



**2005 SECOND QUARTER
FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

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SUMMARY OF CCT RESULTS (ACTUAL VS FORECAST)

| | 1 Jan 05 – 30 Jun 05 | 29 April 2005 to 30 June 2005 | | | |
|---|-------------------------|-------------------------------|----------------------------------|--------------------------------|------------|
| | Actual S\$'000 | Actual S\$'000 | Forecast ¹ S\$'000 | Favourable / (Unfavourable) | |
| | | | | S\$'000 | % |
| Gross Revenue | 56,238 | 20,206 | 19,482 | 724 | 3.7 |
| Net Property Income | 41,252 | 14,818 | 14,241 | 577 | 4.1 |
| Net Income | 29,217 | 10,316 | 10,051 | 265 | 2.6 |
| Taxable Income Available for Distribution to Unitholders | 29,260 | 10,267 | 9,965 | 302 | 3.0 |
| Distributable Income to Unitholders² | 27,797 | 9,754 | 9,467 | 287 | 3.0 |
| Distribution Per Unit (cents) | | | | | |
| For period | 3.24¢ | 1.09¢ | 1.06¢ | 0.03¢ | 2.8 |
| Annualised | 6.53¢ | 6.32¢ | 6.14¢ | 0.18¢ | 2.9 |

Footnotes

- (1) The forecast is based on management's forecast for the period 29 April 2005 to 30 June 2005. This, together with the forecast for the period 1 July 2005 to 31 December 2005, is the forecast shown in the Offer Information Statement dated 21 April 2005 for the equity fund raising to acquire HSBC Building.
- (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.

DISTRIBUTION & BOOKS CLOSURE DATE

| Stock Counter | Distribution Period | Distribution Type | Distribution Rate |
|---------------|-------------------------------|-------------------|-------------------|
| CapitaComm | 1 January 2005 – 30 June 2005 | Income | 3.24 cents |
| CapitaComm A | 29 April 2005 – 30 June 2005 | Income | 1.09 cents |

| | |
|--------------------|----------------|
| Books Closure Date | 1 August 2005 |
| Payment Date | 29 August 2005 |

The CapitaComm A stock counter will be merged with the main stock counter, CapitaComm, once units under both stock counters commenced trading on an "ex" basis at 9.00 a.m. on Thursday, 28 July 2005.

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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), as amended by a First Supplemental Deed dated 15 July 2005.

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 were 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 acquired and added HSBC Building to its portfolio on 29 April 2005. As at 30 June 2005, CCT's portfolio comprise of 8 properties, namely Capital Tower, 6 Battery Road, HSBC Building, Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park and Market Street Car Park.

The comparative prior period financial results for 1H 2004 is only for income derived for the period of 1 March 2004 to 30 June 2004 as CCT's acquisition of the initial seven properties were completed on 1 March 2004.

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1(a)(i) Statement of Total Return & Distribution Statement (2Q 2005 vs 2Q 2004)

(For a review of the performance, please refer to paragraph 8 on page 18)

| | 2Q 2005¹ S\$'000 | 2Q 2004 S\$'000 | Change % |
|--|---------------------------------------|---------------------------|--------------------|
| <u>Statement of Total Return</u> | | | |
| Gross rental income | 24,838 | 23,320 | 6.5 |
| Car park income | 2,489 | 2,254 | 10.4 |
| Other income | 1,470 | 1,154 | 27.4 |
| Gross revenue | 28,797 | 26,728 | 7.7 |
| Property management fees | (623) | (582) | 7.0 |
| Property tax | (1,876) | (2,097) | (10.5) |
| Other property operating expenses ² | (4,911) | (5,190) | (5.4) |
| Property operating expenses | (7,410) | (7,869) | (5.8) |
| Net property income | 21,387 | 18,859 | 13.4 |
| Interest income | 149 | 10 | 1,390.0 |
| Manager's management fees | (1,390) | (1,310) | 6.1 |
| Trust expenses | (962) | (667) | 44.2 |
| Borrowing costs | (3,998) | (3,544) | 12.8 |
| Net income | 15,186 | 13,348 | 13.8 |
| Total return for the period before income tax | 15,186 | 13,348 | 13.8 |
| Income tax | (151) | (1,368) | (89.0) |
| Total return for the period after income tax | 15,035 | 11,980 | 25.5 |

