



**NEWS RELEASE**

**19 March 2006  
For Immediate Release**

## **CCT and CMT to acquire Raffles City (RC)**

### ***First joint ownership between two Singapore REITs***

**Singapore, 19 March 2006** – CapitaCommercial Trust Management Limited (“CCTML”), as manager of CapitaCommercial Trust (“CCT”) is pleased to announce that CCT has signed a conditional put and call option agreement with Tincel Properties (Private) Limited (“TPPL”) on 18 March 2006 to acquire the 99-year leasehold Raffles City (“RC”), located in Singapore’s Central Business District, for S\$2.085 billion. Concurrently, CCT and CapitaMall Trust (“CMT”) have signed a collaboration agreement where CCT is committed to acquire a 60% interest in RC, and CMT is committed to acquire the remaining 40%, subject to the approvals of the respective unitholders. In the event that the transaction is not approved by CMT’s unitholders, CCT will acquire 100% interest in RC. RC is a prime integrated development comprising an office tower, two hotels, a shopping centre, a convention centre and three basement car parks. CMT will be taking a 40% stake in RC as the shopping centre component contributed approximately 40% of the total net property income of RC in 2005. The entire transaction is expected to be completed by end-August 2006.

The property purchase price of RC is S\$2.085 billion. In addition, the purchaser will be required under the sale and purchase agreement to (i) reimburse TPPL for amounts paid and assume the remaining costs for the building capital expenditure and asset enhancement works of up to S\$41 million and (ii) pay TPPL for certain property related liabilities of S\$40 million. Based on the total purchase consideration of approximately S\$2.166 billion, the projected annualised property yield is 4.9% for 2006 and 5.1% for 2007. The acquisition is expected to be yield accretive for both CCT and CMT unitholders based on the respective closing unit prices of CCT and CMT of S\$1.93 and S\$2.38 as at 17 March 2006. The various options for financing the acquisition are currently being considered and will be announced at the appropriate time.

Mr Sum Soon Lim, Chairman of CCTML, said, “Raffles City is a strategically located premium property. This acquisition will reinforce CCT’s status as the leading commercial REIT anchored by a portfolio of well-located and quality commercial properties. In addition, the purchase will increase CCT’s asset size from S\$2.1 billion to at least S\$3.5 billion. This deal is also the first in Singapore where two REIT managers with proven track records in their respective areas – CCTML in the management of commercial properties and CapitaMall Trust Management Limited (“CMTML”) in the management of retail properties – have come together to own and manage this asset to generate long term returns to the respective unitholders.”

Mr Hsuan Owyang, Chairman of CMTML, said, “Raffles City is a strategically located asset which enjoys excellent connectivity with access to two MRT train lines as well as the upcoming Circle Line. Together with Plaza Singapura, we will be in a unique position to have two prime assets, with each situated above an interchange station where three main train lines will intersect, thus allowing us to capture the tremendous human traffic flow to our properties. The yield accretive acquisition of Raffles City will increase our asset size significantly from S\$3.4 billion to S\$4.3 billion, further strengthening our position as the largest REIT by asset size and market capitalisation in Singapore.”

The joint ownership of a property is permissible under the Monetary Authority of Singapore’s Property Funds Guidelines. Certain veto rights, which are incorporated as required under the said guidelines, ensure that the interests of the respective unitholders are protected. A Management Committee will be set-up to oversee the day-to-day operations of RC and will comprise representatives appointed by CCTML and CMTML in proportion to their interest in RC. CCTML will be leading the acquisition process and asset management of RC and will also assume the Chairmanship of the Management Committee.

## **Valuation and Conditions for the Acquisition**

As CapitaLand Limited has indirect interests in both CCT and TPPL, the acquisition is considered an interested party transaction. The completion of the acquisition is subject to a number of conditions being met, including approval from CCT's unitholders to be given at an extraordinary general meeting and the approval of the shareholders of Raffles Holdings Limited in relation to the sale of RC.

An independent property valuer, CB Richard Ellis (Pte) Ltd which is appointed by both CCT and CMT, has valued RC at S\$2.166 billion as at 16 March 2006. HSBC Institutional Trust Services (Singapore) Limited, as trustee of both CCT and CMT, has also commissioned an independent property valuation by Jones Lang LaSalle Property Consultants Pte Ltd, which valued RC at S\$2.151 billion as at 16 March 2006.

## **About Raffles City**

Officially opened in October 1986, RC is designed by world-renowned architects I. M. Pei and Partners and was awarded the first prize in the Tall Structural Buildings category of the 1987 Engineering Excellence Award organised by the New York Association of Consulting Engineers.

Located in the Singapore's Central Business District, the asset stands on 32,787 sq m of prime land with a 99-year land lease with effect from 16 July 1979. RC is sited in close proximity to the financial centre of Singapore at Raffles Place, the prime retail area at Orchard Road, the food and entertainment facilities at Boat Quay and Clarke Quay, and within walking distance to Raffles Hotel and the Esplanade.

