



BRIEFING ON THE PROPOSED ACQUISITION OF IMM BUILDING



13 MAY 2003

Important Notice

This material or our presentation is for informational purposes only and should be read in conjunction with the circular issued by the Manager (as manager of CapitaMall Trust (“**CMT**”)) on 13 May 2003 (“**Circular**”).

This material or our presentation does not constitute an offer or an invitation of units in CMT (“**Units**”). The value of units in CMT and the income from them may fall as well as rise. Units in CMT are not obligations of, deposits in, or guaranteed by, CapitaMall Trust Management Limited (the “**Manager**” or “**CMTML**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of CMT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CMT is not necessarily indicative of the future performance of CMT.

This material may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events. **All forecasts and return projections are based on a specified range of issue prices per Unit and on the Manager’s assumptions as explained in Appendix 5 of the Circular.** You are advised to read the Circular carefully. Such yields will vary accordingly for investors who purchase Units in the secondary market at a market price higher or lower than the issue price range specified in the Circular. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, which are considered by the Manager to be appropriate and reasonable as at the date of the Circular. The forecasted and projected financial performance of CMT is not guaranteed and there is no certainty that any of it can be achieved. Investors should read the whole of the Circular for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of CMT.

Overview of the acquisition

IMM Building Acquisition will ↑ Unitholder DPU

- Proposed IMM acquisition expected to generate annualised DPU of 8.03¢ in 2003, and 8.13¢ in 2004

	IPO 2003 Forecast	Q1 2003 Annualised	2003 Revised Forecast ¹			2004 Revised Forecast		
			Before IMM	After IMM ²	Variance	Before IMM	After IMM ²	Variance
DPU (¢)	6.96	7.34	7.35	8.03	9.3%	7.38	8.13	10.2%

¹ Annualised for the period June – December 2003

² Gearing increased to 27.9%

IMM Building Acquisition is Yield Accretive

2003 Annualised Distribution Yield (%)

Unit price	IPO Forecast (6.96¢)	Revised Forecast (7.35¢)	After IMM* (8.03¢)	Variance
S\$1.02	6.82	7.21	7.87	9.3%
S\$1.07 (market price)	6.50	6.87	7.50	9.3%
S\$1.10	6.32	6.68	7.30	9.3%

IMM Building Acquisition is
“Yield Accretive”
 (i.e.. higher return on equity)

Financing Plan - Equity

Placement of 119.8 million new units to be **fully underwritten by DBS Bank**

1) Preferential Offering
Up to 74.0 million new units

- “1-for-10” preferential offering to existing Singapore Registered Unitholders on a non-renounceable basis
- **Books Closure Date, expected to be 9 June 2003 at 5pm**
- CapitaLand undertakes to subscribe for its preferential units (24.8 million), however may renounce if new units are heavily oversubscribed

2) Placement
Minimum 45.8 million new units

- (a) ATM offering of New Units to the public in Singapore (on a “first-come, first-served” basis); and
- (b) a private placement of New Units to retail and institutional investors.

Financing plan – equity (cont'd)

- Advance distribution for income earned between 1 Jan 2003 to the day prior to the issue of the new units.
- The proposed capital raising will only occur after the approval of the unitholders is obtained at the EGM
- The Manager intends to issue the new units close to the trading price (less the accrued advanced distribution). The price of the new units will be determined nearer to the commencement of the equity fund raising
- New units issued is not expected to dilute existing unitholder's DPU

Financing Plan - Debt

It is contemplated that borrowings of up to S\$147 million will be incurred, increasing gearing from 20.2% to 27.9%, **whilst endeavoring to maintain the current AAA debt rating**

1) Up to S\$125 mil

- seven-year term loan, interest rate to be fixed when drawn; and

2) Up S\$ 22 mil

- a revolving credit arrangement (at a floating interest rate based on the Singapore swap offer rate plus a margin)

Debt Profile After Additional Borrowings

Amount	Tenor (Remaining)	Expiry
S\$50 mil	Revolving credit	2003 (14%)
S\$172 mil	4 years	2007 (50%)
S\$125 mil	7 years	2010 (36%)

