CAPITALAND LIMITED (REGN. NO.: 198900036N)

PROPOSED DISPOSAL OF ENTIRE EQUITY INTEREST IN THE REGISTERED CAPITAL OF SHANGHAI HUTENG REAL ESTATE CO. LTD.

CapitaLand Limited (the "Company") wishes to announce that Huteng Investment (Shanghai) Pte. Ltd. ("Huteng Investment"), an indirect wholly-owned subsidiary of the Company, has entered into a conditional equity sale and purchase agreement (the "S&P Agreement") with Hoover Realty SRL (the "Buyer") on 1 April 2005. The Buyer is an entity organised and existing under the laws of Barbados, which is affiliated with Goldman Sachs and its associated entities.

Pursuant to the S&P Agreement, the Buyer has agreed to purchase Huteng Investment's entire equity interest in the registered capital of Shanghai Huteng Real Estate Co. Ltd. ("Shanghai Huteng"), which was established in the People's Republic of China ("PRC"), and Huteng Investment will assign to the Buyer all rights and obligations of Huteng Investment under certain shareholder loans from Huteng Investment to Shanghai Huteng (the "Shareholder Loans") (collectively, the "Disposal").

Huteng Investment holds 100% of the equity interest in the registered capital of Shanghai Huteng (the "Sale Interest"). Upon the completion of the Disposal (the "Closing"), Shanghai Huteng will cease to be a subsidiary of the Company.

Shanghai Huteng owns the land use rights of the land located at 318 Fuzhou Road, Huangpu District, Shanghai, PRC and the registered building thereon, a 24-storey commercial and office building with 3 below-ground floors with a total above-ground gross floor area of approximately 41,661 square meters known as "Pidemco Tower".

Conditional Agreement

Closing is conditional upon, among other things, all consents, approvals and authorisations of the relevant governmental authorities in connection with the Disposal (the "Approvals") being obtained.

Closing is expected to take place by 30 June 2005.

Consideration

The consideration (the "Consideration") for the Disposal, which was arrived at on a willing-buyer, willing-seller basis, is approximately US$107.6 million (S$176.4 million) less the net external indebtedness of Shanghai Huteng as at Closing and subject to post-Closing adjustments. The Consideration takes into account (i) the sale and purchase of the Sale Interest for an amount of approximately US$52.3 million (S$85.7 million) and (ii) the assignment to the Buyer of the Shareholder Loans of approximately US$29.8 million (S$48.9 million).

The Consideration, which shall be satisfied in cash, will be paid in full on Closing.

Financial Effects

The estimated gain from the Disposal is about S$38.2 million, taking into account the net tangible asset value of Shanghai Huteng of approximately US$23.6 million (S$38.7 million). The gain would be realised on Closing. Based on the audited consolidated accounts of the Company for the financial year ended 31 December 2004 (being the latest available audited consolidated financial statements of the Company), assuming that the Company had effected the Disposal on 1 January 2004, CapitaLand Group's earnings per share is expected to increase by 1.3 cents and the Disposal would not have had any material impact on the net tangible assets per share of the CapitaLand Group.

Rationale for the Disposal

The Disposal is part of the Company's strategy to redeploy funds from mature and stable properties into high growth areas where the Company could significantly value add by leveraging on its China development and asset management capabilities. Through redeployment of funds and active asset management, the Company is working towards increased contributions from its China portfolio.

Interests of Directors and Controlling Shareholders

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

Document Available for Inspection

A copy of the S&P Agreement is available for inspection during normal business hours at the registered office of the Company at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912, for a period of three months from the date of this announcement.

By Order of the Board

Tan Wah Nam
Company Secretary
1 April 2005