CAPITALAND LIMITED (REGN. NO.: 198900036N)

ACQUISITION BY CAPITALAND RETAIL (BJ) INVESTMENTS PTE. LTD. RELATING TO 100% OF THE ISSUED SHARE CAPITAL OF SEIYO INVESTMENT (S) PTE LTD

CapitaLand Limited ("CapitaLand") wishes to announce that CapitaLand Retail (BJ) Investments Pte. Ltd. ("CapitaLand Retail BJ"), an indirect wholly-owned subsidiary of CapitaLand, had on 13 April 2005 entered into a sale and purchase agreement with Parco (Singapore) Pte Ltd ("Parco") and Seiyu Holdings Pte Ltd ("Seiyu", and together with Parco, the "Vendors") to acquire 114,358,242 ordinary shares of S$1 each in the issued share capital of Seiyo Investment (S) Pte Ltd ("Seiyo Investment"), constituting 100% of the issued share capital of Seiyo Investment (the "Sale Shares").

Seiyo Investment owns 10% of the issued and paid-up share capital of Bugis City Holdings Pte Ltd ("BCH"), which in turn 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. In addition, Seiyo Investment owns 20% and 25% of the issued and paid-up share capital of BCH Retail and BCH Office respectively. Based on its audited financial statements as at 31 December 2004, the net tangible assets value of Seiyo Investment is approximately S$114 million, which has not taken into account any revaluation surplus from its underlying assets. The BCH group of companies own Bugis Junction, a mixed development comprising retail, office and hotel components.

CapitaLand currently holds a 20% stake in the issued and paid-up share capital of BCH through its indirect wholly-owned subsidiary Victoria City Pte Ltd (“VC”). With the acquisition, CapitaLand’s stake in BCH, through both VC and Seiyo Investment, will be at 30%. This would translate to an effective stake of 44% in BCH Retail, 47.5% in BCH Office and 27% in BCH Hotel.

The sale of the Sale Shares by the Vendors to CapitaLand Retail BJ was for an aggregate cash consideration of approximately S$139 million ("Consideration"). The Consideration was arrived at on a willing buyer willing seller basis, taking into account, amongst other factors, the value of the underlying assets.

The completion of the sale and purchase of the Sale Shares will take place today and the Consideration will be fully satisfied in cash. Upon completion, Seiyo Investment will become an indirect wholly-owned subsidiary of CapitaLand.

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 the acquisition had been effected on 1 January 2004, the financial impact on CapitaLand Group’s earnings per share is not significant; and

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

None of the Directors or controlling shareholders of CapitaLand has any interest, direct or indirect, in the said acquisition.

By Order of the Board

Tan Wah Nam
Company Secretary
14 April 2005