News Release

31 October 2005
For Immediate Release

CapitaRetail Japan Fund acquires third mall in Chiba for approximately JPY21 billion (S$313 million)

Single largest investment by CapitaRetail Japan Fund

Singapore, 31 October 2005 – The CapitaRetail Japan Fund (the "CRJ Fund"), a private retail property fund sponsored by CapitaLand, has acquired 100% of the beneficiary interest in ViVit SQUARE, a prime freehold shopping mall in Chiba Prefecture, Greater Tokyo, for approximately JPY21 billion (S$313 million) from ViVit Square TMK, a company indirectly held by a private fund managed by LaSalle Investment Management. ViVit Square, with a gross floor area of over 1 million square feet, is the CRJ Fund's third mall. The acquisition will grow the asset size of the CRJ Fund to JPY34 billion (S$507 million) and will enable the Fund to further meet its mandate to investors by growing the portfolio with quality properties, delivering a steady income stream and adding value through asset enhancements.

Mr Liew Mun Leong, President and CEO of CapitaLand Group, said, "The acquisition of ViVit SQUARE, a major shopping mall in Greater Tokyo, is a milestone for CapitaLand as it further strengthens our retail real estate presence in Japan, which is a key market for the Group. This quality property offers good value creation opportunities through asset enhancements and tenancy remixing. By leveraging on CapitaLand's established retail cum asset management capabilities, the mall is expected to deliver enhanced return to investors. Going forward, we will continue to actively pursue acquisition opportunities to accelerate our expansion in Japan."

Completed in December 2004, ViVit SQUARE is located in Funabashi City in the Chiba Prefecture. Funabashi City has a large population catchment of more than 500,000, and is about 30 minutes away from the Tokyo train station, the main intercity rail terminal.

The mall is also strategically located within 7-10 minutes' walk from the Minami Funabashi, Funabashi Keibajo and Daijingushita train stations. In addition, it is well-served by major roads such as the Kanto Expressway, the No.14 National Highway and the Keiyo Trunk Road.

ViVit SQUARE, a four-storey mall, has a gross floor area of over 1 million square feet. It has car park facilities on each level of the property and on the roof-top. The property enjoys 96.5% occupancy and has a diverse tenant base of more than 100 leases, including well-known anchor tenants like Supervalue (supermarket), OKAWA Homecentre, OKAY Furniture, Sports Authority, LAOX (electronics) and SEGA (amusement). The mall is well-positioned to cater to the basic necessity shopping needs of the residents in the immediate vicinity, as well as the weekend crowds from Tokyo and the neighbouring cities.

CapitaRetail Japan Fund

The CRJ Fund's mandate is to invest in Japanese retail assets which have a secured and steady income stream, and a potential for asset enhancement. The CRJ Fund closed with a fund size of JPY44.13 billion (S$657 million) earlier in April this year. With debt financing, its asset size could potentially grow to JPY147 billion (S$2.2 billion) within the next three years. Currently, it owns two malls in Japan, La Park Mizue in Tokyo and Izumiya Hirakata in Osaka, with a combined asset size of JPY13 billion (S$194 million). With the acquisition of ViVit SQUARE, the CRJ Fund's asset size will grow to JPY34 billion (S$507 million).

The CRJ Fund comprises investments from European pension funds (47%), insurance companies and large corporations from Asia (30%), and CapitaLand (23%). Its annual distribution yield is 7% to 10%, with a total return of 10% to 13%. The fund manager and retail manager for the CRJ Fund are CapitaLand's wholly-owned subsidiaries, CapitaLand Financial Limited and CapitaLand Retail Limited respectively.

Assets under Management

Over the past few years, CapitaLand has been active in the property fund arena. The Group aims to more than double its assets under management to S$13 billion in the next three years, up from the current S$6.5 billion. To date, the Group's two REITs, CapitaMall Trust, the first listed REIT in Singapore, and CapitaCommercial Trust, the first commercial property REIT in Singapore, have consistently outperformed market expectations. CapitaLand also has a total of eight private equity funds, namely, Eureka Office Fund, IP Property Fund, CapitaRetail Singapore, CapitaLand China Residential Fund, CapitaRetail Japan Fund, Mezzo Capital, Arc-CapitaLand Residences Japan and CapitaLand China Development Fund. With its established track record, the Group sees opportunities to expand its property funds and REITs in the retail, residential and office sectors in Singapore, Malaysia, Thailand, Hong Kong, China and Japan.

About CapitaLand Group (www.capitaland.com.sg)

CapitaLand is one of the largest listed property companies in Asia. Headquartered in Singapore, the multinational company's core businesses in property, hospitality and real estate financial services are focused in gateway cities in Asia, Australia and Europe. The company's property and hospitality portfolio spans 70 cities in 17 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.

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