



## News Release

16 August 2007

For Immediate Release

# **CapitaLand Acquires Gurney Plaza, Penang and MINES Shopping Fair, Selangor in Malaysia for over RM1.2 billion (approximately S\$527.1 million)**

## ***Form seed assets for CapitaLand's Proposed Malaysian retail REIT***

**Singapore, 16 August 2007** - CapitaLand Limited ("CapitaLand")'s indirect subsidiary, Front Winners Sdn Bhd ("Front Winners"), has entered into a Sale and Purchase ("S&P") Agreement ("Gurney Plaza S&P Agreement") with Gurney Plaza Sdn. Bhd. (the "Vendor") to acquire<sup>1</sup> Gurney Plaza, the leading retail mall in Penang, Malaysia for approximately RM770.0 million (approximately S\$336.8 million) and a total acquisition cost not exceeding RM793.0 million (approximately S\$346.8 million). Strategically located along the famous Gurney Drive promenade in Penang, the prime freehold asset measures over 700,000 square feet ("sq ft") in Net Lettable Area ("NLA").

Concurrently, Front Winners has also signed a put and call option<sup>2</sup> with the Vendor to acquire<sup>3</sup> Gurney Plaza's four-storey retail extension block ("Gurney Plaza Extension") measuring over 130,000 sq ft in NLA. The retail extension block is currently under construction and is expected to be completed by end-2008.

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<sup>1</sup> The acquisition of Gurney Plaza is subject to the fulfilment of certain conditions, such as, obtaining the approvals from the relevant Malaysian authorities (*i.e.* the Foreign Investment Committee of Malaysia and the State Authority of Penang).

<sup>2</sup> The put and call option applies for a period of 6 years from the date of the Gurney Plaza S&P Agreement.

<sup>3</sup> Subject to the fulfilment of certain conditions, such as obtaining the approvals from the relevant Malaysian authorities (*i.e.* the Foreign Investment Committee of Malaysia and the State Authority of Penang) and the issue of relevant certificates of occupation or completion for the Gurney Plaza Extension.

Separately, CapitaLand's indirect subsidiary, Mutual Streams Sdn Bhd has entered into a S&P Agreement with Mines Shopping Fair Sdn Bhd ("MSF") to acquire<sup>4</sup> MINES Shopping Fair ("MINES"), a prime retail mall which is part of the MINES Resort City in Selangor, Malaysia for approximately RM435.0 million<sup>5</sup> (approximately S\$190.3 million) and a total acquisition cost not exceeding RM450.2 million (approximately S\$196.9 million). MINES is strategically located at the growth corridor in the South of Kuala Lumpur, the capital of Malaysia, and measures approximately 650,000 sq ft in NLA.

Gurney Plaza and MINES will form the first two seed assets for the proposed CapitaLand-sponsored pure-play Malaysian retail Real Estate Investment Trust ("REIT").

Mr Liew Mun Leong, President and CEO of CapitaLand Group, said: "With the acquisition of Gurney Plaza and MINES Shopping Fair as seed investments for a proposed second CapitaLand-sponsored REIT in Malaysia, we are on track to increase our REITs portfolio in Singapore and abroad and, by significantly growing our assets under management business, to increase our fee-based income stream. In line with our current REITs strategy, we have identified other quality Malaysian retail assets that will augment Gurney Plaza and MINES Shopping Fair, and form the pipeline of assets for our pure-play Malaysian retail REIT, which could possibly be listed within a year.

He added, "To date, the CapitaLand Group has a multi-sector presence in Malaysia including residential, serviced residences, commercial and retail operations. Given CapitaLand's established track record in creating and managing five REITs, and the strong following among international investors for its REITs, including Quill Capita Trust which was listed in Malaysia in January this year, we are confident that the proposed Malaysian retail REIT will be equally well-received by investors all around the world."

