



**2005 FIRST QUARTER FINANCIAL  
STATEMENT ANNOUNCEMENT**

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**CAPITACOMMERCIAL TRUST  
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**SUMMARY OF CCT RESULTS (ACTUAL VS FORECAST<sup>1</sup>)  
(1 January 2005 to 31 March 2005)**

	Actual S\$'000	Forecast S\$'000	Favourable / (Unfavourable)	
			S\$'000	%
Gross Revenue	27,441	26,312	1,129	4.3
Property Operating Expenses	(7,576)	(7,742)	166	2.1
Net Property Income	19,865	18,570	1,295	7.0
Other Operating Expenditure	(5,834)	(6,293)	459	7.3
Net Investment Income before Tax	14,031	12,277	1,754	14.3
Net Tax Adjustments	8	91	(83)	(91.2)
Taxable Income Available for Distribution to Unitholders	14,039	12,368	1,671	13.5
<b>Distributable Income to Unitholders<sup>2</sup></b>	<b>13,337</b>	<b>11,750</b>	<b>1,587</b>	<b>13.5</b>
<b>Distribution Per Unit (cents) For the period 1 Jan to 31 Mar 2005 Annualised</b>	<b>1.59¢ 6.45¢</b>	<b>1.40¢ 5.68¢</b>	<b>0.19 0.77</b>	<b>13.5 13.5</b>

**Footnotes**

- (1) The forecast is extracted from the Introductory Document and is based on the assumptions set out in the Introductory Document.
- (2) The distributable income to unitholders is based on 95% of the taxable income available for distribution to unitholders.

**Refer to Section 9 for the details.**

**CAPITACOMMERCIAL TRUST  
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**INTRODUCTION**

CapitaCommercial Trust (CCT) was established under a Trust Deed dated 6 February 2004 entered into between CapitaCommercial Trust Management Limited (as manager of CCT) (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CCT).

CCT acquired Capital Tower, Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park and Market Street Car Park on 23 February 2004 through acquiring all the shares in the respective companies which owned each of the properties. CCT agreed with the vendors of these property holding companies that the income of the property holding companies up to and including 29 February 2004 will accrue to the respective vendors. These six property holding companies subsequently commenced liquidation and the respective properties were transferred to CCT as distribution in specie on 1 March 2004. Separately, on 1 March 2004, CCT acquired 6 Battery Road.

All the units in CCT ("Units") were directly or indirectly held by CapitaLand Limited up to and including 14 May 2004 (the "Private Trust"). On 15 May 2004, CapitaLand Limited distributed approximately 60% of the Units in specie to its shareholders (the "Public Trust"). On 14 May 2004, CCT distributed its distributable income for the period from 6 February 2004 to 14 May 2004 to the companies in the CapitaLand Group that together held 100% of the Units. CCT's distributable income from 15 May 2004 to 31 December 2004 will be distributed to all the unitholders, including all the companies in the CapitaLand Group that continue to hold Units, on 28 February 2005. From 1 January 2005, CCT will make distributions to its unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.

All the Units have been listed on Singapore Exchange Securities Trading Limited (the "SGX-ST") since the commencement of "when issued" trading in the Units on 11 May 2004. The Units began trading on a "ready" basis on the SGX-ST on 17 May 2004.

CCT has been granted tax transparency. Therefore, income which is distributed is not taxed at CCT level. Qualifying unitholders and individuals (other than those who hold their units through a partnership or through a nominee) will receive pre-tax distributions. For the qualifying unitholders, gross distribution will be made and they will subsequently be taxed on the distributions at their applicable income tax rates. Individuals are exempt from tax on CCT's distributions unless such distributions are derived through a partnership in Singapore or from the carrying on of a trade, business or profession. Distributions made to all the other unitholders will be subject to tax deducted at source at the prevailing corporate tax rate, currently 20%. This tax deducted can be used to offset against their Singapore income tax liabilities. Also, to qualify for tax transparency, CCT must distribute at least 90% of its taxable income. As stated in the Introductory Document dated 16 March 2004 (the "Introductory Document"), CCT will distribute 95% of its taxable income to unitholders up to 31 December 2005.

As CCT's acquisition of the properties were completed on 1 March 2004, the comparative prior period financial results for 1Q 2004 is only for income derived for the period of 1 March 2004 to 31 March 2004.

