



## News Release

29 November 2006

For Immediate Release

# CapitaRetail China Trust Receives Overwhelming Institutional Demand of 196<sup>1</sup> Times Subscription

*ATM Offering at S\$1.13 per Unit opens tomorrow at 8.00 a.m.*

*All capitalized terms used and not defined herein shall have the same meanings given to them in the prospectus of CapitaRetail China Trust dated 29 November 2006 (the "Prospectus").*

**Singapore, 29 November 2006** – CapitaLand Limited ("CapitaLand") is pleased to announce that the final prospectus of CapitaRetail China Trust ("CRCT"), Singapore's first pure-play China retail Real Estate Investment Trust ("REIT"), has been successfully registered with the Monetary Authority of Singapore ("MAS") today. CapitaLand is also extremely pleased to have received indications of interest of approximately 196<sup>1</sup> times subscription for the placement to international and other investors both outside, as well as in, Singapore ("International Placement and "Singapore Placement" respectively), at the offering price of S\$1.13 per Unit as at 5.00 p.m. (London Time) on 27 November 2006. In view of the overwhelming demand, the offering price has been fixed at the top end of the offering price range of between S\$0.95 and S\$1.13 (both inclusive). The subscription rate is also amongst the highest ever registered in Singapore's stock market history.

Based on the offering price of S\$1.13, Unitholders can expect a forecast distribution yield of 5.4%<sup>2</sup> for 2007 and a projected distribution yield of 5.8%<sup>2</sup> for 2008. The forecast Distribution Per Unit ("DPU") for 2007 is 6.13 cents and the projected DPU for 2008 is 6.53 cents, representing an increase of 6.5%.

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<sup>1</sup> Based on 160.3 million Units, excluding the over-allotment option.

<sup>2</sup> Based on the offering price of S\$1.13 per Unit, and the forecast and projection, together with the accompanying assumptions, in the Prospectus.

Mr Liew Mun Leong, President and CEO of CapitaLand Limited and Deputy Chairman of CapitaRetail China Trust Management Limited, said “We are extremely delighted by the overwhelming demand received from institutional investors all around the world for CRCT. The record subscription rate is a strong endorsement of investors’ confidence in the quality of the assembled portfolio and CapitaLand’s extensive experience in China and its strong on-ground delivery capabilities. CRCT clearly distinguishes itself as a unique offering to investors with its secured and proprietary acquisition pipeline. This pipeline of assets could potentially triple the size of the initial portfolio and increase CRCT’s presence to more than 24 cities in China. With our proven track record in creating and managing REITs, coupled with our expertise in retail mall management, CapitaLand has established itself as a leader in these fields in Asia. We expect similarly strong take-up from the local investors when the retail tranche opens for subscription tomorrow.”

CapitaLand, through its indirect-wholly owned subsidiary Retail Crown (BVI) Limited, is making an offering of 193.3<sup>3</sup> million units in CRCT (“Units”), which comprises the International Placement and the Singapore Placement, as well as an offering to the public in Singapore (“Singapore Public Offer”). Assuming the over-allotment option is fully exercised, the offering will be increased by 28.8 million Units to 222.1 million Units. Based on the over-allotment option, the offering will comprise the International Placement and the Singapore Placement of 189.1 million Units (approximately 85% of the offering) and the Singapore Public Offer of 33 million Units (approximately 15% of the offering), out of which 11 million Units (approximately 5% of the offering) are offered under the reserved tranche<sup>4</sup>. The remaining 22 million Units (approximately 10% of the offering) under the Singapore Public Offer will be offered to retail investors.

The book-building exercise by the joint underwriters of the International Placement and the Singapore Placement, J.P. Morgan (S.E.A.) Limited (“JPMorgan”) and UBS AG, acting through its business group, UBS Investment Bank (“UBS”), together with the joint underwriter of the International Placement, China International Capital Corporation Limited (“CICC”), had commenced following the lodgment of CRCT’s preliminary prospectus on 8 November 2006. The total book of demand comprised 353 quality institutional investors from Europe, Australia, Asia and investors with off-shore United States of America funds. DBS Bank Ltd (“DBS”) is the coordinator for the Singapore Public Offer and the sub-underwriter.

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<sup>3</sup> Subject to an over-allotment option of up to 28,800,000 Units

<sup>4</sup> Reserved for purchase by the directors, management, employees and business associates of CapitaLand and its subsidiaries.

## Singapore Public Offer

The Singapore Public Offer will open on 30 November 2006 at 8.00 a.m. and close on 6 December 2006 at 12 noon. Allocation of Units for the Singapore Public Offer will be carried out via ballot, if necessary. Applications can be made via the Automated Teller Machines (“ATMs”) of DBS (including POSB), OCBC Bank and UOB Group, internet banking websites of DBS and UOB Bank, or printed application forms which form part of the Prospectus.

Under the Singapore Public Offer, 18.0 million Units will be made available to retail investors in Singapore. The size of the Singapore Public Offer may be increased by up to an additional 4.0 million Units, if strong demand is received from retail investors. CRCT is expected to be listed on Singapore Securities Exchange Trading Limited (“SGX-ST”) on 8 December 2006 at 9.00 a.m.<sup>5</sup>

Singapore Public Offer Timetable	
Date / Time	Event
30 November 2006, 8.00 a.m.	Open for application
6 December 2006, 12.00 noon	Close for application
8 December 2006, 9.00 a.m.	Commence trading on a “ready” basis <sup>5</sup>

## Financial Impact

The financial impact of the Offering on CapitaLand’s earnings per share and net tangible assets per share for the financial year ending 31 December 2006 is not expected to be significant.