Mr Pua Seck Guan, CEO of CapitaLand Retail Limited, said: "Gurney Plaza is one of the top malls in Penang and enjoys close to 100% occupancy. Endowed with a superior location along the renowned Gurney Drive seaside promenade, the mall is highly accessible to, and frequently visited by, both locals and tourists. In addition, Gurney Plaza encompasses

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<sup>4</sup> The acquisition of MINES Shopping Fair is subject to the fulfilment of certain conditions, such as obtaining the approvals from the relevant Malaysian authorities (*i.e.* the Foreign Investment Committee of Malaysia and the State Authority of Selangor) and the ultimate shareholder of MSF, Country Heights Holdings Berhad.

<sup>5</sup> Inclusive of RM3 million for a put and call option from MSF in respect of a lease for an area measuring approximately 6,800 sq ft which is adjacent to MINES. Such put and call option is subject to the fulfilment of certain conditions, such as, obtaining certain planning approvals, and approvals from the relevant Malaysian authorities (*ie* the Foreign Investment Committee of Malaysia, the State Authority of Selangor).

significant growth potential with the upcoming retail extension block measuring over 130,000 square feet in net lettable area. Similarly, MINES Shopping Fair is a quality asset strategically located at the growth corridor in the South of Kuala Lumpur and enjoys a good flow of human traffic from the other components of the MINES Resort City. The other components include an international exhibition and convention centre, a theme park and a resort hotel, all of which are seamless linked to the mall. There are also substantial asset enhancement and tenancy remixing opportunities at MINES Shopping Fair. More importantly, the acquisitions provide CapitaLand with an unique opportunity to extend our retail real estate platform to Malaysia which, in addition to Singapore, China, India and Japan, will further strengthened our position as the leading retail property company in Asia.”

At present, the CapitaLand Group has sponsored five REITs, of which four are listed on the Singapore Exchange Securities Trading Ltd and one on Bursa Malaysia Securities Bhd. Listed in Singapore are CapitaMall Trust, Singapore’s first and largest REIT by market capitalisation and asset size, CapitaCommercial Trust, Singapore’s first and largest commercial REIT, Ascott Residence Trust (through The Ascott Group), Singapore’s first pan-Asian serviced residence REIT, and CapitaRetail China Trust, Singapore’s first pure play China retail REIT. Quill Capita Trust, listed in Malaysia, is CapitaLand’s first REIT listed outside of Singapore. CapitaLand is also the strategic partner of The Link REIT Management Limited, the manager of The Link REIT. The Link REIT is the first REIT listed on the Hong Kong Stock Exchange.

### **About Gurney Plaza**

Opened in November 2001, Gurney Plaza is strategically located along the famous Gurney Drive promenade in Penang, Malaysia. The mall is approximately 5-minutes drive from the city centre of Georgetown, the capital of Penang Island, 15-minutes drive from the renowned Batu Ferringhi tourist belt and 30-minutes drive from the Penang International Airport. The 7-storey mall, measuring over 700,000 sq ft in NLA, has more than 300 specialty stores and is anchored by Parkson Grand. Gurney Plaza also enjoys close to 100% occupancy as at 30 June 2007.

### **About MINES Shopping Fair**

MINES Shopping Fair (MINES) is the retail component within the MINES Resort City, which other than MINES, also includes the MINES International Exhibition and Convention Centre, MINES Wonderland (a theme park) and The Palace Beach and Spa (a resort hotel). Strategically located at Seri Kembangan, Selangor, the mall is well-served by seven major

highways - BESRAYA, SILK, North South Highway, North South Central Link, Damansara Puchong Highway, KESAS and MRR2. Opened in 1997, MINES Shopping Fair has a unique Venetian-styled canal flowing through the shopping mall, the first-of-its-kind in Asia. The four-storey retail mall measures approximately 650,000 sq ft in NLA and enjoys approximately 85% occupancy as at 6 July 2007. Comprising more than 350 specialty stores, the mall is anchored by Giant Hypermarket, Tanjong Golden Village and Best Denki.

**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 real estate, hospitality and real estate financial services are focused in gateway cities in Asia Pacific, Europe and the Middle East.

The company's real estate and hospitality portfolio spans more than 90 cities in over 20 countries. CapitaLand also leverages on its significant real estate asset base, financial skills 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, Australand, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust, CapitaRetail China Trust and Quill Capita Trust.

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**Issued by CapitaLand Limited**

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