**CAPITACOMMERCIAL TRUST  
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**1(a)(i) Statement of Total Return & Distribution Statement (1Q 2005 vs 1Q 2004)**  
(For a review of the performance, please refer to paragraph 8(a)(i) on page 14)

	<b>1Q 2005</b> S\$'000	<b>1Q 2004<sup>1</sup></b> <b>(March only)</b> S\$'000	<b>Change</b> %
<b><u>Statement of Total Return</u></b>			
Gross rental income	23,874	7,883	202.9
Car park income	2,367	694	241.1
Other income	1,200	300	300.0
<b>Gross revenue</b>	<b>27,441</b>	<b>8,877</b>	<b>209.1</b>
Property management fees	(614)	(203)	202.5
Property tax	(2,032)	(685)	196.6
Other property operating expenses <sup>2</sup>	(4,930)	(1,426)	245.7
<b>Property operating expenses</b>	<b>(7,576)</b>	<b>(2,314)</b>	<b>227.4</b>
<b>Net property income</b>	<b>19,865</b>	<b>6,563</b>	<b>202.7</b>
Interest income	126	-	Nm
Manager's management fees	(1,288)	(476)	170.6
Trust expenses	(1,040)	(141)	637.6
Borrowing costs	(3,632)	(774)	369.3
<b>Net investment income before tax</b>	<b>14,031</b>	<b>5,172</b>	<b>171.3</b>
Income tax	(141)	(1,041) <sup>3</sup>	(86.5)
<b>Net investment income after tax</b>	<b>13,890</b>	<b>4,131</b>	<b>236.2</b>
<b>Net losses on value of investments</b>			
Non-operating expenditure <sup>4</sup>	-	(2,687)	Nm
<b>Net losses on value of investments</b>	<b>-</b>	<b>(2,687)</b>	<b>Nm</b>
<b>Total return for the period</b>	<b>13,890</b>	<b>1,444</b>	<b>861.9</b>

**Distribution Statement**

<b>Net investment income before tax</b>	<b>14,031</b>	<b>5,172</b>	<b>171.3</b>
Net tax adjustments <sup>5</sup>	8	33	(75.8)
<b>Taxable income available for distribution to unitholders</b>	<b>14,039</b>	<b>5,205</b>	<b>169.7</b>
<b>Distributable income to unitholders</b>	<b>13,337</b>	<b>4,944</b>	<b>169.8</b>

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**Footnotes**

(1) CCT was established on 6 February 2004 but the acquisition of the real properties was completed on 1 March 2004. Hence the income recorded for 1Q 2004 relates only to the income for the period of 1 March 2004 to 31 March 2004. For a comparison of March 2005 vs March 2004 results, refer to paragraph 1(a)(ii) on page 6.

(2) Included as part of the other property operating expenses are the following:

	<b>1Q 2005</b> S\$'000	<b>1Q 2004</b> <b>(March only)</b> S\$'000	<b>Change</b> %
Depreciation and amortization	50	11	354.5
Allowance for doubtful debts and bad debts written off	(6)	-	Nm

(3) The income tax provision for 1Q 2004 is based on 100% of taxable income as tax transparency applies with effect from 15 May 2004.

(4) This relates to a write-off of stamp duty paid for transfer of the property companies to CCT.

(5) Included in the net tax adjustments are the following:

	<b>1Q 2005</b> S\$'000	<b>1Q 2004</b> <b>(March only)</b> S\$'000	<b>Change</b> %
Non-tax deductible/(chargeable) items :			
Trustee's fees	61	22	177.3
Temporary differences and other adjustments	(53)	11	(581.8)
Net tax adjustments	8	33	(75.8)

Nm – not meaningful

**CAPITACOMMERCIAL TRUST**  
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**1(a)(ii) Statement of Total Return & Distribution Statement (March 2005 vs March 2004)**

(For a review of the performance, please refer to paragraph 8(a)(ii) on page 15)

