



**16 September 2005**  
**For Immediate Release**

## **CMT to raise over S\$400 million for Parco Bugis Junction**

***Existing Unitholders get additional discount of up to 1%***

***Distributions to Unitholders expected to increase 5.8%<sup>1</sup> in 2006***

**Singapore, 16 September 2005** – CapitaMall Trust Management Limited (“CMTML”), the manager of CapitaMall Trust (“CMT”), will seek Unitholders’ approval to raise over S\$400 million at an Extraordinary General Meeting (“EGM”) for the yield accretive acquisition of Parco Bugis Junction<sup>2</sup>, the retail component within the integrated mixed development of Bugis Junction, which is strategically located within the heart of Singapore’s Arts, Culture, Learning and Entertainment Hub. Unitholders’ approval will be sought at the EGM for, among other things, the proposed issue of new units in CMT (“New Units”) so as to raise gross proceeds arising from the issue of up to 172,700,000 New Units or S\$406.0 million in gross proceeds, whichever is higher, for offer and placement to existing Unitholders and new investors (the “Equity Fund Raising”). The issue price of New Units under the Preferential Offering for existing Unitholders will be at an additional discount of up to 1.0% from the issue price of the other New Units to be issued under the Equity Fund Raising.

CMT’s Unitholders can expect a higher Distribution per Unit (“DPU”) of 10.65 cents in 2005<sup>3</sup> and 10.88 cents<sup>4</sup> in 2006 as a result of the acquisition of Parco Bugis Junction, recent proposed acquisition of Jurong Entertainment Centre<sup>5</sup>, as well as the recently acquired Sembawang Shopping Centre and Hougang Plaza<sup>6</sup> (“Hougang Plaza Units”).

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<sup>1</sup> Based on the weighted average issue price of S\$2.35 per new unit, the projected DPU (as defined herein) of 10.28 cents generated by the Existing Properties (as defined herein) for FY2006 and the projected DPU of 10.88 cents generated by the Existing Properties, the New Properties (as defined herein) and the Target Property (collectively, the “Entire Portfolio”), together with the accompany assumptions, and in CMT’s circular (the “Unitholders’ Circular”) to holders (“Unitholders”) of units in CMT (“Units”) dated 16 September 2005.

<sup>2</sup> The proposed acquisition includes the plant and equipment located at the property and certain fixed assets.

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

<sup>4</sup> Based on the projection, together with the accompanying assumptions, in the Unitholders’ Circular.

<sup>5</sup> Proposed acquisition of Jurong Entertainment Centre is expected to be completed in October 2005.

<sup>6</sup> 96.7% of the shared values of Hougang Plaza

This higher DPU is an increase of 5.1% and 5.8% over the forecast DPU of 10.13 cents<sup>7</sup> in 2005 and 10.28 cents<sup>8</sup> in 2006 respectively.

Mr Hsuan Owyang, Chairman of CMTML, said, “The yield accretive acquisition of Parco Bugis Junction is expected to increase Distribution per Unit to Unitholders. We are confident that the Equity Fund Raising will receive strong support from Singapore and overseas institutional and retail investors. The issuance of New Units will enhance CMT’s trading liquidity and enlarge its Unitholder base. In addition, the larger free float is expected to increase CMT’s weighting in the MSCI Singapore Free Index.”

The yield accretive acquisitions of Parco Bugis Junction and the three new properties, namely, Jurong Entertainment Centre, Sembawang Shopping Centre and Hougang Plaza Units (collectively, the “New Properties”) will augment CMT’s existing portfolio which comprises Tampines Mall, Junction 8, Funan DigitalLife Mall, IMM Building and Plaza Singapura (collectively, the “Existing Properties”), thus reaffirming CMT’s position as the largest REIT in Singapore.

Mr Pua Seck Guan, CEO of CMTML, said, “Parco Bugis Junction, together with Jurong Entertainment Centre, Hougang Plaza Units and Sembawang Shopping Centre, will provide CMT with a continuous growth pipeline to deliver stable distributions and sustainable total returns to Unitholders. With an enlarged portfolio of nine malls worth over S\$3.3 billion, well-spread in various parts of Singapore, CMT’s dominant position as the largest REIT by market capitalisation is further strengthened. We will continue to focus on yield accretive acquisitions, innovative asset enhancements, and proactive asset and retail management to grow our portfolio size to S\$4-S\$5 billion locally within the next three years.”

CMT is issuing a Unitholders’ Circular today to inform Unitholders about the EGM which will be convened to consider, among others, the acquisition of Parco Bugis Junction and the relevant financing plans. The EGM will be held on Thursday, 6 October 2005 at 3 p.m., at 168 Robinson Road, Capital Tower, Level 9, STI Auditorium.

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<sup>7</sup> Annualised based on CMTML’s forecast for the period 1 November 2005 to 31 December 2005, together with the accompanying assumptions, as set out in the CMT Circular dated 16 September 2005.

