



NEWS RELEASE

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SINGAPORE PERMANENT RESIDENTS, TOWN COUNCILS AND STATUTORY BOARDS TO RECEIVE GROSS INCOME DISTRIBUTIONS

Ministry of Finance's approval follows earlier announcement on tax-free distributions for CPF members

Singapore, 5 December 2002 – CapitaMall Trust ("CMT") received approval from the Ministry of Finance ("MOF") for the extension of tax transparency to include Singapore permanent residents who are tax residents in Singapore and other non-corporate Singapore constituted or registered entities such as town councils and statutory boards where such investors will be able to receive gross taxable income distributions from CMT. Effectively, these investors will receive 100% of CMT's taxable income distributions and pay income tax thereafter at their own individual or corporate tax rate.

In contrast, listed companies' dividends are paid out directly to investors net of tax (22%), with no available tax credit under the new one-tier corporate tax system.

In addition, the MOF outlined that tax transparency will continue to apply in the event CMT distributes less than 100%, subject to a minimum of 90%, of its taxable income. Notwithstanding this approval, it is the current intention of CapitaMall Trust Management Limited ("CMTML"), the Manager of CMT, to distribute 100% of CMT's taxable income to investors, as stated in its IPO prospectus dated 28 June 2002.

CapitaMall Trust Management Limited's CEO Pua Seck Guan said, "We certainly welcome these announcements by the Ministry of Finance as they should encourage greater investment in REITs, including CMT. Singapore permanent residents, town councils and statutory boards will now have more reason to invest in CMT due to the tax transparent distributions. CMT is even more attractive for CPF members as they enjoy distributions free of any tax."

Earlier, the MOF had confirmed that Central Provident Fund ("CPF") members who use their CPF savings to invest in CMT will enjoy tax-free distributions. These investors will receive gross distributions and like other CPF approved investments, the distributions will be made to their CPF accounts. The monies can then be used for further investment in CPF-approved products.

Added Pua, "To date, CMT's performance has surpassed expectation with net distributable income to unitholders exceeding 2002 third quarter forecast by 5%. In addition, CMT has outperformed the Straits Times Index, with the unit price appreciating by over 8% since its listing on the Singapore Stock Exchange earlier in July this year."

About CapitaMall Trust

The launch of CMT by CapitaLand Limited in July 2002 marked the establishment of the first listed real estate investment trust ("REIT") in Singapore. CMT currently consists of three major shopping malls - Tampines Mall, Junction 8 and Funan The IT Mall. The total net lettable area of the three malls is in excess of 800,000 sq ft with more than 420 individual leases.

CMT's principal investment strategy is to invest in real estate in Singapore that is income producing and which is substantially used for retail purposes. CMTML, the manager of CMT, plans to achieve additional net property income growth and enhance the value of CMT's real property portfolio through active management of its properties, asset enhancements and acquiring attractive malls in Singapore.

CMTML is an indirectly wholly-owned subsidiary of CapitaLand Limited, one of the largest listed real estate companies in Asia.

Visit www.capitamall.com for more details.

Issued by CapitaMall Trust Management Limited

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