- ✓ **Optimise capital structure** by increasing gearing to up to approximately 28% (well within the 35% limit)
- ✓ **Ensure debt facility remains AAA rated** - credit risk profile is maintained
- ✓ **Generate a higher return on equity** for Unitholders

Estimated Total Acquisition Costs

Acquisition cost	
Total acquisition cost ¹	S\$264.5 million
Appraised property value ²	S\$280.0 million
<hr/>	
<i>Discount</i>	<i>S\$ 15.5 million</i> <i>or</i> <i>5.5%</i>

¹ Excluding the estimated fees and expenses to be borne by CMT in respect of the Equity Fund Raising and the additional borrowings to be raised.

² As at 1 February 2003

Total Cost (incl. financing)

	S\$ Million
Purchase Price	247.4
Stamp Duty	8.4
Acquisition Fee to CMTML ¹	2.5
Financial Advisory Fee incurred by CCL ²	2.5
Underwriting Fee charged by CCL ³	2.5
Other Fees & Expenses ⁴	1.2
Total Acquisition Costs	264.5
Issue/Circular Expenses	1.1
Underwriting/Selling Expenses	3.1
Total Amount to be Raised	268.7

¹ As stated in the Trust Deed, a maximum of 1% acquisition fee is payable to the Manager.

² CapitaLand Financial Limited is acting as the financial advisor for the structuring of the acquisition.

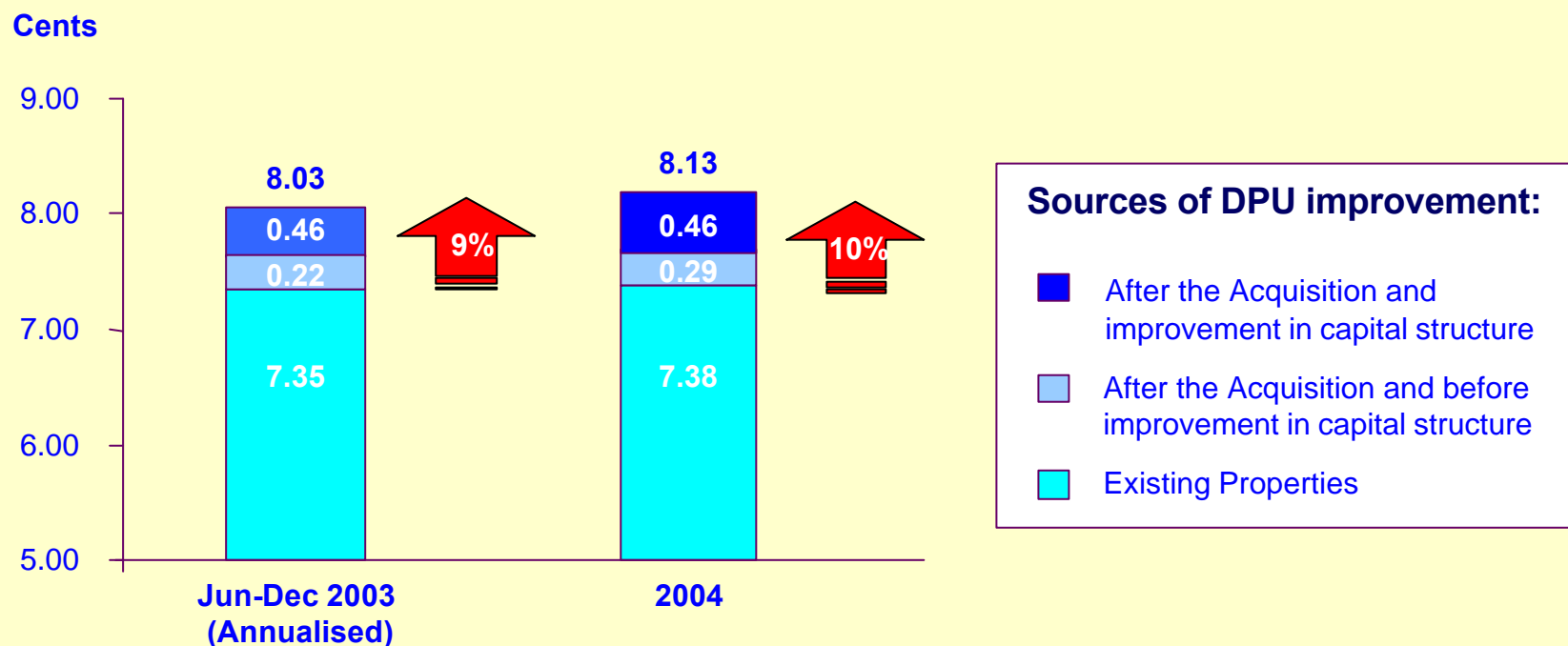
³ 1% underwriting fee payable to CCL for underwriting the transaction with International Merchandise Mart Limited.

