



**For Immediate Release  
10 September 2003**

**NEWS RELEASE**

**CapitaMall Trust proposes to invest up to S\$60 million  
in private retail property fund, CapitaRetail Singapore**

***CapitaMall Trust offered right of first refusal to acquire  
properties in the S\$500 million suburban retail property fund***

*Singapore, 10 September 2003* - CapitaMall Trust (CMT) proposes to invest up to S\$60.0 million for a 30% stake in the junior bonds to be issued by CapitaLand Commercial Limited's (CapitaLand Commercial) private retail property fund, CapitaRetail Singapore. CapitaRetail Singapore comprises three suburban retail assets together worth approximately S\$500.0 million. The proposed investment in these bonds, which are expected to pay interest at a minimum rate of approximately 8.2% per annum, will produce an immediate yield accretion to CMT's current forecast distribution to unitholders of 8.04 cents and 8.14 cents per unit for 2003 and 2004, respectively. In addition, CMT will be granted a right of first refusal by CapitaRetail Singapore to purchase these suburban retail assets. The proposed investment is subject to obtaining the approval of CMT's trustee.

CapitaLand Commercial had offered CMT the right of first refusal to directly acquire the three properties - Lot 1 Shoppers' Mall (Lot 1), Bukit Panjang Plaza and Rivervale Mall. These three suburban malls are strategically located and serve the basic shopping needs of their respective catchment populations. However, the malls' current projected 2004 property yields, which range from 6.0% to 6.4%, will not be immediately yield-accretive to CMT's forecast distribution to unitholders. CMT currently has an implied property yield of 6.5% based on a trading price of S\$1.20<sup>1</sup>. Hence, CMT has today declined the right of first refusal to directly purchase these three malls.

Said Mr Pua Seck Guan, CEO of CapitaMall Trust Management Limited (the Manager of CMT), "These malls are of strategic fit for CMT. The purchase of the junior bonds in CapitaRetail Singapore will produce an immediate yield accretion to

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<sup>1</sup> As at the close of market on 9 September 2003.

CMT's unitholders. In addition, CapitaRetail Singapore can act as an 'incubator' and provide a deal flow for CMT. Given the right of first refusal granted by CapitaRetail Singapore, CMT can acquire these assets for its portfolio when the property yields are improved so that CMT can have a larger presence in the growing suburban retail market in Singapore."

#### 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 currently received from a diverse range of over 900 leases with local and international tenants. It has a portfolio of four major shopping malls in both suburban and city areas - Tampines Mall, Junction 8, Funan The IT Mall and IMM. CMT has performed well and exceeded initial forecasts for 2002 and the first half of 2003.

CMT is managed by an external manager, CapitaMall Trust Management Limited, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of the largest listed real estate companies in Southeast Asia.

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Issued by: CapitaMall Trust Management Limited

Date: 10 September 2003

#### **Media Contact**

John Teo, DID: 68233213; Email: john.teo@capitaland.com.sg

#### **Analyst Contact**

Maggie Low, DID: 62396856; Email: maggie.low@capitaland.com.sg

#### **Disclaimer**

The value of units in CMT ("Units") and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, CapitaMall Trust Management Limited (the "Manager") or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that 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. All forecasts and return projections are based on the Manager's assumptions as explained in the circular to CMT's Unitholders dated 11 June 2003 (the "Circular"). The major assumptions are based on 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 Circular. The forecasted and projected financial performance of CMT is not guaranteed and there is no certainty that any of it can be achieved. Investors should read the Circular for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of CMT.