CAPITALAND LIMITED

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

ANNOUNCEMENT

**DISPOSAL BY CAPITALAND RETAIL INVESTMENTS (SY) PTE. LTD.
RELATING TO 100% OF THE ISSUED SHARE CAPITAL OF
SEIYU (SINGAPORE) PRIVATE LIMITED**

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand Retail Investments (SY) Pte. Ltd. ("CRSY") has entered into a sale and purchase agreement (the "Agreement") with Hua Lian (Singapore) Pte. Ltd. (the "Purchaser"), a party unrelated to CapitaLand, to sell the entire issued share capital of Seiyu (Singapore) Private Limited ("Seiyu Singapore") comprising 21,430,000 ordinary shares of S$1 each (the "Sale Shares") to the Purchaser (the "Disposal").

Concurrent with the execution of the Agreement, CRSY has also entered into a deed of undertaking with Beijing Hualian Group Investment Holding Co., Ltd. ("BHG") under which BHG undertakes to acquire the entire issued share capital in the Purchaser upon receiving the necessary regulatory approval from the relevant authorities in the People's Republic of China ("PRC") to acquire the shares in the Purchaser. BHG is the sixth largest retail group in the PRC.

The Disposal is for an aggregate cash consideration of S$4 million, subject to post completion adjustment (the "Consideration"). The Consideration is arrived at on a willing-buyer-willing-seller basis, taking into account, amongst other factors, the net tangible asset value of the relevant assets of Seiyu Singapore. The Purchaser will pay S$3 million as part of the Consideration upon completion and the remaining S$1 million of the Consideration by 9 January 2006. The adjusted net tangible asset value of the Sale Shares based on the management accounts of Seiyu Singapore for the period ended 31 October 2005 is approximately S$4 million. The completion of the Disposal is expected to take place on 7 December 2005. Upon completion of the Disposal, Seiyu Singapore will cease to be an indirect wholly-owned subsidiary of CapitaLand.

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

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
2 December 2005