Distribution Statement

| | | | |
|---|---------------|---------------------------|-------------|
| Net income | 15,186 | 13,348 | 13.8 |
| Net tax adjustments ³ | 35 | 106 | (67.0) |
| Taxable income available for distribution to unitholders | 15,221 | 13,454 | 13.1 |
| Distributable income to unitholders | 14,460 | 10,942⁴ | 32.2 |

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Footnotes

(1) CCT acquired HSBC Building on 29 April 2005.

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

| | 2Q 2005 S\$'000 | 2Q 2004 S\$'000 | Change % |
|--|---------------------------|---------------------------|--------------------|
| Depreciation and amortisation | 68 | 38 | 78.9 |
| Allowance for doubtful debts and bad debts written off | (2) | - | Nm |

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

| | 2Q 2005 S\$'000 | 2Q 2004 S\$'000 | Change % |
|---|---------------------------|---------------------------|--------------------|
| Non-tax deductible/(chargeable) items : | | | |
| Trustee's fees | 64 | 68 | (5.9) |
| Temporary differences and other adjustments | (29) | 38 | (176.3) |
| Net tax adjustments | 35 | 106 | (67.0) |

(4) The distributable income to unitholders for the period after the *distribution in specie* ie. 15 May 2004 is based on 95% of the taxable income available for distribution to unitholders.

Nm – not meaningful

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1(a)(ii) Statement of Total Return & Distribution Statement (1H 2005 vs 1H 2004)

(For a review of the performance, please refer to paragraph 8 on page 18)

| | 1H 2005¹ S\$'000 | 1H 2004² S\$'000 | Change % |
|---|---------------------------------------|---------------------------------------|--------------------|
| <u>Statement of Total Return</u> | | | |
| Gross rental income | 48,712 | 31,203 | 56.1 |
| Car park income | 4,856 | 2,948 | 64.7 |
| Other income | 2,670 | 1,454 | 83.6 |
| Gross revenue | 56,238 | 35,605 | 57.9 |
| Property management fees | (1,237) | (785) | 57.6 |
| Property tax | (3,908) | (2,782) | 40.5 |
| Other property operating expenses ³ | (9,841) | (6,616) | 48.7 |
| Property operating expenses | (14,986) | (10,183) | 47.2 |
| Net property income | 41,252 | 25,422 | 62.3 |
| Interest income | 275 | 10 | 2,650.0 |
| Manager's management fees | (2,678) | (1,786) | 49.9 |
| Trust expenses | (2,002) | (808) | 147.8 |
| Borrowing costs | (7,630) | (4,318) | 76.7 |
| Net income | 29,217 | 18,520 | 57.8 |
| Net realized loss on liquidation of subsidiaries ⁴ | - | (2,687) | (100.0) |
| Total return for the period before income tax | 29,217 | 15,833 | 84.5 |
| Income tax ⁵ | (292) | (2,409) | (87.9) |
| Total return for the period after income tax | 28,925 | 13,424 | 115.5 |

Distribution Statement

| | | | |
|---|---------------|---------------------------|-------------|
| Net income | 29,217 | 18,520 | 57.8 |
| Net tax adjustments ⁶ | 43 | 139 | (69.1) |
| Taxable income available for distribution to unitholders | 29,260 | 18,659 | 56.8 |
| Distributable income to unitholders | 27,797 | 15,886⁷ | 75.0 |