	<b>March 2005 S\$'000</b>	<b>March 2004 S\$'000</b>	<b>Change %</b>
<b><u>Statement of Total Return</u></b>			
Gross rental income	8,018	7,883	1.7
Car park income	748	694	7.8
Other income	453	300	51.0
<b>Gross revenue</b>	<b>9,219</b>	<b>8,877</b>	<b>3.9</b>
Property management fees	(197)	(203)	(3.0)
Property tax	(668)	(685)	(2.5)
Other property operating expenses <sup>1</sup>	(1,998)	(1,426)	40.1
<b>Property operating expenses</b>	<b>(2,863)</b>	<b>(2,314)</b>	<b>23.7</b>
<b>Net property income</b>	<b>6,356</b>	<b>6,563</b>	<b>(3.2)</b>
Interest income	22	-	Nm
Manager's management fees	(422)	(476)	(11.3)
Trust expenses	(628)	(141)	345.4
Borrowing costs	(1,251)	(774)	61.6
<b>Net investment income before tax</b>	<b>4,077</b>	<b>5,172</b>	<b>(21.2)</b>
Income tax	(40)	(1,041)	(96.2)
<b>Net investment income after tax</b>	<b>4,037</b>	<b>4,131</b>	<b>(2.3)</b>
<b>Net losses on value of investments</b>			
Non-operating expenditure	-	(2,687) <sup>2</sup>	Nm
<b>Net losses on value of investments</b>	<b>-</b>	<b>(2,687)</b>	<b>Nm</b>
<b>Total return for the period</b>	<b>4,037</b>	<b>1,444</b>	<b>179.6</b>

**Distribution Statement**

<b>Net investment income before tax</b>	<b>4,077</b>	<b>5,172</b>	<b>(21.2)</b>
Net tax adjustments <sup>3</sup>	70	33	112.1
<b>Taxable income available for distribution to unitholders</b>	<b>4,147</b>	<b>5,205</b>	<b>(20.3)</b>
<b>Distributable income to unitholders</b>	<b>3,939</b>	<b>4,944</b>	<b>(20.3)</b>

**CAPITACOMMERCIAL TRUST**  
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**Footnotes**

(1) Included as part of the other property operating expenses are the following:

	<b>March 2005</b> S\$'000	<b>March 2004</b> S\$'000	<b>Change</b> %
Depreciation and amortisation	23	11	109.1

(2) This relates to a write-off of stamp duty paid for transfer of the property companies to CCT.

(3) Included in the net tax adjustments are the following:

	<b>March 2005</b> S\$'000	<b>March 2004</b> S\$'000	<b>Change</b> %
Non-tax deductible/(chargeable) items :			
Trustee's fees	21	22	(4.5)
Temporary differences and other adjustments	49	11	345.5
Net tax adjustments	70	33	112.1

Nm – not meaningful

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**1(b)(i) Balance sheet as at 31 March 2005 vs 31 December 2004**

	<b>31 Mar 2005</b> S\$'000	<b>31 Dec 2004</b> S\$'000	<b>Change</b> %
<b>Non-current assets</b>			
Plant and equipment	398	430	(7.4)
Investment properties	1,918,266	1,918,200	0.0
<b>Total non-current assets</b>	<b>1,918,664</b>	<b>1,918,630</b>	<b>0.0</b>
<b>Current assets</b>			
Trade and other receivables	1,521	989	53.8
Cash and cash equivalents	43,501	60,254 <sup>1</sup>	(27.8)
<b>Total current assets</b>	<b>45,022</b>	<b>61,243</b>	<b>(26.5)</b>
<b>Total assets</b>	<b>1,963,686</b>	<b>1,979,873</b>	<b>(0.8)</b>
<b>Current liabilities</b>			
Trade and other payables	17,764	16,523	7.5
Provision for taxation	515	374	37.7
<b>Total current liabilities</b>	<b>18,279</b>	<b>16,897</b>	<b>8.2</b>
<b>Non-current liabilities</b>			
Interest-bearing borrowings	580,042	580,042	0.0
Other non-current liabilities	11,309	9,287	21.8
<b>Total non-current liabilities</b>	<b>591,351</b>	<b>589,329</b>	<b>0.3</b>
<b>Total liabilities</b>	<b>609,630</b>	<b>606,226</b>	<b>0.6</b>
<b>Net assets</b>	<b>1,354,056</b>	<b>1,373,647</b>	<b>(1.4)</b>
Represented by :			
<b>Unitholders' funds</b>	<b>1,354,056</b>	<b>1,373,647</b>	<b>(1.4)</b>

**Footnotes**

- (1) This includes the distributable income of S\$33.5 million for the period of 15 May 2004 to 31 December 2004 which was paid on 28 February 2005.



