contributory factors to the company's strong current financial position. As with its peer group of firms, Directors' remuneration at CapitaLand is an essential business cost that has been pegged carefully to international levels, commensurate with their individual contributions.

A significant portion of the Directors' remuneration in the last two years is in share options (about 38%), aligning their interests with those of the shareholders. Instead of receiving $444,000 for two years (including share options) as suggested by Lee Han Shih, the non-executive directors received on average $110,000 per year.

The Directors will continue to guide the company in its mission to create shareholder value. Shareholders can rest assured that like them, the Directors have a stake in building a lasting and profitable company.

Yours sincerely,

Basskaran Nair
Senior Vice President, Communications
CapitaLand Limited