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Footnotes

- (1) CCT acquired HSBC Building on 29 April 2005.
- (2) CCT was established on 6 February 2004 but the acquisition of the initial seven properties was completed on 1 March 2004. Hence, the income recorded for 1H 2004 relates only to the income for the period of 1 March 2004 to 30 June 2004.
- (3) Included as part of the other property operating expenses are the following:

| | 1H 2005 S\$'000 | 1H 2004 S\$'000 | Change % |
|--|---------------------------|---------------------------|--------------------|
| Depreciation and amortisation | 118 | 49 | 140.8 |
| Allowance for doubtful debts and bad debts written off | (8) | - | Nm |

- (4) This relates to a write-off of stamp duty paid for transfer of the property companies to CCT.
- (5) The income tax provision for 1 March 2004 to 14 May 2004 (Private trust period) is based on 100% of taxable income as tax transparency applies with effect from 15 May 2004 where income tax is provided for the 5% taxable income withheld and not distributed to unitholders.
- (6) Included in the net tax adjustments are the following:

| | 1H 2005 S\$'000 | 1H 2004 S\$'000 | Change % |
|---|---------------------------|---------------------------|--------------------|
| Non-tax deductible/(chargeable) items : | | | |
| Trustee's fees | 125 | 90 | 38.9 |
| Temporary differences and other adjustments | (82) | 49 | (267.3) |
| Net tax adjustments | 43 | 139 | (69.1) |

- (7) The distributable income to unitholders for the period after the *distribution in specie* ie. 15 May 2004 is based on 95% of the taxable income available for distribution to unitholders.

Nm – not meaningful

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1(b)(i) Balance Sheet as at 30 June 2005 vs 31 December 2004

| | 30 Jun 2005 S\$'000 | 31 Dec 2004 S\$'000 | Change % |
|--------------------------------------|-------------------------------|-------------------------------|--------------------|
| Non-current assets | | | |
| Plant and equipment | 365 | 430 | (15.1) |
| Investment properties | 2,067,238 ¹ | 1,918,200 | 7.8 |
| Total non-current assets | 2,067,603 | 1,918,630 | 7.8 |
| Current assets | | | |
| Trade and other receivables | 8,242 ² | 989 | 733.4 |
| Cash and cash equivalents | 55,537 ³ | 60,254 ⁴ | (7.8) |
| Total current assets | 63,779 | 61,243 | 4.1 |
| Total assets | 2,131,382 | 1,979,873 | 7.7 |
| Current liabilities | | | |
| Trade and other payables | 17,225 | 16,523 | 4.2 |
| Unsecured short term loan | 76,000 ⁵ | - | Nm |
| Provision for taxation | 666 | 374 | 78.1 |
| Total current liabilities | 93,891 | 16,897 | 455.7 |
| Non-current liabilities | | | |
| Interest-bearing borrowings | 580,042 | 580,042 | 0.0 |
| Other non-current liabilities | 11,544 ⁶ | 9,287 | 24.3 |
| Total non-current liabilities | 591,586 | 589,329 | 0.4 |
| Total liabilities | 685,477 | 606,226 | 13.1 |
| Net assets | 1,445,905 | 1,373,647 | 5.3 |
| Represented by : | | | |
| Unitholders' funds | 1,445,905 | 1,373,647 | 5.3 |

Footnotes

- (1) The increase is mainly due to the acquisition of HSBC Building on 29 April 2005.
- (2) The increase is mainly due to the goods and services tax paid for the purchase of HSBC Building which is expected to be refunded.
- (3) This includes the distributable income of S\$27.8 million for the 1H 2005 which will be distributed in August 2005.
- (4) 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.
- (5) The 1-year bridging loan facility was drawn to part finance the acquisition of HSBC Building.
- (6) The increase is primarily due to additional security deposits received.

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

| | 30 Jun 2005 S\$'000 | 31 Dec 2004 S\$'000 |
|--|-------------------------------|-------------------------------|
| Secured borrowings | | |
| Amount repayable after one year | 580,042 | 580,042 |
| Unsecured borrowings | | |
| Amount repayable in one year or less, or on demand | 76,000 | - |
| | 656,042 | 580,042 |

Details of any collaterals

As security for the secured borrowings for the initial seven properties¹ ("Initial Investment Properties"), CCT has granted in favour of the lender the following:

- (i) a mortgage over the Initial Investment Properties;
- (ii) an assignment of the insurance policies relating to the Initial 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 Initial Investment Properties;
- (v) an assignment and charge of the rental proceeds and tenancy agreements of units in the Initial Investment Properties; and
- (vi) a fixed and floating charge over certain assets of CCT relating to the Initial Investment Properties.

