CAPITALAND LIMITED
(Company registration no. 198900036N)

ANNOUNCEMENT

**CHANGE IN SHAREHOLDING OF SUBSIDIARY,
HONG KONG WING CHING GROUP COMPANY LIMITED**

The Board of Directors of CapitaLand Limited (the "Company") wishes to announce that Hua Jian Holdings Pte Ltd ("Hua Jian") and CapitaLand China Residential Fund Ltd ("CCRF") (Hua Jian and CCRF collectively referred to as the "Vendors") have today entered into a conditional Sale and Purchase Agreement ("Agreement") with The Ascott Holdings Limited ("TAHL") pursuant to which the Vendors will divest to TAHL in two separate tranches, the entire issued ordinary share capital of Hong Kong Wing Ching Group Company Limited ("Wing Ching") ("Proposed Divestment"), comprising 10,000 fully paid up ordinary shares of HK$1.00 each ("Shares").

Hua Jian, a company incorporated in Singapore, is an indirect wholly owned subsidiary of the Company. CCRF, in which the Company has a 33.6% indirect interest, is a private fund sponsored by the Company with support from corporate investors, financial institutions and high net worth individuals. The fund invests in the mid to high-mid residential market in the key gateway cities of the People's Republic of China ("PRC"). TAHL is a wholly-owned subsidiary of The Ascott Group Limited ("Ascott"), a listed subsidiary of the Company.

I. THE PROPOSED DIVESTMENT

Wing Ching is an investment holding company incorporated in Hong Kong SAR. Wing Ching, together with Guangzhou Motor Club Drivers Training Centre ("GZMC") and Guangzhou Yue Xiu Property Development Management Company Limited ("GZYX"), have interests in Guangzhou Hai Yi Property Development Co Ltd ("Hai Yi"), a cooperative joint venture company established in the PRC, under the terms of a cooperative joint venture agreement ("CJV Agreement"). Pursuant to an amendment to the CJV Agreement, the interests of GZMC and GZYX will be extinguished, at the latest, within 3 years from the date of approval of the amendment to the CJV Agreement, which is expected to be on or about May 2007.

Hai Yi is a licensed developer in Guangzhou and has the licence to develop and construct residential apartments and related facilities (collectively "Asset 1"), a serviced apartment block and clubhouse (collectively "Asset 2") on a plot of land in Guangzhou located at 203 Tian He Dong Lu, Guangzhou City (the "Project").

Through the Proposed Divestment, TAHL will participate in the development and construction of Asset 2, a block of serviced apartments comprising 192 units of total gross floor area of approximately 19,100 square meters and a club house proposed to be developed by Hai Yi under the Project. Upon completion of the Proposed Divestment, TAHL will own and manage Asset 2, while all the other assets of Hai Yi other than Asset 2, will either be sold or transferred out of Hai Yi, with the proceeds accruing to the Vendors.

II. CONSIDERATION FOR THE PROPOSED DIVESTMENT

The total consideration for the Proposed Divestment was arrived at on a willing-buyer and willing-seller basis.

The total consideration for the Proposed Divestment is approximately RMB92 million (equivalent to S$18 million) which was calculated as the agreed proportion of the total investment injected by the Vendors in the Project.

Under the Agreement, the consideration is payable in two tranches: (i) RMB92 million (equivalent to S$18 million) for the transfer of the first tranche of Shares comprising 3,800 Shares ("Tranche A Shares"), representing 38% of the total issued and paid up capital of Wing Ching; and (ii) HK$6,200 for the transfer of the second tranche of Shares comprising the remaining 6,200 Shares ("Tranche B Shares"), representing 62% of the total issued and paid up capital of Wing Ching. The payment schedule for the Tranche A Shares is as follows:

(1)	Upon signing of the Agreement	RMB18 million (equivalent to S$3.5 million)
(2)	Upon completion of 30% of the construction of Asset 2	RMB50 million (equivalent to S$9.8 million)
(3)	On completion of the purchase of the Tranche A Shares (upon completion of 60% of the construction of Asset 2).	RMB24 million (equivalent to S$4.7 million)

Completion of the purchase of the Tranche A Shares is expected to take place on or before 31 March 2007. Completion of the Tranche B Shares will take place on or before 31 December 2012, upon satisfaction or waiver of the conditions stipulated in the Agreement.

Loan from TAHL

Under the Agreement, TAHL has also undertaken to provide loans of up to an aggregate of approximately RMB76 million (equivalent to S$15 million) to Hua Jian (the "Loan") to facilitate the loans to be procured by Hai Yi to fund the development and construction of Asset 2. The Loan will be interest-free and be repayable by Hua Jian to TAHL within one (1) year from the completion of the Proposed Divestment or such other time as the parties may agree.

III. TERMS OF THE PROPOSED DIVESTMENT

Conditions Precedent

The completion of the Proposed Divestment of the Tranche B Shares and, accordingly, the completion of the Proposed Divestment is subject to, amongst other matters:

(a) the completion of the divestment of the Tranche A Shares;

(b) the exit of GZMC and GZYX from Hai Yi;

(c) the complete disbursements of the Loan by TAHL to Hua Jian; and

(d) the completion of all actions required to be taken by the Vendors, Wing Ching or and/or Hai Yi to ensure that as at completion, save for Asset 2, there are no other assets, business, employees (other than those employed pursuant to the direction of TAHL), ongoing contracts and liabilities whatsoever in Hai Yi, save for any operating liabilities undertaken by Hai Yi at the request of TAHL in relation to Asset 2 and for certain loans extended for the development and construction of Asset 2.

IV. CHANGE IN SHAREHOLDING OF SUBSIDIARY

Following the completion of the Proposed Divestment, Wing Ching will continue to be an indirect subsidiary in which the Company will have an effective interest of 68.67% by virtue of the Company's interest in TAHL.

V. VALUE OF THE ASSETS TO BE DISPOSED OF AND THE FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

Based on the unaudited management accounts of the company for the financial year ended 31 December 2004, Wing Ching has a net asset value of approximately HK$19,191 (equivalent to S$4,000).

The Proposed Divestment will not have a material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2005.

VI. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Lim Chin Beng, a Director of the Company, is also the Chairman of Ascott. Mr Liew Mun Leong, the President and Chief Executive Officer of the Company, is also the Deputy Chairman of Ascott. Mr Richard E Hale, a Director of the Company, is also a Director of Ascott. Mr Cameron Ong, Mr Kee Teck Koon and Mr Lui Chong Chee, who are executive officers of the Company, are also respectively Ascott's Chief Executive Officer and Managing Director, Director, and Alternate Director to Mr Liew Mun Leong.

Save as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the transaction described above.

By Order of the Board

Tan Wah Nam
Company Secretary
14 January 2005