



18 October 2005

For Immediate Release

## **Unlocking value of Seiyu's Lease at Parco Bugis Junction**

***Distribution to Unitholders increases from 10.88 cents to 11.04 cents in 2006***

***Sembawang Shopping Centre granted Outline Permission to  
convert residential space for retail usage***

**Singapore, 18 October 2005** – CapitaMall Trust Management Limited (“CMTML”), the manager of CapitaMall Trust (“CMT”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of CMT (the “Trustee”) has today entered into an agreement (“Agreement to Surrender”) with Seiyu (Singapore) Private Limited (the “Lessee”) and The Seiyu, Ltd. for the surrender of 74,299 square feet of Net Lettable Area (“NLA”) at Parco Bugis Junction retail mall (the “Surrender Premises”) by the Lessee to CMT. The NLA comprises mainly Basement one and part of the first storey, and this space is approximately 30.2% of the Lessee’s existing lease. Simultaneously, under the Agreement to Surrender, the existing tenancies and license agreements in favour of the tenants and licensees at the Surrender Premises will be transferred to the Trustee. The Surrender Premises is expected to generate an estimated additional rental revenue per annum of S\$3.94 million and a Net Property Income per annum of S\$3.16 million. The surrender sum of S\$25.0 million payable by CMT to the Lessee will be funded through borrowings and the transaction will be effected immediately, following the expected completion of the acquisition of Parco Bugis Junction by CMT in early-November 2005.

With this Agreement to Surrender, the property yield for Parco Bugis Junction of 5.0%<sup>1</sup> in 2005 and 5.3%<sup>2</sup> in 2006, will be increased to 5.3%<sup>3</sup> and 5.6%<sup>4</sup> respectively. CMT’s Distribution per Unit (“DPU”) of 10.64 cents<sup>5</sup> in 2005 and 10.88 cents<sup>6</sup> in 2006, are also expected to increase to 10.81

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<sup>1</sup> Annualised figure based on CMTML’s forecast, together with the accompanying assumptions, for the period 1 November 2005 to 31 December 2005, as set out in the CMT Unitholders’ Circular dated 16 September 2005.

<sup>2</sup> Based on the projection for 2006, together with the accompanying assumptions, in the CMT Unitholders’ Circular dated 16 September 2005.

<sup>3</sup> Annualised figure based on CMTML’s forecast, together with the accompanying assumptions, for the period 1 November 2005 to 31 December 2005, as set out in the CMT Circular dated 18 October 2005.

<sup>4</sup> Based on the projection for 2006, together with the accompanying assumptions, in the CMT Circular dated 18 October 2005.

<sup>5</sup> Annualised figure based on CMTML’s forecast, together with the accompanying assumptions, for the period 1 November 2005 to 31 December 2005, as set out in the CMT Circular dated 18 October 2005.

cents<sup>7</sup> and 11.04 cents<sup>8</sup> respectively. The higher DPU is an increase of 6.7% over the earlier forecast DPU of 10.13 cents<sup>9</sup> in 2005 and 7.4% over the earlier forecast DPU of 10.28 cents<sup>10</sup> in 2006.

Separately, CMTML is also pleased to announce that CMT has been granted Outline Permission by the Urban Redevelopment Authority to convert 45,267 square feet of residential Gross Floor Area (“GFA”) to retail GFA at Sembawang Shopping Centre. Sembawang Shopping Centre, a 999-year leasehold retail cum residential development, was purchased at an average entry property yield of 5.4% and CMTML had assumed nil contribution from the residential component. The proposed conversion plan has also not been factored into the forecasts in the CMT Circular dated 18 October 2005. In view of this approval, CMTML intends to further improve the proposed asset enhancement plans for Sembawang Shopping Centre, so as to maximise returns to Unitholders.

Mr Pua Seck Guan, CEO of CMTML, said, “The unlocking of value at Parco Bugis Junction provides further yield accretion to Unitholders. This is a testament to our ability to pro-actively manage our assets to enhance returns to Unitholders. Through leveraging on our established asset cum retail management capabilities and through tenancy remixing, the premises that has been surrendered present opportunities for further value creation in the near term. The Outline Permission granted for Sembawang Shopping Centre to convert residential to retail GFA is also expected to drive DPU growth for Unitholders going forward.”

### **Unlocking Value at the Surrender Premises**

The Surrender Premises comprise part of the premises on a master lease (245,914 square feet of NLA) term of 20 years commencing from 7 April 1995. Currently, the Surrender Premises are sublet by the Lessee to tenants which include a food court, a supermarket, specialty fashion retailers and food kiosks.

CMTML believes that the average market rental rates at the Surrender Premises payable by the existing tenants to the Lessee is higher than the rental rates payable by the Lessee to the Lessor (currently BCH Retail Investment Pte Ltd, and upon completion of the acquisition of Parco Bugis Junction, CMT). The surrender of the premises will thus unlock value for CMT Unitholders and

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<sup>6</sup> Based on the projection for 2006, together with the accompanying assumptions, in the CMT Circular dated 18 October 2005.

<sup>7</sup> Annualised figure based on CMTML’s forecast, together with the accompanying assumptions, for the period 1 November 2005 to 31 December 2005, as set out in the CMT Circular dated 18 October 2005.

<sup>8</sup> Based on the projection for 2006, together with the accompanying assumptions, in the CMT Circular dated 18 October 2005.

<sup>9</sup> Annualised figure based on CMTML’s forecast, together with the accompanying assumptions, for the period 1 November 2005 to 31 December 2005, as set out in the CMT Circular dated 18 October 2005.

<sup>10</sup> Based on the projection for 2006, together with the accompanying assumptions, in the CMT Circular dated 18 October 2005.

result in further yield accretion. Further details will be set out in the CMT Circular containing an offer information statement in respect of the Equity Fund Raising which CMTML will be issuing today.

### **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 received from a diverse range of over 1000 leases from local and international tenants. It currently has a portfolio of seven quality shopping malls in both the suburban and city areas – Tampines Mall, Junction 8, Funan DigitalLife Mall, IMM Building, Plaza Singapura, Hougang Plaza Units and Sembawang Shopping Centre. With a market capitalisation of over S\$2.9 billion as at 12 October 2005, it is currently Singapore's largest REIT.

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 Asia.

Visit CMT's website at [www.capitamall.com](http://www.capitamall.com) for more details.

### **IMPORTANT NOTICE**

The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in CapitaMall Trust ("**CMT**", and units in CMT, "**Units**") 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 CMT Circular will be issued today and a copy may be obtained until 25 October 2005, from any DBS Bank branch (including POSB), UBS AG, acting through its business group, UBS Investment Bank, and where applicable, from certain members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore, subject to availability.

The past performance of 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.

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(Company Registration No. 200106159R)

For enquiries, please contact :

<b>Analyst Contact</b>	<b>Media Contact</b>
Tong Ka-Pin	Julie Ong
DID : (65) 6826 5856	DID : (65) 6823 3541
Email : tong.ka-pin@capitaland.com.sg	Email : julie.ong@capitaland.com.sg