<sup>8</sup> Based on the forecast, together with the accompanying assumptions, in the Unitholders’ Circular.

## **Summary of Approvals Sought at EGM**

The total acquisition cost of Parco Bugis Junction is estimated to be approximately S\$588.1 million, which comprises the purchase price of S\$580.8 million and other relevant fees and expenses. Unitholders' approval will be sought at the EGM for:

- the proposed acquisition of Parco Bugis Junction ("Parco Acquisition");
- the proposed issue of new units in CMT ("New Units") so as to raise gross proceeds arising from the issue of up to 172,700,000 New Units or S\$406.0 million in gross proceeds, whichever is higher, for offer and placement to existing Unitholders and new investors (the "Equity Fund Raising") in order to:
  - part finance the Parco Acquisition;
  - part refinance the bridge loans taken to finance the acquisitions of the Hougang Plaza Units and Sembawang Shopping Centre (the "HP and SSC Loans"); and
  - part finance the acquisition of Jurong Entertainment Centre,with the balance of the proceeds to be utilised for CMT's working capital purposes; and
- the proposed supplement to the trust deed constituting CMT (as amended) for the purpose of facilitating the use of special purpose vehicles by CMT to hold investments.

## **Funding Plans**

CMT intends to finance the Parco Acquisition and the acquisition of Jurong Entertainment Centre, and to refinance the HP and SSC Loans, through a combination of funds from the proposed Equity Fund Raising and additional borrowings.

## **Equity Fund Raising**

The proposed Equity Fund Raising is expected to commence no later than end October and will comprise:

- (i) a preferential offering of up to 73.9 million New Units, comprising approximately 43% of the Equity Fund Raising, to Singapore Registered Unitholders (other than the CapitalLand Group) on a non-renounceable basis of one New Unit for every 10 existing Units held on 14 October 2005 at 5.00 p.m. (the "Preferential Offering Books Closure Date"), and subject to the rounding mechanism as described in the Circular (the "Preferential Offering");
- (ii) an offering of New Units, comprising approximately 57% of the Equity Fund Raising, by way of:

- a) an offering to the public in Singapore through the automated teller machines of DBS Bank Ltd (including POSB) on a “first-come, first-served” basis (the “ATM Offering”); and
- b) a placement to retail and institutional investors (the “Private Placement”).

The issue price of New Units proposed to be issued under the Equity Fund Raising will be determined closer to the date of commencement thereof. The issue price of New Units under the Preferential Offering to existing Unitholders will be at an additional discount of up to 1.0% from the issue price of New Units under the ATM Offering and the Private Placement.

DBS Bank Ltd and UBS AG, acting through its business group, UBS Investment Bank (together, the “Joint Lead Managers and Underwriters”), have been appointed as the joint lead managers and underwriters for the Preferential Offering and the Private Placement. DBS Bank Ltd has been appointed as the lead manager and underwriter for the ATM Offering.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the Equity Fund Raising and for the listing and quotation of the New Units to be issued for the purpose of the Equity Fund Raising on the Main Board of the SGX-ST. The SGX-ST’s in-principle approval is not an indication of the merits of the Equity Fund Raising, the New Units, the waivers as described in the paragraph immediately below or CMT.

CMT has sought and obtained a waiver from Rule 812(1) of the Listing Manual so that restricted places listed thereunder (such as the directors of CMTML, their immediate family and substantial Unitholders) who are Singapore Registered Unitholders (excluding the CapitaLand Group) can participate in the Preferential Offering. The waiver also allows the directors of CMTML and their immediate family<sup>9</sup> to apply for New Units under the ATM Offering. CMT has also obtained from the SGX-ST a waiver of Rule 812(1) of the Listing Manual for a placement of New Units to each of The Capital Group

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<sup>9</sup> Spouse, children, adopted children, step-children, siblings and parents.

Companies, Inc. and the Fairprice Group<sup>10</sup> (both of which are substantial Unitholders) under the Private Placement without the need for Unitholders' approval.

### **Additional Borrowings & Revised Gearing Ratio**

CMT intends to borrow up to S\$433.0 million from Silver Maple Investment Corporation Ltd, a special purpose vehicle, in the form of a seven-year term loan facility at an all-in rate of approximately 3.13%.

CMT has revalued the Existing Properties in accordance with the Property Funds Guidelines issued by the Monetary Authority of Singapore (the "Property Funds Guidelines"), which states that all assets within the portfolio must be valued no more than six months prior to an equity fund raising. The aggregate valuation of the Existing Properties has increased by S\$295.0 million from S\$2,235.0 million (as at 1 December 2004) to S\$2,530.0 million (as at 21 July 2005).