Footnotes

- (1) Initial seven properties refer to Capital Tower, 6 Battery Road, Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park and Market Street Car Park.

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1(c)(i) Cash flow statement (2Q 2005 vs 2Q 2004)

| | 2Q 2005¹ S\$'000 | 2Q 2004 S\$'000 |
|---|---------------------------------------|---------------------------|
| Operating activities | | |
| Net income | 15,186 | 13,348 |
| Adjustment for | | |
| Interest income | (149) | (10) |
| Depreciation of plant and equipment | 38 | 38 |
| Amortisation of tenancy works | 30 | - |
| Amortisation of rent incentives | 121 | - |
| Allowance for doubtful debts | (2) | - |
| Borrowing costs | 3,998 | 3,544 |
| Operating income before working capital changes | 19,222 | 16,920 |
| Changes in working capital : | | |
| Trade and other receivables | (6,870) | 10,624 |
| Trade and other payables | (1,150) | 5,687 |
| Security deposits | 571 | 71 |
| Cash generated from operations | 11,773 | 33,302 |
| Tax paid | - | (2,318) |
| Cash generated from operating activities | 11,773 | 30,984 |
| Investing activities | | |
| Interest received | 149 | 5 |
| Purchase of investment property, acquisition charges and subsequent expenditure | (148,972) | (525) |
| Purchase of plant and equipment | (5) | (3) |
| Cash flows from investing activities | (148,828) | (523) |
| Financing activities | | |
| Proceeds from issue of new units | 78,872 | - |
| Interest bearing borrowings | 76,000 | - |
| Issue expenses | (2,058) | (8,574) |
| Distribution to unitholders | - | (9,272) |
| Interest paid | (3,723) | (3,584) |
| Cash flows from financing activities | 149,091 | (21,430) |
| Increase in cash and cash equivalents | 12,036 | 9,031 |
| Cash and cash equivalents at beginning of period | 43,501 | 23,538 |
| Cash and cash equivalents at end of period | 55,537 | 32,569 |

Footnotes

(1) CCT acquired HSBC Building on 29 April 2005.

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1(c)(ii) Cash flow statement (1H 2005 vs 1H 2004)

| | 1H 2005¹ S\$'000 | 1H 2004 S\$'000 |
|---|---------------------------------------|---------------------------|
| Operating activities | | |
| Net income | 29,217 | 18,520 ² |
| Adjustment for | | |
| Interest income | (275) | (10) |
| Depreciation of plant and equipment | 79 | 49 |
| Amortisation of tenancy works | 39 | - |
| Amortisation of rent incentives | 199 | - |
| Allowance for doubtful debts | (8) | - |
| Borrowing costs | 7,630 | 4,318 |
| Operating income before working capital changes | 36,881 | 22,877 |
| Changes in working capital : | | |
| Trade and other receivables | (7,503) | (2,245) |
| Trade and other payables | 1,124 | 8,035 |
| Security deposits | 1,560 | (77) |
| Cash generated from operations | 32,062 | 28,590 |
| Tax paid | - | (2,318) |
| Cash generated from operating activities | 32,062 | 26,272 |
| Investing activities | | |
| Interest received | 295 | 5 |
| Purchase of investment property, acquisition charges and subsequent expenditure | (149,038) | (595,138) |
| Purchase of plant and equipment | (14) | (3) |
| Net cash inflow from acquisition of subsidiaries | - | 6,761 |
| Cash flows from investing activities | (148,757) | (588,375) |
| Financing activities | | |
| Proceeds from issue of new units | 78,872 | 36,204 |
| Interest bearing borrowings | 76,000 | 580,042 |
| Issue expenses | (2,058) | (8,589) |
| Distribution to unitholders | (33,481) ³ | (9,272) |
| Interest paid | (7,355) | (3,713) |
| Cash flows from financing activities | 111,978 | 594,672 |
| (Decrease)/Increase in cash and cash equivalents | (4,717) | 32,569 |
| Cash and cash equivalents at beginning of period | 60,254 | - |
| Cash and cash equivalents at end of period | 55,537 | 32,569 |

