SALE OF BENEFICIAL INTEREST IN 11 FLOORS OF SHINJUKU SQUARE TOWER LOCATED IN TOKYO, JAPAN

The Board of Directors of CapitaLand Limited ("CapitaLand") wishes to announce that Shinjuku Square Tower Tokutei Mokuteki Kaisha ("SSTTMK"), has today entered into a sale and purchase agreement (the "Sale Agreement") for the sale of its beneficial interest in 11 floors of Shinjuku Square Tower (the "Sale"), to Japan Prime Realty Investment Corporation, a real estate investment trust established in Japan.

SSTTMK is an indirect 50%-owned associated company incorporated in Japan of CapitaLand Commercial (Japan) Pte Ltd, which in turn is an indirect wholly-owned subsidiary of CapitaLand. NTUC Income Insurance Co-operative Limited owns the other 50% of the issued shares of SSTTMK.

Shinjuku Square Tower is a 30-storey office building in Shinjuku ward, Tokyo, Japan. The 11 floors are located on the 19th to 29th storey of the building (the "Property").

Consideration

The consideration for the Sale, arrived at on a willing-buyer and willing-seller basis, is JPY 10 billion (equivalent to SGD 155 million) and will be satisfied in cash on closing of the Sale.

The net book value of the Property as at 31 March 2004 is JPY 9.5 billion (equivalent to SGD 147 million) as derived from the most recent valuation commissioned by CapitaLand (Japan) Kabushiki Kaisha and carried out on 28 November 2003 by IKOMA/CB Richard Ellis Kabushiki Kaisha.

Closing of the Sale is conditional upon, amongst other things, all representations and warranties made by SSTTMK remaining true and correct in all material respects on the closing date targeted in July 2004.

Rationale

The Sale is consistent with CapitaLand's strategy to realise returns from its more matured investment properties, by re-deploying proceeds into investments which could generate greater returns for shareholders, and which could enable the CapitaLand group to expand the scope of its fee-based businesses.

Financial Effects

The Sale is expected to yield a gain of about S$6.5 million for the CapitaLand group. This will increase the earnings per share and net tangible assets per share by 0.3 cents and 0.1 cents respectively for the current financial year ending 31 December 2004.

Directors' and Controlling Shareholders' Interests

None of the Directors or controlling shareholders of CapitaLand has any interest, direct or indirect, in the Sale.

By Order of the Board

Tan Wah Nam
Company Secretary
29 June 2004