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**1(b)(ii) Aggregate amount of borrowings and debt securities**

	<b>31 Mar 2005</b> S\$'000	<b>31 Dec 2004</b> S\$'000
<b>Secured borrowings</b>		
Amount repayable in one year or less, or on demand	-	-
Amount repayable after one year	580,042	580,042

**Details of any collaterals**

As security for the borrowings, CCT has granted in favour of the lender the following:

- (i) a mortgage over all the investment properties;
- (ii) an assignment of the insurance policies relating to the investment properties;
- (iii) an assignment of all the rights, interest and title of CCT in relation to each of the Share Sale and Purchase Agreements and Property Sale and Purchase Agreements;
- (iv) an assignment of the agreements relating to the management of the investment properties;
- (v) an assignment and charge of the rental proceeds and tenancy agreements of units in the investment properties; and
- (vi) a fixed and floating charge over certain assets of CCT relating to the investment properties.

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1(c) **Cash flow statement**

	<b>1Q 2005</b> S\$'000	<b>1Q 2004<sup>1</sup></b> <b>(March only)</b> S\$'000
<b>Operating activities</b>		
Net investment income before tax	14,031	5,172
<b>Adjustment for</b>		
Interest income	(126)	-
Depreciation of plant and equipment	41	11
Amortisation of tenancy works	9	-
Amortisation of rent incentives	78	-
Allowance for doubtful debts	(6)	-
Borrowing costs	3,632	774
<b>Operating income before working capital changes</b>	<b>17,659</b>	<b>5,957</b>
Changes in working capital :		
Trade and other receivables	(633)	(12,869)
Trade and other payables	2,274	2,348
Security deposits	989	(148)
<b>Cash generated from operations</b>	<b>20,289</b>	<b>(4,712)</b>
<b>Cash generated from operating activities</b>	<b>20,289</b>	<b>(4,712)</b>
<b>Investing activities</b>		
Interest received	146	-
Purchase of investment property, acquisition charges and subsequent expenditure	(66)	(594,613)
Purchase of plant and equipment	(9)	-
Net cash inflow from acquisition of subsidiaries	-	6,761
<b>Cash flows from investing activities</b>	<b>71</b>	<b>(587,852)</b>
<b>Financing activities</b>		
Proceeds from issue of new units	-	36,204
Interest bearing borrowings	-	580,042
Issue expenses	-	(15)
Distribution to unitholders	(33,481)	-
Interest paid	(3,632)	(129)
<b>Cash flows from financing activities</b>	<b>(37,113)</b>	<b>616,102</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(16,753)</b>	<b>23,538</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>60,254</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>43,501</b>	<b>23,538</b>

**Footnotes**

(1) Although CCT was established on 6 February 2004, the acquisition of the properties was completed on 1 March 2004. Consequently, the figures only represent the cash flow from 1 March 2004 to 31 March 2004 as there was no income from 6 February 2004 to 29 February 2004.

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**1(d)(i) Statement of changes in unitholders' funds**

	<b>1Q 2005</b> S\$'000	<b>1Q 2004<sup>1</sup></b> <b>(March only)</b> S\$'000
<b>Balance as at beginning of period</b>	<b>1,373,647</b>	-
<b>Operations</b>		
Net investment income after tax	13,890	4,131
Net losses on value of investments	-	(2,687)
<b>Net decrease in net assets resulting from operations</b>	<b>13,890</b>	<b>1,444</b>
<b>Unitholders' transactions</b>		
Creation of new units	-	1,475,145
Issue expenses	-	(39)
Distribution to unitholders	(33,481)	-
<b>Net increase / (decrease) in net assets resulting from unitholders' transactions</b>	<b>(33,481)</b>	<b>1,475,106</b>
<b>Balance as at end of period</b>	<b>1,354,056</b>	<b>1,476,550</b>

**Footnotes**

- (1) Although CCT was established on 6 February 2004, the acquisition of the properties was completed on 1 March 2004. Consequently, the figures only represent the income from 1 March 2004 to 31 March 2004 as there was no income from 6 February 2004 to 29 February 2004.

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**1(d)(ii) Details of any change in the units**

	<b>1Q 2005 Units</b>	<b>1Q 2004 Units</b>
<b>Balance as at beginning of period</b>	<b>839,116,700</b>	-
Issue of new units :		
- settlement for the purchase of shares of property companies	-	764,369,254
- part settlement for the purchase of 6 Battery Road	-	54,153,274
- for cash for the payment of issue and establishment expenses, stamp duty and other acquisition related expenses	-	20,594,172
<b>Balance as at end of period</b>	<b>839,116,700</b>	<b>839,116,700</b>

**2 Whether the figures have been audited, or reviewed and in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by our auditors.

