



## News Release

23 October 2006  
For Immediate Release

### **CapitaMall Trust Invests 20% Stake in CapitaRetail China Trust Pre-IPO**

*Investment as strategic investor in line with strategy to deliver continuous growth*

**Singapore, 23 October 2006** – CapitaMall Trust Management Limited (“CMTML”), the manager of CapitaMall Trust (“CMT”), is pleased to announce that it has invested a 20.0% stake in CapitaRetail China Trust (“CRCT”), a private trust sponsored by CapitaLand Limited (“CapitaLand”), amounting to a committed capital of S\$93.3 million. CRCT has today received from Singapore Exchange Securities Trading Limited (“SGX-ST”) a conditional eligibility to list on the Main Board of SGX-ST<sup>1</sup>. When listed, CRCT will be the first pure-play China retail Real Estate Investment Trust (“REIT”) established in Singapore, with the objective of investing on a long-term basis in a diversified portfolio of retail malls in the People’s Republic of China<sup>2</sup>. CRCT’s initial portfolio, comprising seven retail malls which are strategically located in five cities across China, is valued at approximately S\$690.0 million.

Mr Hsuan Owyang, Chairman of CMTML, said, “The investment of a 20.0% stake in the CapitaRetail China Trust, at its pre-listing stage, is in line with our strategy to deliver sustainable long term growth to Unitholders. The participation in CapitaRetail China Trust also marks CMT’s first overseas investment which will extend CMT’s growth potential without drastically changing the risk perspective of the portfolio. On top of riding on the tremendous growth in the China retail market, CMT will benefit from CRCT’s quality retail portfolio which encompasses substantial asset enhancement opportunities and strong acquisition pipeline. Together with our successful three-pronged strategy of yield accretive acquisitions, innovative asset enhancements and active asset management, this investment will further drive stable distributions and sustainable total returns to Unitholders”

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<sup>1</sup> The eligibility to list is not an indication of the merits of the Offering or CRCT. The listing is conditional upon the completion of the proposed public offering of units in CRCT

<sup>2</sup> This shall, in addition to China, include Hong Kong Special Administrative Region and Macau Special Administrative Region

HSBC Institutional Trust Services (Singapore) Limited, as the trustee of CMT, entered into a subscription agreement with CapitaRetail China Trust Management Limited (the “CRCT Manager”), as the manager of CRCT, and HSBC Institutional Trust Services (Singapore) Limited, as the trustee of CRCT, to subscribe for 20.0% of the units in CRCT (the “CRCT Units”). The CRCT Manager is an indirect wholly-owned subsidiary of CapitaLand.

Upon receiving the relevant regulatory clearances and approvals, CRCT Units of up to 46.7% that are held by CapitaLand will be offered to institutional and other investors in Singapore and overseas, and to the general public in Singapore. The remaining units will continue to be held by strategic investors, namely, CapitaLand, CMT, Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen (“PGGM”, a pension fund in Netherlands) and The Great Eastern Life Assurance Company Limited.

CRCT’s initial diversified portfolio has a total gross rentable area of approximately 413,000 square metres. The seven assets are Wangjing Mall, Jiulong Mall and Anzhen Mall in Beijing, Qibao Mall in Shanghai, Zhengzhou Mall in Zhengzhou, Jinyu Mall in Huhehaote and Xinwu Mall in Wuhu.

CRCT has been given the right of first refusal over acquisition of properties in two CapitaLand-sponsored private retail property funds, namely, CapitaRetail China Development Fund and CapitaRetail China Incubator Fund, and also properties under CapitaLand Retail Limited, the retail property arm and wholly-owned subsidiary of CapitaLand.

## Annex Information

### Summary of Key Information of CRCT's Initial Portfolio

Property	CRCT's investment	Gross Retail Area <sup>1</sup> (sq m)	Value as determined by CB Richard Ellis (Pte Ltd) <sup>2</sup> (RMB '000)	Value as determined by Knight Frank Petty Pte Ltd <sup>2</sup> (RMB '000)
Wangjing Mall, Beijing	100.0% ownership	67,500	1,102,000	1,175,000
Jiulong Mall, Beijing	100.0% ownership	49,526	414,000	457,000
Anzhen Mall, Beijing	100.0% ownership	43,442	772,000	838,000
Qibao Mall, Shanghai	Master-lease	72,729	264,000	297,000
Zhengzhou Mall,	100.0% ownership	92,356	454,000	540,000
Jinyu Mall, Huhehaote	100.0% ownership	41,938	315,000	316,000
Xinwu Mall, Wuhu	51.0% ownership	45,375	130,000 <sup>3</sup>	169,000 <sup>3</sup>
<b>Total / Weighted Average</b>		<b>412,866</b>	<b>3,451,000</b>	<b>3,792,000</b>

Note:

1) As at 31 Aug 2006

2) As at 30 Sep 2006

3) Assuming CRCT's ownership of 100.0% in Xinwu Mall.

### CapitaRetail China Development Fund

CapitaRetail China Development Fund ("Development Fund") is a private fund established by CapitaLand to invest primarily in greenfield retail mall developments in China. It has raised a committed capital of US\$600.0 million and will grant a right of first refusal to CRCT over properties which it proposes to sell.

