



NEWS RELEASE

**1 July 2002
For Immediate Release**

**INITIAL PUBLIC OFFERING FOR SINGAPORE'S FIRST PROPERTY TRUST,
CAPITAMALL TRUST**

213 Million Units to be Offered to the Public and Institutional Investors

Forecast Distribution Yields above 7%* for 2002 and 2003

**CapitaMall Trust portfolio comprises Tampines Mall, Junction 8 and
Funan The IT Mall**

Singapore, 1 July 2002 – CapitaMall Trust Management Limited ("CMTML" or the "Manager"), the manager of CapitaMall Trust ("CMT") and an indirect wholly-owned subsidiary of CapitaLand Limited ("CapitaLand"), is pleased to announce that it is launching an initial public offering ("Offer") of 213 million units in CMT, Singapore's first listed real estate investment trust, today. The total number of units in CMT after the Offer is 738 million. CMT owns three major Singapore shopping malls: Tampines Mall, Junction 8 Shopping Centre and Funan The IT Mall.

The Offer is opened to retail and institutional investors concurrently today. The Offer closes at 11 a.m. on 11 July 2002 and the price of each unit (within the price range of S\$0.90 to S\$0.96) will be determined on the same day. Trading on a "ready" basis on Singapore Securities Exchange Trading Limited ("SGX-ST") is expected on 17 July 2002.

The Lead Manager, Underwriter and Bookrunner is DBS Bank. The Offer is fully underwritten by DBS Bank. The sub-underwriters are OCBC and UOB. The financial adviser to CapitaLand Limited is CapitaLand Financial Limited. The financial adviser to CMT is Goldman Sachs (Singapore) Pte.

In conjunction with the Offer, Pyramex Investments Pte Ltd, a wholly-owned subsidiary of CapitaLand, has also granted to DBS Bank an over-allotment option of 31.95 million units in CMT ("Over-allotment Option") to cover allotment of units under the Offer.

Investors who are successfully allocated at least 30 million units in a single application as principal will receive a discount of S\$0.015 to the issue price for each unit.

Based on the minimum and maximum subscription price of the issue price range of S\$0.90 to S\$0.96 per unit respectively, the annualised forecast pre-tax distribution yields for 2002 and projected pre-tax distribution yields for 2003 are as follows:

Price	2002 * (Forecast)	2003 * (Projected)
S\$0.90	7.53%	7.73%
S\$0.96	7.06%	7.25%

At this price range, the discount to Net Asset Value (“NAV”) ranges from 1.3% to 7.5%.

CMT is required to distribute 100% of its taxable income to unitholders. Investors who are qualifying Singapore tax residents (except non-Singapore citizens) will receive their income distributions without having tax deducted at source, for which they must subsequently pay income tax at the applicable individual or corporate tax rate.

Cornerstone Investors

Aside from the Offer, CMT has secured four prominent cornerstone investors, which have entered into sale and purchase agreements with CapitaLand Investments Pte Ltd (“CIPL”), an indirect wholly owned subsidiary of CapitaLand, to purchase an aggregate of 182 million units held by CIPL. They are ING REI Investment (Asia) BV (37 million units) and PGGM (50 million units) from The Netherlands; BT Funds Management Limited (30 million units) from Australia; and NTUC Fairprice Co-operative Ltd (“NTUC Fairprice”) from Singapore (65 million units). (See Annex A for details on the cornerstone investors).

NTUC Fairprice, which owned 65 million units in the CMT prior to the Offer through its wholly-owned subsidiary Fairprice Investment Pte Ltd (“Fairprice Investment”), has decided to retain its existing holding and has subscribed for another 65 million units. NTUC Fairprice will thus have a total of 130 million units after this offering. With respect to the 65 million units currently held by Fairprice Investment, CapitaLand Commercial Limited (“CCL”), a wholly owned subsidiary of CapitaLand, has granted Fairprice Investment an “extension” of the “put option” whereby Fairprice Investment is entitled to require CCL to purchase Fairprice Investment’s 65 million units at the original purchase price of S\$1.00 per unit. The exercise period is between 181 days and 360 days after the listing of CMT on the SGX-ST.

On 19 June 2002, pursuant to an agreement dated 26 December 2001 entered into between CIPL, Quek Shin & Sons Pte Ltd (an earlier investor) and CMTML, CIPL exercised a call option requiring Quek Shin & Sons to sell to CIPL 30 million units in CMT held by Quek Shin & Sons at that time at the price of S\$1.00 per unit. This sale was completed on 21 June 2002.

Upon completion of the Offer and the purchase of the units by the cornerstone investors, on the assumption that the Over-allotment Option is not exercised, unitholders and their direct unit holdings are expected to be as set out below.

Investors	Units Owned Before Offering		Units Owned After Offering		
	(million)	(%)	(million)	(%)	(%)
CapitaLand Investments Pte Ltd	455	63.2	78	10.6	} 37.7%#
Pyramex Investments Pte Ltd	200	27.8	200	27.1	
Fairprice Investment Pte Ltd	65	9	65	8.8	
NTUC Fairprice Co-operative Ltd	-	-	65	8.8	
ING REI Investments (Asia) B.V. §	-	-	37	5.0	
BT Funds Management Limited §	-	-	30	4.0	
PGGM §	-	-	50	6.8	
Public	-	-	213	28.9	
Total CMT units	720	100.0	738	100.0	

Total units effectively owned by CapitaLand Limited after the Offer is 278 million or 37.7%
 § These investors may hold their units through their nominees

If the Over-allotment Option is fully exercised, CapitaLand Limited's effective holdings will be 246 million units or 33% of the total of 738 million units in CMT after the Offer.

