



NEWS RELEASE

**9 December 2003
For Immediate Release**

**CapitaMall Trust issues 45 Million New Units at
S\$1.33 to Finance Yield Accretive Investment**
Forecast 2004 DPU increase by 5.5% to 8.59¢

Singapore, 9 December 2003 – CapitaMall Trust Management Limited (CMTML), the manager of CapitaMall Trust (CMT), is issuing 45 million new CMT units at an issue price of S\$1.33 per new unit. The issue of new units is to finance the investment of S\$58.0 million or an approximate 27 per cent stake in junior bonds in CapitaRetail Singapore, a private retail property fund set up by CapitaLand Commercial Limited as announced in September 2003. The CapitaRetail Singapore portfolio consists of three suburban retail properties – Lot One Shoppers' Mall, Bukit Panjang Plaza and Rivervale Mall. The junior bonds are expected to pay a minimum coupon rate of about 8.2 per cent per annum¹, which will result in an immediate yield accretion to CMT's current forecast distribution for 2004. In addition, there is potential for improvement of the net property income of these malls and hence a higher coupon rate, through tenancy remix and asset enhancement.

The new CMT units are expected to commence trading on the Main Board of Singapore Exchange Securities Trading Limited at 9.00 a.m. on Wednesday, 17 December 2003.

¹ This 8.2 per cent per annum expected minimum coupon payment on the junior bonds is only an estimate and is based on certain representations made to CapitaRetail Singapore by the asset manager for the securitisation arrangement under which the bonds are issued.

CMTML has also obtained approval from Jurong Town Corporation (JTC) for the upfront payment of the land premium of S\$45.0 million for IMM Building. This is in lieu of annual land rent payments for the next 30 years, which is expected to amount to S\$5.1 million for 2004 and are subject to further annual readjustments thereafter. This arrangement with JTC removes the uncertainty of future land rent payments, and ensures stable income for unitholders for the duration. The upfront payment is expected to be made in first quarter 2004, and is intended to be financed entirely by bank borrowings. Net of interest costs arising from the new bank borrowings, the savings of the annual land rent payment is also expected to be yield accretive to CMT's forecast distribution for 2004.

Both of these initiatives would raise Distribution Per Unit (DPU) payable to unitholders to 8.59 cents per unit, a 5.5 per cent increase from the forecasted 8.14 cents per unit for 2004.

The new issue is in two tranches – a private placement of 22 million new units for institutional and certain other retail investors, and an ATM Offering of 23 million new units for retail investors. The order book for the 22 million private placement tranche has been fully covered. The ATM Offering, to be launched at 12 noon on 10 December 2003, will be on a “first-come, first-served” basis at DBS / POSB ATMs. The new units, upon issue, will rank *pari passu* in all respects with the existing units, except that the new units are not entitled to distributions payable for the period from 26 June 2003 to 31 December 2003. DBS Bank is the manager, underwriter and placement agent for this new issue.

Said Mr Eric Ang, Managing Director, DBS Investment Banking, “The yield is very attractive. At the issue price of S\$1.33 and the 2004 forecast DPU of 8.59 cents per unit, CMT is offering investors a yield of 6.46 per cent. This compares very favourably with other yield driven investment alternatives. We are confident that the whole offering will be well subscribed, particularly when CMT has a reputation of delivering superior returns for unitholders.”

Said Mr Pua Seck Guan, CEO of CMTML, “Both the purchase of junior bonds in CapitaRetail Singapore, and the upfront payment of the land premium for IMM, are immediately yield-accretive for CMT unitholders. We are committed to driving DPU growth for CMT unitholders, through our pro-active asset management and enhancement strategy.”

Added Mr Liew Mun Leong, Deputy Chairman of CMTML and President & CEO of CapitaLand Limited, “We are delighted with the strong following among investors for CMT. This is primarily because CMT has consistently outperformed its forecasts since its IPO. CMT has established a good performance track record, and unit price has increased by over 30% from S\$1.07 since the last capital raising exercise in June 2003 for the acquisition of the IMM Building. We believe the market will also respond positively to this new issue.”

In June 2003, a private placement for 15.9 million new CMT units was 28 times over-subscribed; while 30 million new units offered to the public under a “first-come, first-served” ATM Offering were fully subscribed within seven hours of the opening of the offering. The funds were used to finance the acquisition of the IMM Building.

About CapitaMall Trust

CMT is the first listed real estate investment trust (REIT) in Singapore. Launched in 2002, it invests in quality income-producing retail properties in Singapore. Income is mainly derived from rental payments currently received from a diverse range of over 900 leases from local and international tenants. It has a portfolio of four major shopping malls in both the suburban and city areas - Tampines Mall, Junction 8, Funan The IT Mall and IMM Building. CMT has performed well and exceeded initial forecasts for 2002 and the first three quarters of 2003.

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.

Issued by CapitaMall Trust Management Limited

For media enquiries, please contact:
Julie Ong, DID : 68233541; Email : julie.ong@capitaland.com.sg

For analyst enquiries, please contact
Janice Tan, DID : 62396856; Email : janice.tan@capitaland.com.sg

Disclaimers

The value of units in CMT ("Units") and the income derived 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 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 advertisement contains 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 the issue price of S\$1.33 per New Unit (the "Issue Price") and on the Manager's assumptions as explained in the Offer Information Statement dated 9 December 2003 ("Offer Information Statement") issued by CMT. 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. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, interest actually paid in respect of the junior Class E Bonds to be issued by CapitaRetail Singapore and interest payable on the proposed additional borrowings by CMT, all of which are considered by the Manager to be appropriate and reasonable as at the date of the Offer Information Statement. 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 Offer Information Statement for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of CMT before deciding whether to subscribe for New Units.