



CAPITALAND LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.: 198900036N

ANNOUNCEMENT

PROPOSED SALE OF ENTIRE STAKE IN IPJORA HOLDINGS SDN BHD AND FREEHOLD COMMERCIAL LAND IN MALAYSIA

CapitaLand Limited ("CapitaLand") wishes to announce that:

- (1) its indirect wholly-owned subsidiary, Ipjora (S) Pte Ltd ("ISPL"), has entered into an agreement for the sale of its entire 60% stake in the issued and paid up share capital of Ipjora Holdings Sdn Bhd ("IHSB"), comprising 3,600,000 ordinary shares of RM1 each and 36,000 cumulative redeemable preference shares of RM1 each (the "Share Sale"), to UM Land Assets Sdn Bhd, a wholly-owned subsidiary of United Malayan Land Bhd ("UM Land"). IHSB owns a piece of freehold commercial land measuring approximately 1,566 square metres along Bukit Ceylon in Kuala Lumpur, Malaysia; and
- (2) its indirect 30% owned associated company, Wisma Matex Sdn Bhd ("WMSB"), has entered into an agreement for the sale of three pieces of freehold commercial land (the "Land") measuring approximately 6,026 square metres in total located in Bandar Johor Bahru and District of Johor Bahru, Malaysia (the "Land Sale") to Exquisite Mode Sdn Bhd, another wholly-owned subsidiary of UM Land,

(the "Share Sale" and the "Land Sale" collectively referred to as the "Sale").

CapitaLand has an indirect interest of 20.75% in UM Land, a company listed on the main board of Bursa Malaysia Securities Berhad.

The cash consideration for the Share Sale is approximately RM5.3 million (\$2.3 million) which was arrived at on a willing-buyer willing-seller basis, taking into account, amongst other factors, the net tangible asset value of IHSB, adjusted for the fair value of the underlying asset. The net tangible asset value of ISPL's 60% stake in the share capital of IHSB is approximately RM4.1 million (\$1.8 million) as at 31 May 2008.

The cash consideration for the Land Sale is RM27.0 million (S\$11.7 million) which was arrived at on a willing-buyer willing-seller basis, taking into account the fair value of the underlying assets. The net book value of the Land is RM26.0 million (S\$11.2 million) as at 31 December 2007.

A deposit of 10% of the total cash consideration for the Sale has been paid upon signing of the agreement for the Share Sale and the agreement for the Land Sale. The balance 90% of the total cash consideration for the Sale will be paid on completion of the Sale (the "Completion").

The Completion is subject to the fulfilment of, inter alia, the following conditions precedent:

- (1) Concurrent completion of the Share Sale and the Land Sale;
- (2) Approval of the Foreign Investment Committee of Malaysia;
- (3) Approval of the shareholders of WMSB at an Extraordinary General Meeting of WMSB to be held on 10 June 2008; and
- (4) WMSB obtaining letters of release from the previous consultants engaged by WMSB in connection with the Land.

Upon completion of the Share Sale, IHSB will cease to be an indirect subsidiary of CapitaLand.

The above transactions are not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2008.

Apart from CapitaLand's interest in UM Land, none of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the above transactions.

By Order of the Board

Low Sai Choy
Company Secretary
3 June 2008