CAPITALAND LIMITED (REGN. NO.: 198900036N)

PURCHASE AND SALE OF 5% EQUITY INTEREST IN SHANGHAI XIN MAO PROPERTY DEVELOPMENT CO., LTD

CapitaLand Limited ("CapitaLand") had on 24 January 2005 announced that its indirect wholly-owned subsidiary, MCH Holdings (Shanghai) Pte. Ltd. ("MCH Holdings") and Digitdragon Holdings Limited ("Digitdragon") had executed a Master Agreement on 23 January 2005 (the "Master Agreement") relating to the sale to Digitdragon of the 95% equity interest held by MCH Holdings in the registered capital of Shanghai Xin Mao Property Development Co., Ltd ("Shanghai Xin Mao"), a Sino-foreign equity joint venture company established in China. The remaining 5% equity interest in the registered capital of Shanghai Xin Mao (the “Equity Interest”) was held by a PRC-joint venture company, Shanghai Yong Ye Enterprise (Group) Co., Ltd. ("Yong Ye").

CapitaLand wishes to announce that MCH Holdings had acquired the Equity Interest from Yong Ye. Following the acquisition, and prior to completion in accordance with the Master Agreement, Shanghai Xin Mao will become an indirect wholly-owned subsidiary of CapitaLand.

CapitaLand wishes to further announce that MCH Holdings has entered into an Addendum with Digitdragon (the "Addendum") to the Master Agreement pursuant to which MCH Holdings will transfer the Equity Interest to Digitdragon upon the receipt by Digitdragon of all relevant governmental approvals and registrations of the transfer of the Equity Interest to Digitdragon, which is expected to occur in the fourth quarter of 2005. Upon transfer of the Equity Interest to Digitdragon, MCH Holdings will continue to hold 95% of the equity interest in Shanghai Xin Mao until completion in accordance with the Master Agreement.

The sale price for the transfer of the Equity Interest by MCH Holdings to Digitdragon is US$3 million (approximately S$5 million) which is the same price which Yong Ye received for the transfer of the Equity Interest to MCH Holdings.

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

This transaction is not expected to have any material impact on the net tangible assets per share and the earnings per share of CapitaLand Group for the financial year ending 31 December 2005.

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

By Order of the Board

Rose Kong
Company Secretary
5 July 2005