⁴ Includes accounting, tax, legal and property due diligence which CCL has incurred.

Unitholder benefits

Higher Distribution Per Unit (“DPU”)

1. *Higher DPU due to the attractive property yield of IMM Building and the improvement to the existing capital structure.*

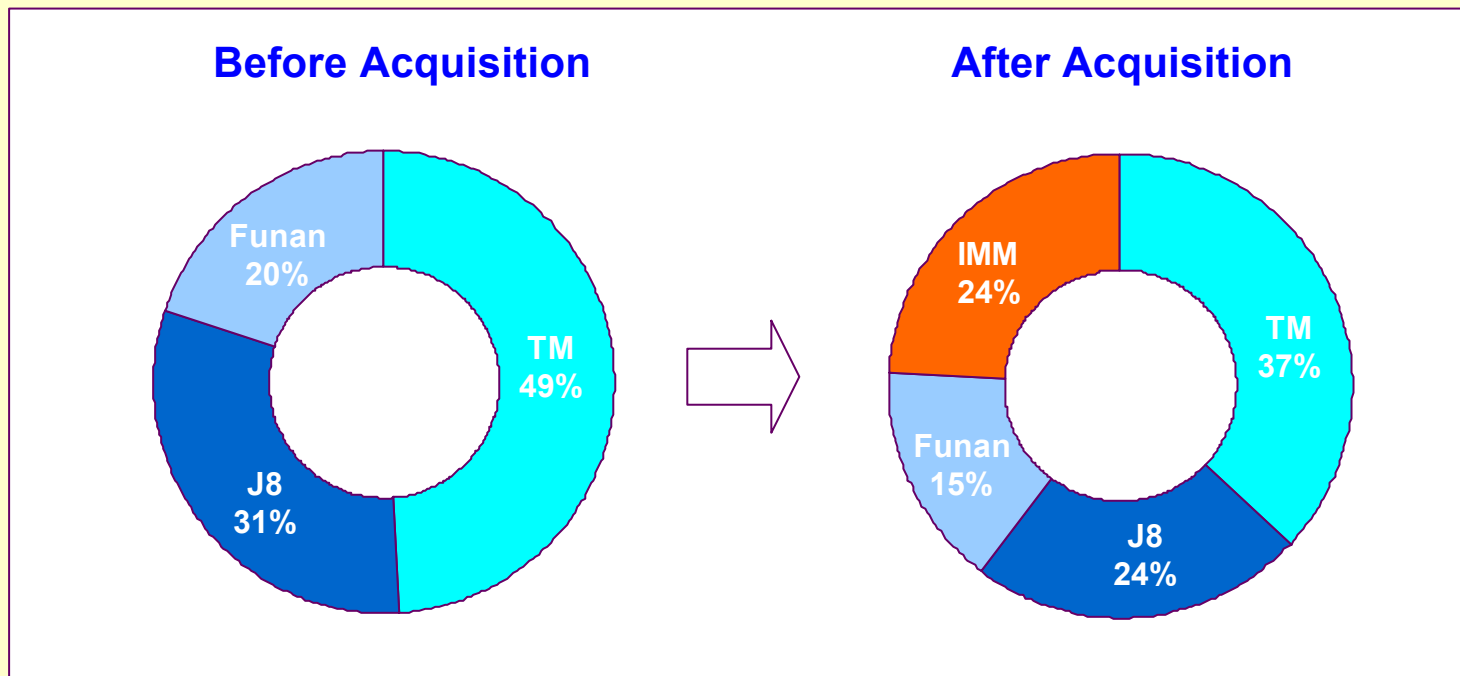


Higher Distribution Yield

Issue price of the New Units (for illustrative purposes)	June – December 2003 (Annualised)			2004		
	Existing Properties	After the Acquisition but without increased Gearing ¹	After the Acquisition and with increased Gearing ²	Existing Properties	After the Acquisition but without increased Gearing ¹	After the Acquisition and with increased Gearing ²
S\$1.00	7.35%	7.57%	8.03%	7.38%	7.67%	8.13%
S\$1.01	7.28%	7.50%	7.95%	7.31%	7.59%	8.05%
S\$1.02	7.21%	7.42%	7.87%	7.24%	7.52%	7.97%
S\$1.03	7.14%	7.35%	7.80%	7.17%	7.45%	7.89%
S\$1.04	7.07%	7.28%	7.72%	7.10%	7.38%	7.82%
S\$1.05	7.00%	7.21%	7.65%	7.03%	7.30%	7.74%
S\$1.06	6.93%	7.14%	7.58%	6.96%	7.24%	7.67%
S\$1.07	6.87%	7.07%	7.50%	6.90%	7.17%	7.60%
S\$1.08	6.81%	7.01%	7.44%	6.83%	7.10%	7.53%
S\$1.09	6.74%	6.94%	7.37%	6.77%	7.04%	7.46%
S\$1.10	6.68%	6.88%	7.30%	6.71%	6.97%	7.39%

Greater income diversification

2. *CMT will have an enlarged portfolio of assets in which no more than 37.1% of the total net property income will be derived from any one property, down from 49% prior to the acquisition.*



Stronger geographical diversification

- 3. The acquisition will allow CMT to diversify its portfolio of properties such that it can cater to different tenancy demands in different parts of Singapore*