Pursuant to its joint venture with Shenzhen International Trust & Investment Co., Ltd ("SZITIC"), CapitaLand has secured for investment by the Development Fund, a portfolio of 19 retail mall developments across China, comprising over 900,000 sq m of aggregate gross floor area and an aggregate value of approximately US\$900.0 million with SZITIC and its subsidiaries and associates (the "SZITIC Group").

CapitaLand also has the right to invest in an additional 14 retail mall developments in China (to be anchored by Wal-Mart hypermarket) and covering approximately 600,000 sq m of gross floor area, and up to 70.0% of future Wal-Mart projects located in China to be developed by the SZITIC Group by the end of 2010.

The Development Fund may also invest in a potential pipeline of retail mall developments pursuant to CapitaLand's strategic alliance with Beijing Hualian Group Investment Holding Co., Ltd and its subsidiaries and associates (the "Beijing Hualian Group").

The Development Fund may also invest in properties with or from sources other than the SZITIC Group and the Beijing Hualian Group.

#### ***CapitaRetail China Incubator Fund***

CapitaRetail China Incubator Fund ("Incubator Fund"), another private fund established by CapitaLand to warehouse completed retail malls in the PRC for repositioning, asset enhancement or leasing to increase occupancy rates and which has raised committed capital of US\$425.0 million, will grant a right of first refusal to CRCT over properties which it proposes to sell.

The Incubator Fund may invest in a potential pipeline of retail malls to be anchored by the Beijing Hualian Group, including the prime Xihuan Plaza Retail Mall in Xizhimen, Beijing, which was acquired by CapitaLand at approximately US\$164.0 million.

The Incubator Fund may also invest in properties with or from sources other than the Beijing Hualian Group.

#### ***CapitaLand Retail Limited***

CapitaLand, through its retail property arm and wholly-owned subsidiary, CapitaLand Retail Limited ("CRTL"), will grant first to CRCT, and then to the Incubator Fund, a right of first refusal over future completed retail properties located in China which are identified and targeted for acquisition by CRTL or its subsidiaries.

## **About CapitaMall Trust ([www.capitamall.com](http://www.capitamall.com))**

CMT is the first listed real estate investment trust (“REIT”) in Singapore. Launched in 2002, it invests in quality income-producing assets which are used, or predominantly used, for retail purposes in Singapore. Income is mainly derived from rental payments received from a diverse range of over 1,200 leases from local and international tenants. It currently has a portfolio of 10 quality shopping malls in both the suburban and central areas – Tampines Mall, Junction 8, Funan DigitalLife Mall, IMM Building, Plaza Singapura, Hougang Plaza, Sembawang Shopping Centre, Jurong Entertainment Centre, Bugis Junction and a 40% interest in Raffles City. With an asset size of S\$4.3 billion and a market capitalisation of approximately S\$4.0 billion as at 18 October 2006, it is currently Singapore’s largest REIT by asset size and market capitalisation.

CMT has been assigned an “A2” rating with a stable outlook by Moody’s Investor Services. It is managed by an external manager, CMTML, which is an indirect wholly-owned subsidiary of CapitaLand, one of the largest listed real estate companies in Asia.

## **IMPORTANT NOTICE**

**This News Release is made in reliance on Section 300(4)(a) of the Securities and Futures Act, Chapter 289 of Singapore and does not constitute, an offer, invitation or solicitation of securities in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever. The information in this News release is qualified in its entirety by, and is subject to, the more detailed information to be set out in the final prospectus (the “Prospectus”) to be registered by the Monetary Authority of Singapore (the “MAS”). The information presented in this News release is subject to change. After registration of the Prospectus by the MAS, copies of the Prospectus relating to the proposed Offering may be obtained, subject to availability, from the Singapore underwriters appointed in connection with the Offering and, where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. Anyone wishing to purchase the CRCT units should read the Prospectus before deciding whether to purchase the CRCT units and will need to make an application in the manner set out in the Prospectus. Any decision to purchase the CRCT units should be made solely on the basis of information contained in the Prospectus and no reliance should be placed on any information other than that contained in the Prospectus.**

The past performance of CapitaMall Trust (“**CMT**”) is not indicative of the future performance of CMT. Similarly, the past performance of the CapitaMall Trust Management Limited (the “**Manager**”) is not indicative of the future performance of the Manager.

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. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units ("**Unitholders**") may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

This News release should not be distributed to persons with addresses in the United States of America or in any other country where such distribution may lead to a breach of any applicable law and/or regulation. The CRCT units will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the relevant securities laws of any state or other jurisdiction of the United States. Accordingly, the CRCT units may not (unless an exemption under the Securities Act or other relevant securities laws is available) be offered, sold, taken up, or delivered, directly or indirectly, in, into or from the United States or any other jurisdiction where this would constitute a violation of the relevant laws of, or require registration thereof in, such a jurisdiction or to, or for the account or benefit of, any U.S. persons (as defined in Regulation S under the Securities Act).

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You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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**Issued by CapitaMall Trust Management Limited**

(Company Registration No. 200106159R)

**Media / Analyst / Investor Contact**

Ms TONG Ka-Pin

DID : (65) 6826 5856

HP : (65) 98622435

Email : [tong.ka-pin@capitaland.com.sg](mailto:tong.ka-pin@capitaland.com.sg)

Website : [www.capitamall.com](http://www.capitamall.com)