



**For Immediate Release  
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**NEWS RELEASE**

**CapitaLand to divest its stakes in Parco Bugis Junction and Bugis Junction Tower  
Achieves objectives of unlocking value and increasing asset productivity**

**Singapore, 22 July 2005** – CapitaLand Limited (CapitaLand) has reached an agreement with its partners, which includes Keppel Land Limited, in Bugis Junction (an integrated mixed development) for the divestment of its stakes in Parco Bugis Junction (retail component) and Bugis Junction Tower (office component). Parco Bugis Junction will be divested to CapitaMall Trust (“CMT”) via an asset sale for S\$580.8 million. Bugis Junction Tower will be divested to Keppel Land Properties Pte Ltd via a share sale based on an asset value of S\$140.0 million. In the event the divestment of Parco Bugis Junction to CMT fails to go through, due to the inability to secure CMT unitholders’ approval, CapitaLand will purchase the remaining equity stakes in Parco Bugis Junction and seek to monetise the asset in due course. The divestment transactions are expected to be completed by December 2005.

Bugis Junction is owned by the Bugis City Holdings Pte Ltd (BCH) group of companies. CapitaLand holds an effective stake of 59.6% in BCH Retail Investment Pte Ltd (BCH Retail), which owns Parco Bugis Junction, and 62.1% in BCH Office Investment Pte Ltd (BCH Office), which owns Bugis Junction Tower.

Mr Liew Mun Leong, President and Chief Executive Officer of CapitaLand Group, said, “The divestment of our stakes in Parco Bugis Junction and Bugis Junction Tower is closely aligned with the Group’s capital productivity strategy. The transactions will also achieve our goals of monetisation and unlocking asset value. With the sale of Parco Bugis Junction to CMT, it provides us with the opportunity to participate in the strong performance and growth in CMT. In addition, it enables us to generate higher fee income from the management of an enlarged CMT portfolio. With the proceeds, CapitaLand is well poised to capitalise on attractive opportunities which may arise, so as to deliver enhanced returns to shareholders going forward.”

The divestment of Parco Bugis Junction was made through BCH Retail (an associated company of CapitaLand), which entered into a conditional sale and purchase agreement with HSBC Institutional Trust Services (Singapore) Limited, as the trustee of CMT. The completion of the transaction is subject to the

approval of CMT unitholders at an extraordinary general meeting. In addition, the transaction is also subject and conditional upon the approval of the shareholders of Keppel Land Limited at a general meeting, if required by the relevant authorities.

CapitaLand currently, through CapitaLand Retail (SI) Investments Pte Ltd (an indirectly wholly-owned subsidiary of CapitaLand) (CapitaLand Retail), owns 20% of the equity interest in BCH Retail. In the event the divestment of Parco Bugis Junction to CMT fails to go through, due to the inability to secure CMT unitholders' approval, CapitaLand will, through CapitaLand Retail, exercise the conditional share purchase agreement with BCH to purchase the remaining 80% of the equity stake in BCH Retail. Subsequently, CapitaLand will seek to monetise Parco Bugis Junction at an appropriate time. This transaction is also subject and conditional upon the approval of the shareholders of Keppel Land Limited at a general meeting, if required by the relevant authorities.

For the divestment of Bugis Junction Tower, the transaction was made through CapitaLand Retail and BCH, which entered into a conditional share purchase agreement with Keppel Land Properties Pte Ltd (a wholly-owned subsidiary of Keppel Land Limited), for the sale by CapitaLand Retail and BCH of the entire equity interest in BCH Office to Keppel Land Properties Pte Ltd. The share sale is based on an asset value of S\$140.0 million. Completion of this share sale is subject to the concurrent completion of the sale of Parco Bugis Junction to CMT or the concurrent completion of the sale of 80% of the equity stake in BCH Retail to CapitaLand.

### **Financial Impact**

The divestments are expected to yield a net gain of approximately \$32 million for CapitaLand.

For illustrative purposes only, the financial effects of the divestments on the earnings per share ("EPS") and net tangible assets ("NTA") per share of CapitaLand based on the audited financial statements of CapitaLand for the financial year ended 31 December 2004 are:

- (i) Earnings : Assuming that the divestments were effected on 1 January 2004, CapitaLand's EPS is expected to increase from 12.4 cents to 13.5 cents for the year ended 31 December 2004; and
- (ii) NTA : Assuming that the divestments were effected on 31 December 2004, the financial impact on CapitaLand's NTA per share is not significant.

### **Parco Bugis Junction**

Completed in 1995, Parco Bugis Junction is the retail component within the integrated mixed development of Bugis Junction, and is flanked by the commercial Bugis Junction Towers and the five-star Inter-Continental Hotel Singapore. Situated in the central part of Singapore, it is strategically located

above the Bugis Mass Rapid Transit (“MRT”) station, with direct connectivity from the basement level of the mall to the MRT. It is also well served by major bus routes along the four surrounding roads, namely North Bridge Road, Victoria Street, Bugis Street and Middle Road.

Parco Bugis Junction comprises five levels (including one basement level) and features Singapore’s first air-conditioned shopping streets. With a diverse tenant base of more than 180 leases, the mall currently enjoys full occupancy and is anchored by Seiyu departmental store and Shaw Theatres.

With the new main National Library located next door opening today, and the emergence of education institutions such as the Singapore Management University and LaSalle-SIA in the vicinity, the property has growth potential and value. In addition, the Bugis district has been earmarked by the Government as the city’s new art and entertainment hub.

Parco Bugis Junction has clinched many awards since its opening. Some of the accolades include:

- “Best Shopping Experience – Shopping Centre” in 1996 & 1997 (Singapore Tourism Board)
- “Best Decorated Building Award” in 2000 & 2001 (Singapore Tourism Board)
- “Best Christmas Shopping Experience” in 2003 & 2004 (The Association of Shopping Centres Singapore)
- “Merit Award (Community Service)” in MAXI Awards 2003 (International Council of Shopping Centres)
- “Excellent Efforts in Mall Maintenance” in 2004 (Singapore Retailers Association)

**Summary of Property Details**

Tenure	99 years wef 10 September 1990
Current Gross Floor Area (sq ft)	578,312
Net Lettable Area (sq ft) (As at 30 June 2005)	430,314 (including Seiyu’s master lease of 245,914 sq ft)
Number of Tenants	More than 180
Major Tenants	Seiyu, Shaw Theatres, Virtual Land, and Kinokuniya Bookstore
Occupancy Rate (As at 30 June 2005)	100%
Carpark Lots (Under MCST)	648
Valuation (As at 18 July 2005)	S\$580.8 million

## **About CapitaLand Group**

CapitaLand is one of the largest listed property 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, Australia, Europe and the Americas. The company's property and hospitality portfolio spans more than 90 cities in 28 countries. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop fee-based products and services in Singapore and the region.

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

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