IMM Building
855,358ft²

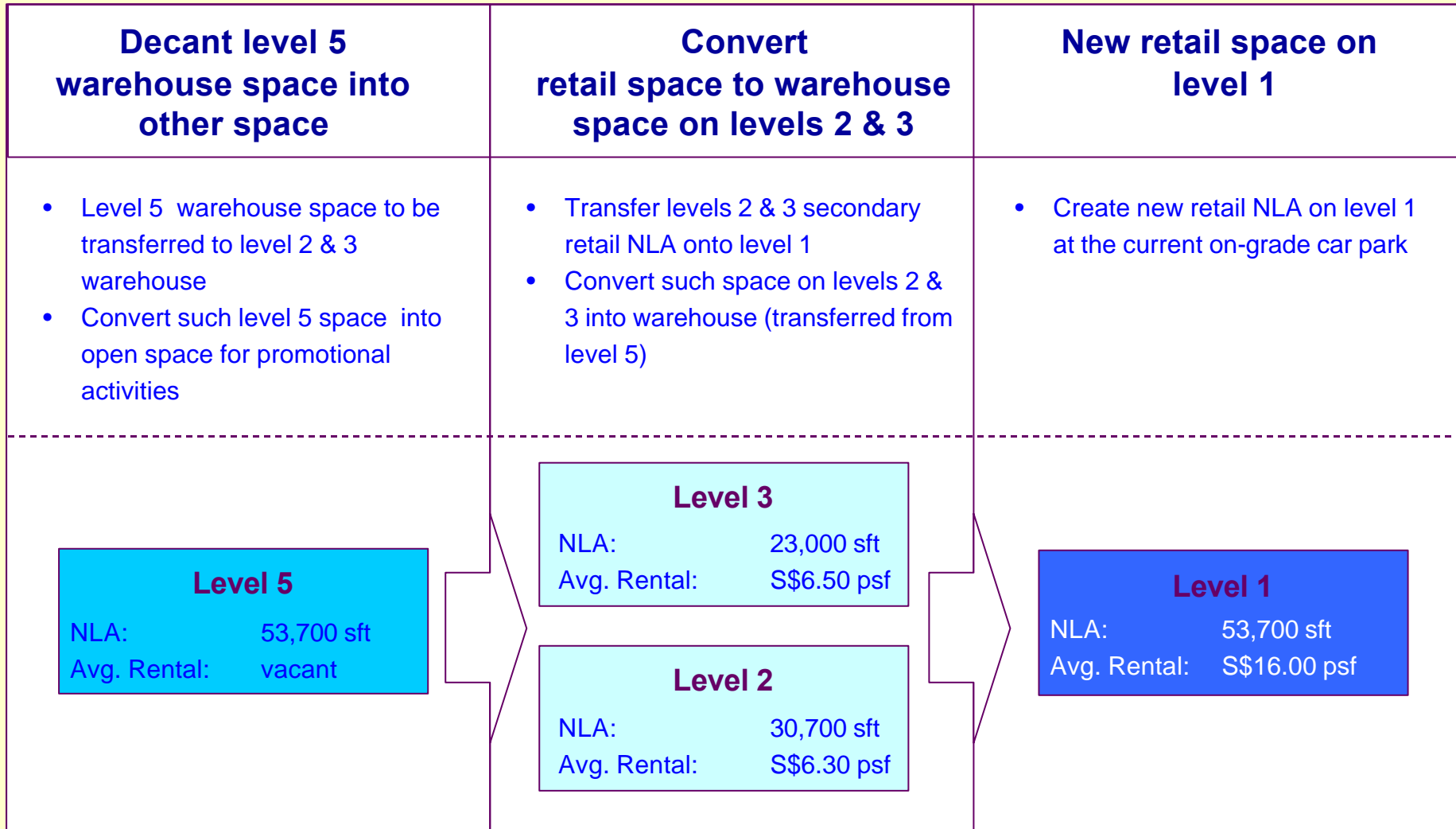
Potential for Enhancement

4. *Opportunities for growth through optimising the usage of retail space of IMM Building.*

Proposed Asset Enhancement Scheme

- Create more valuable lettable retail space on Level 1 by transferring areas from less valuable secondary corridor retail space on levels 2 and 3;
- Expected to yield approximately 53,700 sq ft of new NLA on level 1
- Creates a stronger circulation aisle and improved customer traffic linkages by installing travellators
- The Manager has yet to obtain the necessary approvals for the asset enhancement scheme, however the architect has indicated is in compliance the current requirements and guidelines of the relevant authorities.

Asset enhancement plan



IMM Building - property details

More than 80% of income derived from retail

Gross Floor Area		1,426,518 sq ft	
Net Lettable Area/Occupancy	Retail :	Net Lettable Area 382,414 sq ft	Occupancy 99.5%
	Office :	62,239 sq ft	95.0%
	Warehouse :	410,705 sq ft	66.8%
	Total :	855,358 sq ft	83.5%
Number of tenants		535	
Major tenants		Giant hypermarket Best Denki Daiso	
Car parking lots		1,413	
