CAPITALAND LIMITED (REGN. NO.: 198900036N)

PARTICIPATION AGREEMENTS ENTERED INTO BY CAPITALAND RETAIL (BJ1) HOLDINGS PTE. LTD. AND ROCHOR INVESTMENT LTD, AS PARTICIPANTS AND OVERSEA-CHINESE BANKING CORPORATION LIMITED AND THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED, AS GRANTORS

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand Retail (BJ1) Holdings Pte. Ltd. ("CapitaLand Retail BJ1"), together with Rochor Investment Ltd (an equal joint venture between Keppel Land Limited and Asia No 1 Property Fund Limited, a private real estate fund managed jointly by Henderson Global Investors (Singapore) Limited and Alpha Investment Partners Limited) (together, the "Participants") had on 13 May 2005 entered into a participation agreement (the "Participation Agreements") with each of Oversea-Chinese Banking Corporation Limited ("OCBC") and The Great Eastern Life Assurance Company Limited (together, the "Grantors"), as grantors pursuant to which the Participants will jointly acquire all of the Grantors' rights, title and interest as lenders in a facility agreement (the "Facility Agreement") dated 11 July 1996 made between the borrower, the Grantors, as lender, and OCBC as agent for the said lenders and the credit documents entered into pursuant to the Facility Agreement including the security granted in connection therewith (the "Participation"). The facility under the Facility Agreement is secured by, *inter alia*, a share charge (the "Share Charge") over 69,576,000 ordinary shares of S$1 each in the issued share capital of Bugis City Holdings Pte Ltd ("BCH"), constituting 39% of the issued share capital of BCH.

Pursuant to the Participation Agreements, CapitaLand Retail BJ1 will acquire 50% of the Participation, and consequently, an economic interest of 19.5% in the issued share capital of BCH through the Share Charge.

BCH owns 80%, 75% and 90% of the issued and paid-up share capital of BCH Retail Investment Pte Ltd ("BCH Retail"), BCH Office Investment Pte Ltd ("BCH Office") and BCH Hotel Investment Pte Ltd ("BCH Hotel") respectively. The BCH group of companies owns Bugis Junction, a mixed development comprising retail, office and hotel components.

CapitaLand currently holds a 30% stake in the issued and paid-up share capital of BCH through its indirect wholly-owned subsidiaries Victoria City Pte Ltd and Seiyo Investment (S) Pte Ltd ("Seiyo Investment"). It also owns 20% and 25% of the issued and paid-up share capital of BCH Retail and BCH Office respectively through Seiyo Investment. With the Participation, CapitaLand's interests (including the economic interests held by CapitaLand Retail BJ1) in BCH will be 49.5%, and the interests (including the economic interests held by CapitaLand Retail BJ1) in BCH Retail, BCH Office and BCH Hotel will be increased to 59.6%, 62.1% and 44.6% respectively.

CapitaLand Retail BJ1's Participation is for a cash consideration of S$78.5 million ("Consideration"), which was arrived at on a willing buyer willing seller basis, taking into account, amongst other factors, (i) the adjusted net tangible assets value of the 19.5% interest in the issued share capital of BCH of approximately S$54.1 million; and (ii) shareholders loans amounting to S$24.4 million owing by BCH Retail, BCH Office and BCH Hotel to the Grantors.

The Participation was completed concurrently on 13 May 2005 and the Consideration was fully satisfied in cash.

Based on the audited consolidated financial statements of CapitaLand for the financial year ended 31 December 2004 (being the latest available audited consolidated financial statements of CapitaLand):

(i) assuming that CapitaLand Retail BJ1's Participation had been effected on 1 January 2004, the financial impact on CapitaLand Group's earnings per share is not significant; and

(ii) assuming that CapitaLand Retail BJ1's Participation had been effected on 31 December 2004, the financial impact on CapitaLand Group's net tangible assets per share is also not significant.

Temasek Holdings (Private) Limited is the controlling shareholder of CapitaLand and Keppel Land Limited. CapitaLand Retail BJ1 is an indirect wholly-owned subsidiary of CapitaLand, while Rochor Investment Ltd is an associated company of Keppel Land Limited. Save for the above, none of the Directors or controlling shareholders of CapitaLand has any interest, direct or indirect, in the Participation.

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
13 May 2005