



NEWS RELEASE

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For Immediate Release

CapitaMall Trust signs conditional agreement to buy Plaza Singapura

Acquisition is yield accretive to unitholders

Singapore, 24 May 2004 – CapitaMall Trust (“CMT”) has entered into a conditional put and call option agreement with CapitaLand Commercial Limited (“CCL”), a subsidiary of listed company, CapitaLand Limited (“CapitaLand”), to acquire Plaza Singapura for a purchase price of S\$710 million, which will be satisfied by the issue of 147 million CMT units (“Units”) and the balance in the form of cash. This acquisition is expected to be yield accretive to CMT’s unitholders.

The purchase price of S\$710 million takes into account the carrying value of Plaza Singapura in CapitaLand’s financial statements for the financial year 2003 of S\$702 million, and the S\$8 million capital expenditure incurred or committed to be incurred for enhancement works. An independent valuation (dated 20 May 2004) by CB Richard Ellis (C) Pty Ltd and CB Richard Ellis (Pte) Ltd, commissioned by CapitaMall Trust Management Limited (“CMTML” or the “Manager”), has endorsed the valuation at S\$710 million. Based on the annualised 2004 forecast net property income of S\$42.6 million, the property yield of Plaza Singapura is 6.0% based on the S\$710 million purchase price. This is yield accretive to CMT’s unitholders as CMT is currently trading at an implied property yield of 5.5% (based on the closing market price of S\$1.55 per Unit on 24 May 2004)¹.

Plaza Singapura currently enjoys a strong net property income due to the substantial increase in customer traffic and improved rental rates following CapitaLand’s successful refurbishment and repositioning exercise in 2002 and 2003. It is a prime shopping centre

¹ In relation to a particular property, property yield is calculated as the property’s net property income over its valuation. At the prices which Units are presently trading on Singapore Exchange Securities Trading Limited, investors in CMT have imputed a value to CMT’s current property portfolio (comprising Tampines Mall, Junction 8, Funan The IT Mall and IMM Building) which is greater than the latest appraised value thereof. The “implied property yield” is calculated as the net property income of CMT’s current property portfolio over the value imputed to the portfolio by investors in CMT.

located along Orchard Road, and is directly linked to the Dhoby Ghaut MRT interchange. The mall caters to the basic shopping needs of residents in Singapore's central region, visitors along Orchard Road, and office workers in the Central Business District.

Said Mr Pua Seck Guan, CEO of CMTML, "Plaza Singapura's positioning as a mall catering to basic shopping needs and its proximity to the MRT station fits well into CMT's current asset portfolio. This acquisition is expected to be yield accretive to unitholders. It will also enhance the liquidity of CMT units due to the enlarged equity base arising from the proposed fund raising exercise. We are confident of obtaining firm support from the investing public as there is a strong appetite for REITs whose underlying assets display solid fundamentals. Retail investors, in particular, will benefit from the tax exemptions granted by the Singapore tax authorities."

As the manager of CMT, CMTML intends to improve the capital structure of CMT's enlarged portfolio through the optimisation of CMT's equity and debt financing plan so as to further enhance returns to unitholders. As with the four existing CMT malls, the Manager will leverage on its pro-active asset and lease management capabilities to further improve the tenancy mix at Plaza Singapura in order to strengthen and optimise CMT's net property income moving forward.

Upon the successful acquisition of Plaza Singapura, CMT's asset base will increase from the current S\$1.2 billion to almost S\$2.0 billion, thus reinforcing its position as a leading and dominant retail property REIT in Singapore.

Conditions for Acquisition

The completion of the acquisition is subject to a number of conditions being met, including approval from CMT's unitholders at an extraordinary general meeting, and for a financing structure to be put in place, details of which will be announced at an appropriate time. This transaction is expected to be completed by end-August 2004.

Plaza Singapura, the "Suburban Mall of Orchard Road"

Positioned as the "Suburban Mall of Orchard Road", Plaza Singapura is a one-stop shopping centre catering to the day-to-day shopping, dining and entertainment needs of a wide cross section of the population. It is directly linked to the Dhoby Ghaut MRT interchange, the designated node interchange for the North-South MRT Line, the North-East MRT Line and the upcoming Circle Line (expected to be ready by 2008). The mall is also within walking distance to Singapore Management University, which is expected to be completed by 2005.

Plaza Singapura enjoys a freehold status and has a net lettable area of approximately 486,113 sq ft. In 2003, after a major refurbishment and repositioning exercise, it attracted new anchor tenants like Carrefour hypermart, Marks & Spencer, John Little, Spotlight and Best Denki. The mall is almost fully leased and sees a pedestrian traffic of approximately 1.3 million a month. (Further details on Plaza Singapura may be found in Appendix 1.)

About CapitaMall Trust

CMT is the first listed REIT in Singapore. Launched in 2002, it invests in quality income-producing retail properties in Singapore. Income is mainly derived from rental payments received from a diverse range of over 900 leases from local and international tenants. It currently has a portfolio of four major shopping malls in both the suburban and city areas - Tampines Mall, Junction 8 Shopping Centre, Funan The IT Mall and IMM Building.

CMT is managed by an external manager, CMTML, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of the largest listed real estate companies in Southeast Asia.

Visit CMT's website at www.capitamall.com for more details.

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Important Notice

The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager 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 the 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 press release contains forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these 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.

Plaza Singapura - Property Details

Land area	132,166 sq ft
Gross floor area	764,342 sq ft
Net lettable area (as at 30 April 2004)	486,113 sq ft
Car park spaces	694 lots
Title	Freehold
Valuation (as at 30 April 2004)	S\$710.0 million ⁽¹⁾
Occupancy (as at 30 April 2004)	99.7%

Note:

- (1) Source: The valuation report on the Property (dated 20 May 2004) issued by CB Richard Ellis (C) Pty Ltd and CB Richard Ellis (Pte) Ltd.

Major Tenants	Area (sq ft)
Carrefour Singapore Pte Ltd	91,666
Golden Village Multiplex Pte Ltd	57,771
Spotlight Stores Pte Ltd	27,050
Yamaha Music Asia Pte Ltd	22,562
Best Denki (S) Pte Ltd	19,472
Kopitiam Investment Pte Ltd	15,995