Title		Leasehold 30 years (with effect from 23 January 1989) renewable for a further 30-year term)	
Net Property Income (S\$ million)	Pro forma 2002	22.3	
	Forecast Jun-Dec 2003	12.4	
	Projection 2004	22.1	
Valuation (1 February 2003)		S\$280.0 million	

IMM Building - financial information

	Pro forma	Forecast	Projection
	January – December 2002	June – December 2003 ¹	January – December 2004
Gross Revenue (S\$ million)	45.5	25.8	45.0
Retail	35.6	21.8	37.5
Office / Warehouse	7.6	3.6	6.5
Other income	2.3	0.4	1.0
Less property expense (S\$ million)	23.2	13.4	22.9
Net property income (S\$ million)	22.3	12.4	22.1
Property yield ²	8.4%	8.0 ³	8.4% ³

1 Assuming that the acquisition is completed by the end of May 2003 and only the net property income of IMM Building from 1 Jun 2003 to 31 Dec 2003 will be accruing to CMT.

2 Based on the total estimated acquisition costs of S\$264.5 mil incurred for IMM Building

19 3 Annualised figure

IMM Building – competitive strengths



Strategic location

- IMM Building enjoys a high level of connectivity with the Jurong East MRT and bus interchange, both generating high volumes of pedestrian traffic.