## Key Investment Highlights

- (1) Forecast Year 2007 distribution yield of 5.4%<sup>1</sup> and Projection Year 2008 distribution yield of 5.8%<sup>1</sup>
- (2) Exposure to China’s rapidly growing retail market
- (3) Quality and diversified portfolio with asset enhancement opportunities<sup>6</sup>
- (4) Strong acquisition growth potential supported by secured and proprietary pipeline
- (5) Access to CapitaLand’s unique integrated retail and capital management platform
- (6) Capitalise on CapitaLand’s extensive knowledge of the China retail mall sector and the properties under management
- (7) Stable and growing distributions which are tax-exempt<sup>7</sup> in Singapore

<sup>5</sup> Subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units on a “ready basis” have been fulfilled

<sup>6</sup> Subject to obtaining the approvals from the relevant authorities.

<sup>7</sup> Distributions to Unitholders who hold Units as investment assets are exempt from Singapore income tax.

## **Enquiries and Prospectus**

Copies of the Prospectus will be made available and obtained upon request from any DBS / POSB branch, JPMorgan and UBS until 6 December 2006, subject to availability. For enquiries, please call DBS Hotline at 1800-111-1111.

## **About CapitaRetail China Trust**

CapitaRetail China Trust ("CRCT") is a Singapore-based REIT established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in China<sup>8</sup>.

CRCT's initial portfolio of seven retail malls is strategically located within large population catchment areas in five cities across China. The quality geographically diversified portfolio, valued at approximately S\$690 million<sup>9</sup> as at 30 September 2006, is anchored by major international and domestic retailers, such as Wal-Mart, Carrefour and the Beijing Hualian Group. Other tenants include Sport 100 and B&Q. The malls are positioned as one-stop family-oriented shopping, dining and entertainment destinations in their localities. The seven malls are Wangjing Mall, Jiulong Mall and Anzhen Mall in Beijing, Qibao Mall in Shanghai, Zhengzhou Mall in Zhengzhou, Jinyu Mall in Huhehaote and Xinwu Mall in Wuhu.

## **About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand is one of the largest listed real estate companies in Asia. Headquartered in Singapore, the multinational company's core businesses in property, hospitality and real estate financial services are focused in gateway cities in Asia Pacific, Europe and the Middle East.

The company's property and hospitality portfolio spans 80 cities in nearly 20 countries. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop real estate financial products and services in Singapore and the region.

The listed subsidiaries and associates of CapitaLand include The Ascott Group, Raffles Holdings, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust and Australand, which is listed both in Singapore and Australia.

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<sup>8</sup> CRCT may also invest in Hong Kong and Macau as set out in the Prospectus.

<sup>9</sup> By CB Richard Ellis (Pte) Ltd, the independent valuer appointed by CapitaRetail China Trust Management Limited (the "Manager").

## IMPORTANT NOTICE

This news release is for information purposes and is qualified in its entirety by, and should be understood in conjunction with, the full text of the Prospectus. This news 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. All forecasts and projections are based on the offering price of S\$1.13 per Unit and on the Manager's assumptions as set out in the Prospectus. Such yields will vary accordingly for investors who purchased Units in the secondary market at a market price higher or lower than the offering price of S\$1.13 per Unit.

Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CRCT. The forecast financial performance of CRCT is not guaranteed. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager, on future events. A potential investor should read the Prospectus, a copy of which may be obtained, subject to availability, from JPMorgan, UBS as well as branches of DBS (including POSB) and where applicable, from certain members of the Association of Banks in Singapore and merchant banks in Singapore, for details of the forecasts and projections and to consider the assumptions used and make their own assessment of the future performance of CRCT before deciding whether to subscribe for or purchase the Units. Anyone wishing to subscribe for or purchase the Units will need to make an application in the manner set out in the Prospectus.

**The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Retail Crown (BVI) Limited or the Manager. An investment in the 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 the Units 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.**

This news release should not be distributed to persons with addresses in the United States of America or in any other country where such distribution may lead to a breach of any applicable law and/or regulation. The Units will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the relevant securities laws of any state or other jurisdiction of the United States. Accordingly, the Units may not (unless an exemption under the

Securities Act or other relevant securities laws is available) be offered, sold, taken up, or delivered, directly or indirectly, in, into or from the United States or any other jurisdiction where this would constitute a violation of the relevant laws of, or require registration thereof in, such a jurisdiction.

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**Issued by CapitaLand Limited**

(Company Registration No. 198900036N)

***Media Contact***

Basskaran Nair

Communications

DID : (65) 6823 3554

Email : [basskaran.nair@capitaland.com.sg](mailto:basskaran.nair@capitaland.com.sg)

***Analyst Contact***

Harold Woo

Investor Relations

DID : (65) 6823 3210

Email : [harold.woo@capitaland.com.sg](mailto:harold.woo@capitaland.com.sg)