The City Hall mass rapid transit ("MRT") station which is adjacent to and directly linked with RC, is one of Singapore's major MRT interchanges where the north and southbound lines meet the east and westbound lines. In addition, it will have a direct connection to the future Circle Line MRT Convention Centre Station, which is expected to be fully operational in 2010. It is also well-served by major bus routes along the four main city streets, namely Bras Basah Road, Beach Road, Stamford Road and North Bridge Road.

With close to 100% occupancy for both the office tower and shopping centre, and a major venue for conventions, RC caters to a diverse group of visitors including tourists, exhibitors, office workers and locals.

**Property Details (as at 28 February 2006)**

<b>Tenure</b>	99 years with effect from 16 July 1979
<b>Land Area</b>	32,787 sq m
<b>Car Park Lots</b>	Over 1,000 lots
<b>Raffles City Tower</b>	
Brief Description	42-storey office tower
Net Lettable Area	Approximately 34,800 sq m
Major Tenants	Economic Development Board, Phillips Securities Pte Ltd and Accenture Pte Ltd
<b>Raffles City Shopping Centre</b>	
Brief Description	Four levels of retail
Net Lettable Area	Approximately 28,000 sq m
Major Tenants	Robinson & Company (Singapore) Private Limited and Cold Storage Singapore (1983) Pte Ltd
<b>Raffles City Convention Centre</b>	
Brief Description	Over 6,500 sq m of meeting space, including three ballrooms and 15 primary meeting rooms
<b>Swissotel The Stamford &amp; Raffles The Plaza</b>	
Brief Description of Swissotel The Stamford	73-storey deluxe hotel
Brief Description of Raffles The Plaza	28-storey twin tower hotel
Total Number of Rooms	2,032

**About CapitaCommercial Trust ([www.cct.com.sg](http://www.cct.com.sg))**

CCT is Singapore's first commercial property REIT with a market capitalisation of S\$1.7 billion based on the market closing price of S\$1.93 per unit on 17 March 2006. It aims to own and invest in real estate and real estate-related assets which are income-producing and used, or predominantly used, for commercial purposes. CCT currently owns a S\$2.1 billion portfolio of eight prime properties in Singapore's Central Business District of Singapore. The properties are Capital Tower, 6 Battery Road, HSBC Building, Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park and Market Street Car Park. In addition, CCT has announced on 16 February 2006 that it will subscribe 100% of the junior bonds worth RM 45 million (about S\$20 million) issued by Aragorn ABS Berhad, which owns Wisma Technip, a prime office asset in Malaysia.

CCT is managed by CCTML, an indirect wholly-owned subsidiary of CapitaLand, one of the largest listed real estate companies in Asia.

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

CMT is the first listed REIT in Singapore. Launched in 2002, it invests in quality income-producing properties, which are income-producing and used, or predominantly used, for retail purposes, in Singapore. Income is mainly derived from rental payments received from a diverse range of over 1200 leases from local and international tenants. It currently has a portfolio of nine quality shopping malls in both the suburban and city areas – Tampines Mall, Junction 8, Funan DigitalLife Mall, IMM Building, Plaza Singapura, Hougang Plaza Units, Sembawang Shopping Centre, Jurong Entertainment Centre and Bugis Junction. With a market capitalisation of approximately S\$3.3 billion as at 17 March 2006, it is currently Singapore's largest REIT.

CMT 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.

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**Jointly issued by :**  
**CapitaCommercial Trust Management Limited**  
(Company registration no. 200309059W)

**CapitaMall Trust Management Limited**  
(Company Registration No. 200106159R)

**For media enquiries, please contact:**

Julie Ong  
DID: (65) 6823 3541; Mobile: (65) 97340122  
Email: [julie.ong@capitaland.com.sg](mailto:julie.ong@capitaland.com.sg)

**For analyst & investor enquiries, please contact:**

<b>CapitaCommercial Trust</b>	<b>CapitaMall Trust</b>
Ho Mei Peng DID: (65) 6826 5586 Email: <a href="mailto:ho.meipeng@capitaland.com.sg">ho.meipeng@capitaland.com.sg</a>	Tong Ka-Pin DID: (65) 6826 5856 Email: <a href="mailto:tong.ka-pin@capitaland.com.sg">tong.ka-pin@capitaland.com.sg</a>

**Important Notice**

The past performance of CapitaCommercial Trust (“CCT”) and CapitaMall Trust (“CMT”) is not indicative of the future performance of CCT and CMT. Similarly, the past performance of CapitaCommercial Trust Management Limited (“CCTML”), the manager of CCT, and CapitaMall Trust Management Limited (“CMTML”), the manager of CMT, is not indicative of the future performance of the two managers.

The value of units in CCT and CMT and the income derived from them may fall as well as rise. CCT and CMT units are not obligations of, deposits in, or guaranteed by, CCTML and CMTML. An investment in CCT and CMT units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that CCTML and CMTML redeem or purchase their units while the CCT and CMT units are listed. It is intended that holders of CCT and CMT units may only deal in their units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of CCT and CMT 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.