CAPITALAND LIMITED (REGN. NO.: 198900036N)

SALE OF ALL THE EQUITY INTEREST IN THE REGISTERED CAPITAL OF SHANGHAI XIN MAO PROPERTY DEVELOPMENT CO., LTD.

The Board of Directors of CapitaLand Limited (the "Company") wishes to announce that MCH Holdings (Shanghai) Pte. Ltd. ("MCH"), an indirect wholly-owned subsidiary of the Company, has entered into a conditional master agreement (the "Master Agreement") with *inter alia*, Digitdragon Holdings Limited (the "Purchaser") on 23 January 2005. Pursuant to the Master Agreement, the Purchaser has agreed to purchase all the equity interest of MCH in the registered capital of Shanghai Xin Mao Property Development Co., Ltd ("Shanghai Xin Mao"), a Sino-foreign equity joint venture established in the People's Republic of China (the "PRC") (the "Sale").

MCH holds 95% of the equity interest in the registered capital of Shanghai Xin Mao (the "Sale Shares"). The remaining 5% equity interest in the registered capital of Shanghai Xin Mao is held by a PRC-joint venture party, Shanghai Yong Ye Enterprise (Group) Co., Ltd. Upon completion of the Sale (the "Closing"), Shanghai Xin Mao will cease to be a subsidiary of the Company.

The Purchaser is indirectly wholly-owned and controlled by Lend Lease Global Properties SICAF, a private equity real estate investment company with investments in Europe and Asia, which is managed by Macquarie Global Property Advisors.

Shanghai Xin Mao owns the land use rights of the land located at 233, Taicang Road, Luwan District, Shanghai, PRC (the "Land") and is developing a Grade A commercial building (the “Building”) on the Land. The Building comprises twenty storeys and three basement levels. Construction of the Building is scheduled to be completed by 31 December 2005.

Conditional Agreement

Closing is conditional upon, *inter alia*, the following:

(a) the receipt by the Purchaser of all relevant governmental approvals and registrations of the transfer of the Sale Shares;

(b) the completion of the construction of the Building ("Construction Completion"), on or before 31 December 2005; and

(c) the receipt of any and all other third party consents, waivers and approvals required by MCH or Shanghai Xin Mao for the Sale and to give effect to the transactions contemplated in relation thereto.

The Master Agreement may be terminated if the relevant arrangements for security in respect of the Purchaser's payment of the consideration amount for the Sale (the "Consideration") are not completed within two months after the date of execution of the Master Agreement. If the Closing does not occur by 30 September 2006 for any reason not attributable to the fault of the Purchaser, the Purchaser may terminate the Master Agreement.

Consideration

The total Consideration, which was arrived at on a willing buyer and willing seller basis, shall be approximately US$98 million (approximately S$160 million) (subject to post-Closing adjustments). The total Consideration is calculated on an enterprise value basis, and shall include the discharge by MCH, prior to the Closing, of all outstanding debts and other liabilities.

The Consideration, which shall be satisfied in cash, is to be paid as follows:

(a) an initial sum of US$34 million (approximately S$56 million), upon the relevant security arrangements in respect of payment by the Purchaser being put in place; and

(b) the balance of the Consideration, upon Closing.

The net tangible asset value of Shanghai Xin Mao as at 31 December 2004 is US$12 million (approximately S$20 million).

Financial Effects

The estimated gain from the Sale is about S$50 million which would be realised on Closing (expected to occur on satisfaction of the conditions set out in the Master Agreement but in any case, not later than 30 September 2006). The actual gain is subject to the final cost of construction of the Building and therefore could only be determined on Construction Completion.

Rationale for the Sale

The Sale is consistent with the Company’s strategy to realise capital gain in its commercial assets, and to channel the proceeds to expand on its fund management business by capitalising on existing and new opportunities in the PRC.

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 Master 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
24 January 2005