**3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been complied**

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with the audited financial statements for the year ended 31 December 2004.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Nil.

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**6 Earnings per unit (“EPU”) and distribution per unit (“DPU”) for the financial period**

In computing the EPU, the weighted average number of units as at the end of each period is used for the computation.

In computing the DPU, the number of units as at the end of each period is used for the computation.

	<b>1Q 2005</b>	<b>1Q 2004</b>
Number of units on issue at end of period	839,116,700	839,116,700
Weighted average number of units as at end of period	839,116,700	839,116,700
<b>Earnings per unit (EPU)<sup>1</sup></b> (based on the weighted average number of units as at end of period)	1.66¢	0.49¢

**Footnotes**

(1) Earnings per unit is calculated based on Net Investment Income after tax. For 1Q 2004, the net investment income after tax relates only to the income for the period of 1 March 2004 to 31 March 2004 as the acquisition of the properties was completed on 1 March 2004.

The diluted EPU is the same as the basic EPU as there are no significant dilutive instruments in issue during the period.

	<b>1Q 2005</b>	<b>1Q 2004</b>
Number of units on issue at end of period	839,116,700	839,116,700
Weighted average number of units as at end of period	839,116,700	839,116,700
<b>Distribution per unit (DPU)</b> (based on the number of units as at end of period)	1.59¢	0.59¢

**Footnotes**

(1) For 1Q 2004, the DPU is computed based on income for the period of 1 March 2004 to 31 March 2004 as the acquisition of the properties was completed on 1 March 2004.

The diluted DPU is the same as the basic DPU as there are no dilutive instruments in issue during the period.

**7 Net asset value (“NAV”) backing per unit based on issued units at the end of the period**

	<b>31 Mar 2005</b>	<b>31 Dec 2004</b>
NAV per unit	\$1.61	\$1.64
Adjusted NAV per unit (excluding the distributable income to unitholders)	\$1.60	\$1.60

**CAPITACOMMERCIAL TRUST  
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**8(a)(i) Review of the performance (1Q 2005 vs 1Q 2004)**

	<b>1Q 2005</b> S\$'000	<b>1Q 2004<sup>1</sup></b> <b>(March only)</b> S\$'000	<b>Change</b> %
<b><u>Statement of Total Return</u></b>			
Gross revenue	27,441	8,877	209.1
Property operating expenses	(7,576)	(2,314)	227.4
Net property income	19,865	6,563	202.7
Other Income	126	-	Nm
Manager's management fees	(1,288)	(476)	170.6
Trust expenses	(1,040)	(141)	637.6
Borrowing costs	(3,632)	(774)	369.3
Net investment income before tax	14,031	5,172	171.3
Income tax	(141)	(1,041)	(86.5)
Net investment income after tax	13,890	4,131	236.2
<b>Net losses on value of investments</b>			
Non-operating expenditure	-	(2,687) <sup>2</sup>	Nm
<b>Net losses on value of investments</b>	-	<b>(2,687)</b>	<b>Nm</b>
<b>Total return for the period</b>	<b>13,890</b>	<b>1,444</b>	<b>861.9</b>

**Distribution Statement**

Net investment income before tax	14,031	5,172	171.3
Net tax adjustments	8	33	(75.8)
Taxable income available for distribution to unitholders	14,039	5,205	169.7
Distributable income to unitholders	13,337	4,944	169.8
Earnings per unit (cents)	1.66¢	0.49¢	238.8
Distribution per unit (cents)	1.59¢	0.59¢	169.5

**Footnotes**

(1) CCT was established on 6 February 2004 but the acquisitions of the real properties were completed on 1 March 2004. Hence, the income recorded relates only to 1 March 2004 to 31 March 2004. CCT has no income from 6 February 2004 to 29 February 2004.

(2) This relates to a write-off of stamp duty paid for transfer of the property companies to CCT.

**Review of performance 1Q 2005 vs 1Q 2004**

The comparison of 1Q 2005 vs 1Q 2004's performance is not meaningful as CCT has no income from 6 February 2004 to 29 February 2004 thus 1Q 2004 recorded only income for 1 March 2004 to 31 March 2004. Refer to paragraph 8(a)(ii) on page 15 for the analysis of March 2005 vs March 2004.