<b><u>Properties</u></b>	<b><u>Valuation (As at 1 Dec 2004) (S\$'000)</u></b>	<b><u>Valuation (As at 21 Jul 2005) (S\$'000)</u></b>	<b><u>Increase (S\$'000)</u></b>
Tampines Mall	548,000	618,000	70,000
Junction 8	396,000	473,000	77,000
Funan DigitaLife Mall	202,000	244,000	42,000
IMM Building	352,000	400,000	48,000
Plaza Singapura	736,950	795,000	58,050
<b>Aggregate Valuation of the Existing Properties</b>	<b>2,234,950</b>	<b>2,530,000</b>	<b>295,050</b>
Parco Bugis Junction	-	580,800 <sup>11</sup>	-
Hougang Plaza Units	-	44,300 <sup>12</sup>	-
Sembawang Shopping Centre	-	79,000 <sup>13</sup>	-
Jurong Entertainment Centre	-	69,100 <sup>14</sup>	-
<b>Latest Aggregate Valuation of the Entire Portfolio</b>	<b>2,234,950</b>	<b>3,303,200</b>	

<sup>10</sup> The interest of NTUC Fairprice Co-operative Limited ("Fairprice") in the Units comprises a direct interest in 71,500,000 Units and a deemed interest in 24,900,000 Units held by a wholly owned subsidiary, Alphaplus Investments Pte. Ltd. ("AIPL" and together with Fairprice, shall be known as the "Fairprice Group"). The approvals sought by and granted to the Manager comprises the proposed placement of New Units to each of Fairprice and AIPL.

<sup>11</sup> Valuation as at 18 July 2005

<sup>12</sup> S\$39.7 million is attributed to approximately 92.4% of the total strata in Hougang Plaza as at 21 April 2005 and S\$4.6 million is attributed to approximately 4.3% of the total strata area in Hougang Plaza as at 15 June 2005.

<sup>13</sup> Valuation as at 28 April 2005

<sup>14</sup> Valuation as at 30 June 2005

Based on the latest aggregate valuation of Parco Bugis Junction, the Existing Properties, and the New Properties of over S\$3.3 billion, the proposed debt financing will increase CMT's gearing ratio from 28.7%<sup>15</sup> to approximately 31.7%, which is still well below the gearing limit of 35.0% prescribed by the Property Funds Guidelines.

### **Consequential Adjustment to the Distribution Period**

In lieu of the scheduled distribution of CMT's distributable income for the period 1 July 2005 to 30 September 2005, CMT intends to declare a distribution of CMT's distributable income for the period from 1 July 2005 to the day immediately prior to the date on which the New Units are issued under the Equity Fund Raising ("the Cumulative Distribution"). The next distribution following the Cumulative Distribution will comprise CMT's distributable income for the period from the day the New Units are issued pursuant to the Equity Fund Raising to 31 December 2005. Quarterly distributions will resume thereafter.

### **Value Creation Plans Mapped Out for New Acquisitions**

CMTML has identified and mapped out opportunities for value creation at Parco Bugis Junction and the New Properties. Through innovative asset enhancements, tenancy remix and proactive asset cum retail management, these malls are expected to contribute significantly to CMT's net property income from 2006 and drive DPU growth for Unitholders over the next few years.

### **Key Benefits to Unitholders**

1. Yield accretive acquisition results in higher DPU
2. The Parco Acquisition fits CMTML's investment strategy
3. Opportunities for asset enhancements and tenancy remix
4. Income diversification reduces reliance on any single property
5. Further geographical diversification
6. Increased free float and trading liquidity

### **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

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<sup>15</sup> Gearing ratio as at 30 June 2005, excluding the bridge loan of S\$123.0 million drawn down to finance the acquisitions of Hougang Plaza Units and Sembawang Shopping Centre.

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 2 September 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, 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 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.

The value of the 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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

A circular dated 16 September 2005 (the "**Unitholders' Circular**") setting out the details of the proposed equity fund raising and the proposed acquisition of Parco Bugis Junction together with the notice of an extraordinary general meeting of Unitholders has been despatched to Unitholders. This press release is qualified in its entirety by, and should be read in conjunction with, the full text of the Unitholders' Circular. Terms not defined in this press release adopt the meanings in the Unitholders' Circular.

An offer information statement and a wrap-around document (together, the "**Circular**") in relation to the offer of new Units ("**New Units**") will also be made available if an offer is made subsequent to approval by the Unitholders for the acquisition of Parco Bugis Junction and the Equity Fund Raising. Any such Circular is expected to be available and a copy may be obtained on request, subject to availability, from such underwriters as may be appointed for the Equity Fund Raising. A potential investor should read the Circular before deciding whether to subscribe for or purchase the New Units. Any decision to purchase or subscribe for New Units should be made solely on the basis of information contained in the Circular and no reliance should be placed on any information other than that contained in the Circular.

This press release may contain 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. 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 are based on a specified range of issue prices per Unit and on the Manager's assumptions as explained in the Unitholders' Circular. You are advised to read the Unitholders' Circular carefully. 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 range specified in the Unitholders' Circular. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, which are considered by the Manager to be

appropriate and reasonable as at the date of the Unitholders' Circular. The forecast financial performance of CMT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of the Unitholders' Circular for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of CMT.

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