Impact of the CMT Listing on CapitaLand Limited

The listing of the CMT will further the CapitaLand Group's strategy of increasing the proportion of its income derived from third party management fees, lightening the Group's balance sheet, improving return on equity and reducing gearing. The listed real estate investment trust will serve as an important new business platform for CapitaLand in the execution of its strategy.

Assuming CapitaLand retains a 37.7% stake in CMT, the impact on the 2002 financial performance of the Group is anticipated to be as follows:

	Issue Price (\$)						
	0.96	0.95	0.94	0.93	0.92	0.91	0.90
Proceeds to CapitaLand (\$m)	329	325	322	318	314	310	307
Net gain from divestment (\$m)	94.0	89.6	85.2	80.7	76.3	71.9	67.5
Impact on EPS (cents)	3.7	3.6	3.4	3.2	3.0	2.9	2.7
Impact on NTA (\$)	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Improvement to net gearing [¶]	0.07	0.06	0.06	0.06	0.06	0.06	0.06
[¶] with respect to 31 Mar 02 net gearing							

Initially, CapitaLand will use the proceeds it receives from the listing to reduce debt which will improve gearing and lower finance costs.

“Today’s launch of CapitaMall Trust is an important milestone not only for the CapitaLand group, but also in the development of Singapore’s capital and real estate markets. We have now created the first REIT in Singapore, which represents a new product that enables investors to benefit from stable income and attractive distribution yields. This launch is the genesis of a property trust management platform within CapitaLand to grow the REIT industry in Singapore. It also strengthens the breadth of the company’s operations from an asset platform to an IP (Intellectual Property) platform, leveraging on our domain knowledge in real estate and real estate financing,” said Mr Liew Mun Leong, President and Group CEO of CapitaLand Limited and Deputy Chairman of CMTML.

He added, “In this launch everybody wins, including CapitaLand’s shareholders, CMT unitholders, and the financial market. This transaction would result in a net gain from divestment of some \$68 to \$94 million for CapitaLand. It also affirms CapitaLand’s ability to deliver on its strategy of achieving more fee-based income.”

CMT Prospectus

Additional details of the offering are contained in the prospectus relating to the Offer ("Prospectus") which was lodged with the Registrar of Companies and Businesses on 28 June 2002 and is available at DBS/POSB branches. Applications for CMT units can be made at any ATM of DBS/POSB, OCBC or UOB or www.dbs.com if you are an internet banking customer.

Visit www.capitamall.com or call 1800-2227333 for more details.

About CapitaLand

CapitaLand is one of the largest listed property companies in Asia. Headquartered in Singapore, the multi-national company has property, hospitality and property-related products and services spanning more than 50 cities around the world.

Its diversified business interests cover commercial and industrial buildings, residential properties, serviced residences, hotels, property funds, real estate financials and property services. The Company leverages on its significant asset base and market knowledge to develop fee-based businesses.

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This press release does not constitute an offer of the units in CMT. The offer will be made in, or accompanied by, a copy of the Prospectus. Anyone wishing to acquire the units in CMT will need to make an application in the manner set out in the Prospectus.

***All forecasts and return projections are based on an issue price per Unit of CMT in the range of \$0.90 to \$0.96 (the actual issue price to be determined by the listing date) invested in the initial public offer period and on the Manager's assumptions as explained in the Prospectus. Based on an issue price of \$0.90 per Unit, a 7.53% yield is forecast for the year ending 31 December, 2002 and a 7.73% yield is projected for the year ending 31 December, 2003. Based on an issue price of \$0.96 per Unit, a 7.06% yield is forecast for the year ending 31 December, 2002 and a 7.25% yield is projected for the year ending 31 December, 2003. 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 determined for the initial public offer. 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 Prospectus. The forecast 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 Prospectus for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of CMT.**

CMT is a real estate investment trust. The manager of CMT is CapitaMall Trust Management Limited. The Manager's principal investment strategy is to invest in real estate in Singapore which is income producing and which is used, or substantially used for retail purposes.

The Prospectus for CMT is available and a copy may be obtained from any branch of DBS/POSB.

A potential investor should read the Prospectus before deciding whether to subscribe for or purchase Units in CMT. The value of Units and income accruing to the Units, if any, may fall or rise. Past performance of the Manager or CMT is not necessarily indicative of its future performance. Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. Units in CMT are not obligations of, deposits in, or guaranteed by, CMTML or CapitaLand or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors are advised to read the section headed "Risk Factors" in the Prospectus for further details.

† The definition of who is a qualifying Singapore tax resident investor and what amounts to taxable income are explained in the Prospectus. In order to enjoy tax transparency, a qualifying Singapore tax resident must disclose his Singapore tax residence status in a prescribed form provided by the manager of CMT. In addition, a Unitholder must hold Units in his own name and not through nominees. Further, the Units must not be held jointly.

The information contained herein is not for publication or distribution in the United States of America. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States unless registered or an exemption from registration is available.

Cornerstone Investors

The Cornerstone investors are NTUC Fairprice, ING REI Investment (Asia) B.V., BT Funds Management Limited and PGGM.

NTUC Fairprice is one of Singapore's leading supermarket retailers with an extensive network of stores in Singapore.

ING REI Investment (Asia) B.V. is a wholly-owned subsidiary of ING REI Investment II B.V. Both these companies belong to the ING Group N.V. ING REI Investment (Asia) B.V. is part of the ING Real Estate group and has as its principal business the investment in real estate and/or real estate property funds.

BT Funds Management Limited is a member of the Principal Financial Group and is a globally active investment manager based in Australia.

PGGM, a pension fund for employees in the health care and social welfare sectors, was established in 1969 in the Netherlands. The pension fund invests largely in fixed income, equities, private equity, maximum fixed income, real estate and commodities, both in the Netherlands and elsewhere.