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8(a)(ii) Review of the performance (March 2005 vs March 2004)

	<b>March 2005 S\$'000</b>	<b>March 2004 S\$'000</b>	<b>Change %</b>
<b><u>Statement of Total Return</u></b>			
Gross revenue	9,219	8,877	3.9
Property operating expenses	(2,863)	(2,314)	23.7
Net property income	6,356	6,563	(3.2)
Other Income	22	-	Nm
Manager's management fees	(422)	(476)	(11.3)
Trust expense	(628)	(141)	345.4
Borrowing costs	(1,251)	(774)	61.6
Net investment income before tax	4,077	5,172	(21.2)
Income tax	(40)	(1,041)	(96.2)
Net investment income after tax	<b>4,037</b>	<b>4,131</b>	<b>(2.3)</b>
<b>Net losses on value of investments</b>			
Non-operating expenditure	-	(2,687)	Nm
<b>Net losses on value of investments</b>	<b>-</b>	<b>(2,687)</b>	<b>Nm</b>
<b>Total return for the period</b>	<b>4,037</b>	<b>1,444</b>	<b>179.6</b>

**Distribution Statement**

Net investment income before tax	4,077	5,172	(21.2)
Net tax adjustments	70	33	112.1
Taxable income available for distribution to unitholders	4,147	5,205	(20.3)
Distributable income to unitholders	3,939	4,944	(20.3)
Earnings per unit (cents)	0.48¢	0.49¢	(2.0)
Distribution per unit (cents)	0.47¢	0.59¢	(20.3)

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**Review of performance March 2005 vs March 2004**

Gross revenue for March 2005 is higher than March 2004 by S\$0.3 million or 3.9% due to higher gross rental income, car park income and other revenue.

The property operating expenses are higher in March 2005 by \$0.5 million or 23.7% due to higher repairs and maintenance.

Trust expenses are higher in March 2005 by \$0.5 million or 345.4% due to higher professional fees, unitholders' expenses and central registry expenses incurred as a public listed REIT. For March 2004, CCT was only a privately held trust and there was no requirement for such expenses.

Borrowing cost is lower in March 2004 by \$0.5 million or 61.6% as the S\$580.0 million loan was only drawn down on 16 March 2004. It was stated in the Sale and Purchase agreement that the income from the properties will accrue to CCT from 1 March 2004 even though payment was on 16 March 2004.



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**9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results**

**9(i) Statement of Total Return for 1Q 2005**

	<b>Actual</b> S\$'000	<b>Forecast<sup>1</sup></b> S\$'000	<b>Change</b> %
Gross rental income	23,874	23,207	2.9
Car park income	2,367	2,133	11.0
Other income	1,200	972	23.5
<b>Gross revenue</b>	<b>27,441</b>	<b>26,312</b>	<b>4.3</b>
Property management fees	(614)	(574)	7.0
Property tax	(2,032)	(1,903)	6.8
Other property operating expenses	(4,930)	(5,265)	(6.4)
<b>Property operating expenses</b>	<b>(7,576)</b>	<b>(7,742)</b>	<b>(2.1)</b>
<b>Net property income</b>	<b>19,865</b>	<b>18,570</b>	<b>7.0</b>
Interest income	126	13	869.2
Manager's management fees	(1,288)	(1,226)	5.1
Trust expenses	(1,040)	(1,266)	(17.8)
Borrowing costs	(3,632)	(3,814)	(4.8)
<b>Net investment income before tax</b>	<b>14,031</b>	<b>12,277</b>	<b>14.3</b>
Net tax adjustments	8	91	(91.2)
<b>Taxable income available for distribution to unitholders</b>	<b>14,039</b>	<b>12,368</b>	<b>13.5</b>
<b>Distributable Income to unitholders based on payout of 95% of taxable income</b>	<b>13,337</b>	<b>11,750</b>	<b>13.5</b>
<b>Distribution per unit (in cents)</b>			
<b>For the period</b>	1.59¢	1.40¢	13.5
<b>Annualised</b>	6.45¢	5.68¢	13.5

**Footnotes**

(1) The forecast is extracted from the Introductory Document and is based on the assumptions set out in the Introductory Document.

