



**For Immediate Release
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NEWS RELEASE

CapitaLand signs agreement to increase its stake in Bugis Junction

Singapore, 14 April 2005 - CapitaLand has entered into a sale and purchase agreement with Parco (Singapore) Pte Ltd (Parco) and Seiyu Holdings Pte Ltd (Seiyu) to acquire an increased stake in Bugis Junction for approximately S\$139 million. Bugis Junction, owned by the Bugis City Holdings Pte Ltd (BCH) group of companies, is a mixed development comprising retail, office and hotel components.

The transaction was made through CapitaLand Retail (BJ) Investments Pte Ltd, which entered into a sale and purchase agreement with Parco and Seiyu, to acquire their combined 100 percent share capital in Seiyu Investment (S) Pte Ltd (Seiyu Investment). Seiyu Investment currently owns 10 percent stake in Bugis City Holdings Pte Ltd (BCH), which in turn owns 80 percent, 75 percent and 90 percent stake in 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, Seiyu Investment also holds direct stakes of 20 percent in BCH Retail and 25 percent in BCH Office. BCH Retail, BCH Office and BCH Hotel own the retail, office and hotel assets respectively of the BCH group of companies.

CapitaLand currently holds a 20 percent stake in BCH through its indirect wholly-owned subsidiary Victoria City Pte Ltd (VC). With the acquisition, CapitaLand's stake in BCH, through both VC and Seiyu Investment, will be at 30 percent. This would also translate to an effective stake of 44 percent in BCH Retail, 47.5 percent in BCH Office and 27 percent in BCH Hotel.

Completed in 1995, Bugis Junction is an integrated mixed-use development strategically located above the Bugis Mass Rapid Transit station at Victoria Street. The property comprises retail, office and hotel components. With the imminent opening of the new main National Library located next door, and the emergence of education institutions such as the Singapore Management University and LaSalle-SIA in the vicinity, the property has growth potential and value. In addition, the Bugis district has been earmarked by the Government

as the city's new art and entertainment hub. As a result, the increased customer traffic and buzz created in the area is expected to benefit Bugis Junction.

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.

About CapitaLand Group

CapitaLand is one of the largest listed property companies in Asia. Headquartered in Singapore, the multinational company's core businesses in property, hospitality, property services and real estate financial services are focused in gateway cities in Asia, Australia and Europe. The company's property and hospitality portfolio spans 88 cities in 30 countries. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop fee-based products and services in Singapore and the region.

CapitaLand is currently Singapore's leading mall manager with 10 malls under management in the suburban and central areas. This includes the five malls owned by Singapore's first real estate investment trust, CapitaMall Trust (CMT), and the three owned by CapitaRetail Singapore (CRS) malls – Lot One Shoppers' Mall, Bukit Panjang Plaza and Rivervale Mall -- under a securitisation structure. The malls owned by CMT are Plaza Singapura, Tampines Mall, Junction 8, Funan The IT Mall and IMM. Overseas, CapitaLand Retail owns / manages six retail properties in Japan, China and Malaysia. CapitaLand Group recently secured a pipeline of 28 retail malls in China anchored by Wal-Mart and Beijing Hualian through co-operative agreements with Shenzhen International Trust & Investment Co., Ltd (SZITIC) and Beijing Hualian Group. By end 2005/early 2006, eight retail malls worth S\$730 million will be operational, making them ideal assets for a China retail property fund with listing potential.

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