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Footnotes

- (1) CCT acquired HSBC Building on 29 April 2005.
- (2) 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 30 June 2004 as there was no income from 6 February 2004 to 29 February 2004.
- (3) This relates to 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.

1(d)(i) Statement of changes in unitholders' funds (2Q 2005 vs 2Q 2004)

| | 2Q 2005 S\$'000 | 2Q 2004 S\$'000 |
|---|---------------------------|---------------------------|
| Balance as at beginning of period | 1,354,056 | 1,476,550 |
| Operations | | |
| Total return for the period after income tax | 15,035 | 11,980 |
| Net increase in net assets resulting from operations | 15,035 | 11,980 |
| Unitholders' transactions | | |
| Creation of new units | 78,872 ¹ | - |
| Issue expenses | (2,058) ² | (11,967) |
| Distribution to unitholders | - | (9,272) |
| Net increase / (decrease) in net assets resulting from unitholders' transactions | 76,814 | (21,239) |
| Total increase / (decrease) in net assets | 91,849 | (9,259) |
| Balance as at end of period | 1,445,905 | 1,467,291 |

Footnotes

- (1) 57.2 million new units were issued on 29 April 2005 to part finance the acquisition of HSBC Building.
- (2) This comprises mainly the underwriting and selling commissions and other issue expenses relating to the equity fund raising exercise for the acquisition of HSBC Building.

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1(d)(ii) Statement of changes in unitholders' funds (1H 2005 vs 1H 2004)

| | 1H 2005 S\$'000 | 1H 2004 S\$'000 |
|--|---------------------------|---------------------------|
| Balance as at beginning of period | 1,373,647 | - |
| Operations | | |
| Total return for the period after income tax | 28,925 | 13,424 ¹ |
| Net increase in net assets resulting from operations | 28,925 | 13,424 |
| Unitholders' transactions | | |
| Creation of new units | 78,872 ² | 1,475,145 |
| Issue expenses | (2,058) ³ | (12,006) |
| Distribution to unitholders | (33,481) | (9,272) |
| Net increase in net assets resulting from unitholders' transactions | 43,333 | 1,453,867 |
| Total increase in net assets | 72,258 | 1,467,291 |
| Balance as at end of period | 1,445,905 | 1,467,291 |

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 30 June 2004 as there was no income from 6 February 2004 to 29 February 2004.
- (2) 57.2 million new units were issued on 29 April 2005 to part finance the acquisition of HSBC Building.
- (3) This comprises mainly the underwriting and selling commissions and other issue expenses relating to the equity fund raising exercise for the acquisition of HSBC Building.

1(e)(i) Details of any change in the units (2Q 2005 vs 2Q 2004)

| | 2Q 2005 Units | 2Q 2004 Units |
|---|-------------------------|-------------------------|
| Balance as at beginning of period | 839,116,700 | 839,116,700 |
| Issue of new units : | | |
| - part settlement for the purchase of HSBC Building | 57,154,000 | - |
| Balance as at end of period | 896,270,700 | 839,116,700 |

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1(e)(ii) Details of any change in the units (1H 2005 vs 1H 2004)

| | 1H 2005 Units | 1H 2004 Units |
|---|--------------------------|--------------------------|
| Balance as at beginning of period | 839,116,700 | - |
| 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 |
| - part settlement for the purchase of HSBC Building | 57,154,000 | - |
| Balance as at end of period | 896,270,700 | 839,116,700 |

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.