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**9(ii) Breakdown of total gross revenue (by property) for 1Q 2005**

	<b>Actual</b> S\$'000	<b>Forecast<sup>1</sup></b> S\$'000	<b>Change</b> %
Capital Tower	10,211	10,533	(3.1)
6 Battery Road	8,126	7,381	10.1
Starhub Centre	2,976	2,610	14.0
Robinson Point	1,375	1,480	(7.1)
Bugis Village	1,905	1,724	10.5
Golden Shoe Car Park	1,918	1,684	13.9
Market Street Car Park	930	900	3.3
<b>Total gross revenue</b>	<b>27,441</b>	<b>26,312</b>	<b>4.3</b>

**Footnotes**

(2) The forecast is extracted from the Introductory Document and is based on the assumptions set out in the Introductory Document.

**9(iii) Breakdown of net property income (by property) for 1Q 2005**

	<b>Actual</b> S\$'000	<b>Forecast<sup>1</sup></b> S\$'000	<b>Change</b> %
Capital Tower	7,284	7,405	(1.6)
6 Battery Road	6,004	5,390	11.4
Starhub Centre	2,008	1,690	18.8
Robinson Point	891	987	(9.7)
Bugis Village	1,542	1,313	17.4
Golden Shoe Car Park	1,438	1,183	21.6
Market Street Car Park	698	602	15.9
<b>Total net property income</b>	<b>19,865</b>	<b>18,570</b>	<b>7.0</b>

**Footnotes**

(3) The forecast is extracted from the Introductory Document and is based on the assumptions set out in the Introductory Document.

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### **Review of the performance for 1Q 2005**

Gross revenue increased by S\$1.1 million or 4.3% over the forecast. This is mainly due to higher rental revenue of S\$0.7 million resulting from higher retention rates and hence lower vacancy periods and higher rental rates achieved for new and renewed leases in 2004; offset by the lower contribution from Capital Tower and Robinson Point of S\$0.3 million and S\$0.1 million respectively. For Capital Tower, it was primarily due to deferred letting of two floors to capitalize on the rising rental market. As for Robinson Point, the main reason is that the lease commencement lagged forecast although the committed occupancy is above forecast. There is also an increased contribution from car park revenue and other income of S\$0.2 million each.

Actual property operating expenses are marginally lower than forecast by S\$0.2 million or 2.1%

The trust expenses are lower by S\$0.2 million due to cost savings achieved. Borrowing costs are lower by S\$0.2 million due to lower amount of financing required as well as higher interest income derived from surplus cash placed on fixed deposits.

### **10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may effect the group in the next reporting period and the next 12 months**

The Singapore economy grew 6.5% in the fourth quarter of 2004, bringing growth for the full year to 8.4%. Robust economic growth has spearheaded recovery in the Singapore property market in 2004 and an improved business environment has led to an increase in demand for office space. However, MTI's first quarter advanced estimates for 2005 points to a slower GDP growth of 2.5%, mainly as a result of a sharp reduction in biomedical manufacturing, following an exceptionally high growth in the fourth quarter of 2004.

Despite the slower economic growth, the office leasing market in the first quarter of 2005 remained strong, extending gains from 2004. While recovery of the office property market in 2004 was mainly limited to the prime office sub-market, market recovery has become more broad-based, generated by a wider spectrum of office tenants such as professional services, asset management, hedge funds and selective enterprises in the manufacturing sector.

According to CB Richard Ellis, prime office rents continued their upward movement in the first quarter of 2005, averaging at \$4.65 per square foot per month and representing an increase of 5.7% from the previous quarter. This may be due in part to more competitive bidding by tenants for the tightening supply of quality office space.

According to URA statistics, the supply of new office space was limited to 48,700 sqm nett in 2004. One George Street (40,300 sqm nett) was the only major office building that was completed during the year. No major office building is expected to come on stream until 2006, by which time 3 Church Street (31,600 sqm gross) and One Raffles Quay (139,580 sqm gross) are expected to be completed. This bodes well for the office property market and the Manager expects the market to strengthen further in 2005.

### **Outlook for 2005**

The manager of CapitaCommercial Trust is confident to achieve more than the forecast distribution per unit of 5.68 cents per unit for the year 1 January 2005 to 31 December 2005 (as stated in the Introductory Document dated 16 March 2004).

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**11 Distributions**

**11(a) Current financial period**

Any distributions declared for the current financial period?

No.

**11(b) Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period?

No.

**12 If no distribution has been declared/recommended, a statement to that effect**

No distribution has been declared/recommended for the current financial period.

This 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board  
CapitaCommercial Trust Management Limited  
(Company registration no. 200309059W)  
As Manager of CapitaCommercial Trust

Michelle Koh  
Company Secretary  
18 April 2005