Large trade area

- IMM Building serves a large trade area, including the HDB heartlands in Jurong, Bukit Batok and Clementi where there are few shopping centres.



High Occupancy level

- As at 31 Jan 2003, the occupancy rate for retail was approximately 99.5%, reflecting strong demand for retail space.



Diverse tenant base

- The Property has a large tenant base of 535 tenants, as of 31 Jan 2003.
- The tenant mix includes popular household brand names and diverse anchor tenants such as Giant hypermarket, Best Denki, Daiso Discount Store, Palm Springs Seafood Restaurant and Yunnan Garden Restaurant.



Large floor plate

- IMM has large floor plates that exceed 285,000 ft² per floor



Abundant carparking

- IMM has an abundance of carparking with over 1,400 lots, well above most Singapore suburban malls

Financial performance

CMT Combined Profit Forecast

S\$'mil	Full-year 2003		Jun – Dec 2003		2004	
	IPO	Revised Forecast	Before IMM ¹	After IMM ²	Before IMM ¹	After IMM ²
Gross Revenue	89.5	91.9	53.8	79.6	96.1	141.1
Property Operating Expenses	(26.7)	(26.4)	(15.5)	(29.0)	(29.6)	(52.5)
Net Property Income	62.8	65.5	38.3	50.6	66.5	88.6
Trust Expenses	(13.7)	(14.0)	(8.1)	(11.8)	(14.3)	(21.1)
Net Investment Income before Tax	49.1	51.5	30.2	38.8	52.2	67.5
Non-Tax Deductible/ (Chargeable) items	2.5	2.6	1.5	1.5	2.7	2.7
Distributable income	51.6	54.1	31.7	40.3	54.9	70.2
Annualised DPU (¢)	6.96	7.30	7.35³	8.03³	7.38	8.13

1 Based on CMT's existing gearing of 20.7%

2 Assuming that 119.8 million units are issued pursuant to the proposed issue and that the additional borrowings incurred by CMT to partly fund the acquisition increase CMT's gearing to 27.9%

3 Annualised figure

CMT balance sheet

AS AT 31 DEC 2002

	Actual (S\$'000)	Adjusted (S\$'000)	Inclusive of the IMM (S\$'000)
Total Assets	990,222	965,252	1,260,818
Less Total Liabilities	229,002	229,002	391,192
Net Assets	761,220	736,250	869,626
<i>Represented by:</i>			
Unitholder funds	761,220	736,250	869,626
Units in issue ('000)	738,561	738,561	858,361
Net Asset Value Per Unit (S\$)	1.03	1.00	1.01

Circular to Unitholders

Circular to Unitholders

To seek unitholders' approval for:

- Proposed acquisition of IMM Building (major transaction).
- Proposed issue of 119.8 million new units and the consequential adjustments to the distribution period.
- Interested party transactions in connection with the acquisition as the total aggregation exceeds 5% of NAV.
- Amend Trust Deed to permit payment of the performance component of asset management fee in cash in respect of IMM Building & all other properties to be acquired by CMT in future.

Indicative Timetable

Date	Action
13 May 03	Dispatch circular to Unitholders
30 May 03	EGM of unitholders & announcement of EGM results
04 Jun 03	Last day of trading on “cum basis” for the preferential offering
09 Jun 03	Book closure date to determine eligibility of unitholders in the preferential placement
End Jun 03	Expected completion of IMM acquisition

Delivering Performance

- The Manager remains committed to exceeding expectations.
- Unitholders' are urged to use CMT's past performance as an indication of managements commitment to delivering on the proposed outcome of the acquisition
- Examples of how the Manager has delivered performance:
 - Exceeded 2002 IPO Forecast DPU by 8.5%
 - Delivering sustainable growth and value through asset enhancements
 - Achieving sustainable cost savings through economies of scale
 - Established industry best practice standards in retail management
- The rebound of pedestrian traffic during SARS stands testament to the quality of the CMT properties
- More than 98% of income is secured through base rent and less than 2% tied to Gross Turnover Rent, which provides upside for unitholders