| | 2Q 2005 | 2Q 2004 |
|---|----------------|----------------|
| Number of units on issue at end of period | 896,270,700 | 839,116,700 |
| Weighted average number of units as at end of period | 878,684,854 | 839,116,700 |
| Earnings per unit (EPU) | | |
| Based on the weighted average number of units as at end of period | 1.71¢ | 1.43¢ |
| Based on fully diluted basis | 1.71¢ | 1.43¢ |
| Distribution per unit (DPU) | | |
| Based on the number of units as at end of period | 1.65¢ | 1.30¢ |

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

| | 1 Jan to 28 Apr 2005 | 29 Apr to 30 Jun 2005 | 1H 2005 |
|---|---------------------------------|----------------------------------|----------------|
| Number of units on issue at end of period | 839,116,700 | 896,270,700 | 896,270,700 |
| Weighted average number of units as at end of period | 839,116,700 | 896,270,700 | 859,010,081 |
| Earnings per unit (EPU) | | | |
| Based on the weighted average number of units as at end of period | 2.23¢ | 1.14¢ | 3.37¢ |
| Based on fully diluted basis | 2.23¢ | 1.14¢ | 3.37¢ |
| Distribution per unit (DPU) | | | |
| Based on the number of units as at end of period | 2.15¢ | 1.09¢ | 3.24¢ |

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

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| | Private Trust (6 Feb to 14 May 2004) | Public Trust (15 May to 30 Jun 2004) | 1H 2004¹ |
|---|---|---|----------------------------|
| Number of units on issue at end of period | 839,116,700 | 839,116,700 | 839,116,700 |
| Weighted average number of units as at end of period | 839,116,700 | 839,116,700 | 839,116,700 |
| Earnings per unit (EPU) | | | |
| Based on the weighted average number of units as at end of period | 0.78¢ | 0.81¢ | 1.59¢ |
| Based on fully diluted basis | 0.78¢ | 0.81¢ | 1.59¢ |
| Distribution per unit (DPU) | | | |
| Based on the number of units as at end of period | 1.10¢ | 0.79¢ | 1.89¢ |

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

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 30 June 2004 as there was no income from 6 February 2004 to 29 February 2004.

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

| | 30 Jun 2005 | 31 Dec 2004 |
|---|--------------------|--------------------|
| NAV per unit | \$1.61 | \$1.64 |
| Adjusted NAV per unit (excluding the distributable income to unitholders) | \$1.58 | \$1.60 |

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8 Review of the performance

| | 2Q 2005 S\$'000 | 2Q 2004 S\$'000 | 1H 2005 S\$'000 | 1H 2004¹ S\$'000 |
|---|---------------------------|---------------------------|---------------------------|---------------------------------------|
| <u>Statement of Total Return</u> | | | | |
| Gross revenue | 28,797 | 26,728 | 56,238 | 35,605 |
| Property operating expenses | (7,410) | (7,869) | (14,986) | (10,183) |
| Net property income | 21,387 | 18,859 | 41,252 | 25,422 |
| Other Income | 149 | 10 | 275 | 10 |
| Manager's management fees | (1,390) | (1,310) | (2,678) | (1,786) |
| Trust expense | (962) | (667) | (2,002) | (808) |
| Borrowing costs | (3,998) | (3,544) | (7,630) | (4,318) |
| Net income | 15,186 | 13,348 | 29,217 | 18,520 |
| Net realized loss on liquidation of subsidiaries ² | - | - | - | (2,687) |
| Total return for the period before income tax | 15,186 | 13,348 | 29,217 | 15,833 |
| Income tax | (151) | (1,368) | (292) | (2,409) |
| Total return for the period after income tax | 15,035 | 11,980 | 28,925 | 13,424 |

Distribution Statement

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Net income | 15,186 | 13,348 | 29,217 | 18,520 |
| Net tax adjustments | 35 | 106 | 43 | 139 |
| Taxable income available for distribution to unitholders | 15,221 | 13,454 | 29,260 | 18,659 |
| Distributable income to unitholders | 14,460 | 10,942 | 27,797 | 15,886 |
| Earnings per unit (cents) | 1.71¢ | 1.69¢ | 3.37¢ | 1.59¢ |
| Distribution per unit (cents) | 1.65¢ | 1.60¢ | 3.24¢ | 1.89¢ |

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 30 June 2004 as there was 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.

