Signing Ceremony for a Co-operative Agreement between CAPITALAND & BEIJING HUALIAN GROUP

嘉德置地有限公司与北京华联集团投资控股有限公司

4 January 2005
CO-OPERATIVE AGREEMENT

CapitaLand Retail China Pte Ltd ("CapitaLand Retail China")

Beijing Hualian Group (北京华联集团投资控股有限公司) ("BHG")

I. CapitaLand Retail China to acquire 2 retail malls which is/will be anchored by BHG:
   (a) Anzhen Shopping Mall (安贞华联商厦)
   (b) Wangjing Shopping Mall (望京华联商厦)

- Approx. Gross Floor Area: 131,400 sq m
- Total Purchase Price: RMB 1,746 mil (S$345 mil)
  - Anzhen Shopping Mall: RMB 690 mil (S$136 mil)
  - Wangjing Shopping Mall: RMB 1,056 mil (S$209 mil)

1 Wholly-owned subsidiary of CapitaLand Limited
II. CapitaLand Retail China granted first right of refusal

- To acquire 6 other retail malls (including 2 in Beijing) owned/to be owned by BHG. Approx. gross floor area 400,000 sq m.
- To acquire present/future retail malls owned/occupied by BHG and its subsidiaries

III. JV Retail Management Company

- 50: 50 JV company to manage Wangjing Shopping Mall and other retail malls to be acquired from BHG
PROFILE OF BHG

- Established in 1996
- 4th largest chain retailer in China in 2003 (RMB13.6 billion in sales)
- Main businesses: department stores, fresh-food markets and hypermarket operations
- 2 listed subsidiaries with combined market cap. of RMB2.9 billion¹
  - Beijing Hualian Department Store Co., Ltd (Shenzhen stock exchange)
  - Beijing Hualian Hypermarket Co., Ltd (Shanghai stock exchange)

¹ as at 30 Dec 2004
 PROFILE OF BHG (cont’d)

- 68 stores occupying 1 million sq m
- 35 cities in 23 provinces
PROFILE OF BHG (cont’d)

ShaPingBa, ChongQing

ZhengZhou

ChengDu

JinTai
PARTNERSHIP MODEL

- Retails malls anchored by BHG
- Retail management JV for synergy in capabilities, experience and resources

100% → Retail Mall → Retail Management Co.  
50% ↓ 50% ↓

Anchor tenant

1excludes Anzhen Shopping Mall for which BHG takes a master lease
ANZHEN SHOPPING MALL

- One of 5 largest international business areas in Beijing
- Growing hub for science and high-tech enterprises
- Proximity to Olympic Village and Asian Games Village
<table>
<thead>
<tr>
<th><strong>Location</strong></th>
<th>Chaoyang District, Beijing (junction of North San Huan Road and Anzhen Road)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population Catchment</strong></td>
<td>300,000</td>
</tr>
<tr>
<td><strong>Gross Leasable Area</strong></td>
<td>Approx. 43,400 sq m</td>
</tr>
<tr>
<td><strong>Completion Date</strong></td>
<td>1996</td>
</tr>
<tr>
<td><strong>Building</strong></td>
<td>6 floors of retail space (including 1 basement)</td>
</tr>
<tr>
<td><strong>Anchor Tenant</strong></td>
<td>BHG department store and supermarket</td>
</tr>
<tr>
<td><strong>Purchase Price</strong></td>
<td>RMB690 mil (S$136 mil)</td>
</tr>
<tr>
<td><strong>Est. Net Property Income Yield</strong></td>
<td>8%</td>
</tr>
<tr>
<td><strong>Est. Completion Date of Acquisition</strong></td>
<td>March/April 2005</td>
</tr>
</tbody>
</table>
WANGJING SHOPPING MALL

- Close proximity to Olympic Village, Asian Games Village, and Electron City West Zone
- Earmarked under Beijing Business Development Plan for future regional business centre
- Good transportation network, including magnetic train expected by around 2008
<table>
<thead>
<tr>
<th>Location</th>
<th>Chaoyang District, Beijing (junction of Guangshun Bei Avenue and Futong Xi Street)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Catchment</td>
<td>300,000</td>
</tr>
<tr>
<td>Gross Floor Area</td>
<td>Approx 88,000 sq m (NLA approx 67,000 sq m)</td>
</tr>
<tr>
<td>Est. Completion of Construction</td>
<td>Expected end-2005</td>
</tr>
<tr>
<td>Building</td>
<td>4-storey main podium + 2 basement + 11-storey block</td>
</tr>
<tr>
<td>Anchor Tenant</td>
<td>BHG department store and supermarket (approx 28,000 sq m)</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>RMB1,056 million (S$209 mil)</td>
</tr>
<tr>
<td>Net Property Income Yield</td>
<td>8% guaranteed (target to achieve 9% on completion)</td>
</tr>
</tbody>
</table>
BENEFITS OF THE TRANSACTIONS

1. Anzhen Shopping Mall and Wangjing Shopping Mall expected to generate initial property yields of at least 8% to 9% with strong growth potential.

2. Strategically located in attractive trade areas with high consumer demand for basic necessities shopping.

3. Anchored by BHG, one of the largest and most established retailers in China.

4. Sizeable acquisition pipeline and retail management opportunities of other existing and future retail malls anchored by BHG.
FINANCING AND FINANCIAL IMPACT

- Investment in Anzhen and Wangjing Shopping expected to be funded by CapitaLand’s internal cash resources
- May be refinanced with external borrowings or other sources of funds in future
- Based on CapitaLand Group’s latest audited consolidated financial statement for the year ending 31 Dec 2003:
  - Estimated acquisition cost amount to 2.05% of total assets
  - Assuming acquisitions effected on 1 Jan 2003, EPS expected to increase from 4.18 cents to 4.41 cents
  - Assuming acquisitions effected on 31 Dec 2003, net gearing would increase from 0.75 to 0.80
  - Assuming acquisitions effected on 31 Dec 2003, impact on NTA per share not significant
CapitaLand had earlier signed Co-operative Agreement with SZITIC¹ on joint investment in pipeline of retail malls anchored by Wal-Mart Supercentres

- 6 initial assets (opening by end-2005/early-2006), worth RMB1.929 billion (approx S$384 million)
- 14 other identified developments (approx. GFA 700,000sq m) to be acquired by end-2005²
- First Right of Refusal on majority of developments initiated by SZITIC after 1 Jan 2005

✓ With Anzhen Shopping Mall and Wangjing Shopping Mall, total value of operating retail assets by end-2005/early-2006 = RMB3.675 billion (approx. S$729 million)

✓ Sizeable portfolio for creation of fund vehicle

✓ In next few years, total assets from SZITIC and BHG pipelines could potentially exceed S$2 billion

¹ Shenzhen International Trust & Investment Co
² subject to definitive agreements
THANK YOU