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Review of performance 2Q 2005 vs 2Q 2004

Gross revenue for 2Q 2005 is higher than 2Q 2004 by S\$2.1 million or 7.7%. This is mainly due to additional revenue of S\$1.4 million derived from the acquisition of HSBC Building for the period from 29 April 2005 to 30 June 2005. Also, higher car park income and tenant recoveries were achieved for most of the buildings.

The property operating expenses are lower in 2Q 2005 by \$0.5 million or 5.8% due to lower property tax from vacancy refunds and lower maintenance expense.

Trust expenses are higher in 2Q 2005 by \$0.3 million or 44.2% due to higher professional fees, unitholders' expenses and central registry expenses incurred as a public listed REIT. For 2Q 2004, CCT was only a privately held trust till 14 May 2004 and there was no requirement for such expenses.

Borrowing costs are higher in 2Q 2005 by \$0.5 million or 12.8% due to additional borrowings of S\$76.0 million incurred to part finance the acquisition of HSBC Building on 29 April 2005.

Review of performance 1H 2005 vs 1H 2004

The comparison of 1H 2005 vs 1H 2004's performance is not meaningful as CCT has no income from 6 February 2004 to 29 February 2004 and the income recorded relates only to 1 March 2004 to 30 June 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 (Actual vs Forecast 29 April to 30 June 2005)

| | Actual 29 Apr to 30 Jun 2005 S\$'000 | Forecast¹ 29 Apr to 30 Jun 2005 S\$'000 | Change % |
|---|---|---|---------------------|
| Gross rental income | 17,456 | 17,301 | 0.9 |
| Car park income | 1,697 | 1,436 | 18.1 |
| Other income | 1,053 | 745 | 41.3 |
| Gross revenue | 20,206 | 19,482 | 3.7 |
| Property management fees | (420) | (401) | 4.7 |
| Property tax | (1,389) | (1,398) | (0.6) |
| Other property operating expenses | (3,579) | (3,442) | 4.0 |
| Property operating expenses | (5,388) | (5,241) | 2.8 |
| Net property income | 14,818 | 14,241 | 4.1 |
| Interest income | 105 | 86 | 22.1 |
| Manager's management fees | (960) | (933) | 2.9 |
| Trust expenses | (779) | (488) | 59.6 |
| Borrowing costs | (2,868) | (2,855) | 0.5 |
| Net income | 10,316 | 10,051 | 2.6 |
| Net tax adjustments | (49) | (86) | (43.0) |
| Taxable income available for distribution to unitholders | 10,267 | 9,965 | 3.0 |
| Distributable Income to unitholders based on payout of 95% of taxable income | 9,754 | 9,467 | 3.0 |
| Distribution per unit (in cents) | | | |
| For the period | 1.09¢ | 1.06¢ | 2.8 |
| Annualised | 6.32¢ | 6.14¢ | 2.9 |

Footnotes

- (1) The forecast is based on management's forecast for the period 29 April 2005 to 30 June 2005. This, together with the forecast for the period 1 July 2005 to 31 December 2005, is the forecast shown in the Offer Information Statement dated 21 April 2005 for the equity fund raising to acquire HSBC Building.

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9(ii) Breakdown of total gross revenue (by property)

| | Actual 29 Apr to 30 Jun 2005 S\$'000 | Forecast¹ 29 Apr to 30 Jun 2005 S\$'000 | Change % |
|----------------------------|---|---|---------------------|
| Capital Tower | 7,222 | 6,980 | 3.5 |
| 6 Battery Road | 5,345 | 5,199 | 2.8 |
| Starhub Centre | 1,944 | 1,816 | 7.0 |
| Robinson Point | 1,005 | 993 | 1.2 |
| Bugis Village | 1,307 | 1,291 | 1.2 |
| Golden Shoe Car Park | 1,346 | 1,203 | 11.9 |
| Market Street Car Park | 647 | 610 | 6.1 |
| HSBC Building | 1,390 | 1,390 | 0.0 |
| Total gross revenue | 20,206 | 19,482 | 3.7 |

Footnotes

- (1) The forecast is based on management's forecast for the period 29 April 2005 to 30 June 2005. This, together with the forecast for the period 1 July 2005 to 31 December 2005, is the forecast shown in the Offer Information Statement dated 21 April 2005 for the equity fund raising to acquire HSBC Building.

9(iii) Breakdown of net property income (by property)

| | Actual 29 Apr to 30 Jun 2005 S\$'000 | Forecast¹ 29 Apr to 30 Jun 2005 S\$'000 | Change % |
|----------------------------------|---|---|---------------------|
| Capital Tower | 5,176 | 4,947 | 4.6 |
| 6 Battery Road | 4,002 | 3,766 | 6.3 |
| Starhub Centre | 1,165 | 1,155 | 0.9 |
| Robinson Point | 644 | 633 | 1.7 |
| Bugis Village | 1,034 | 1,032 | 0.2 |
| Golden Shoe Car Park | 919 | 889 | 3.4 |
| Market Street Car Park | 497 | 438 | 13.5 |
| HSBC Building | 1,381 | 1,381 | 0.0 |
| Total net property income | 14,818 | 14,241 | 4.1 |

Footnotes

- (1) The forecast is based on management's forecast for the period 29 April 2005 to 30 June 2005. This, together with the forecast for the period 1 July 2005 to 31 December 2005, is the forecast shown in the Offer Information Statement dated 21 April 2005 for the equity fund raising to acquire HSBC Building.

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Review of the performance

Gross revenue increased by S\$0.7 million or 3.7% over the forecast. This is mainly due to increased contribution from car park revenue and tenant recoveries as well as increase from higher rental rates achieved against forecast.

Actual property operating expenses are higher than forecast by S\$0.1 million or 2.8% due to higher marketing expense and maintenance works.

The trust expenses are higher by S\$0.3 million due to provision of higher unitholders' expenses and professional fees.

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 picked up in the second quarter of 2005, dispelling fears of a possible recession after a lacklustre first quarter. Advanced estimates by MTI indicate that GDP grew by a much stronger-than-expected 3.9% in the second quarter of 2005, compared to the same period last year. On a quarter-on-quarter seasonally adjusted annualised basis, the real GDP expanded by 12.3%, the strongest in almost two years.

With renewed economic optimism, the office leasing market in the first half 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 in the first half of 2005 became 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. More MNCs and banking and financial institutions have also expanded or set up new services in Singapore, fuelled by a more sustained economic growth

According to CB Richard Ellis, prime office rents continued their upward movement in the second quarter of 2005, averaging at S\$4.70 per square foot per month, an increase of 6.8% from the fourth quarter of 2004. This may be due in part to more competitive bidding by tenants for the tightening supply of quality office space. Based on URA data, islandwide office occupancy reached 85% in first quarter 2005 from 82.2% a year ago.

The award of the Business and Financial Centre (BFC) site at \$381 psf over gross floor area is 31% higher than the \$290 psf paid for the nearby One Raffles Quay site in 2001. This indicates aggressive capital and rental growth assumptions by the top bidder. The improved market sentiment bodes well for the prime office property market, which has experienced rental growth of about 17.5% since first quarter 2004.

Outlook for 2005

The manager of CapitaCommercial Trust is confident to achieve more than the annualised forecast distribution per unit of 6.22 cents per unit for the period 29 April 2005 to 31 December 2005 (as stated in the Offer Information Statement dated 21 April 2005).

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11 Distributions

11(a) Current financial period

Any distributions declared for the current financial period? Yes.

| | |
|----------------------|--|
| Name of distribution | Distribution for 1 January 2005 to 30 June 2005 |
| Distribution type | Income |
| Distribution rate | CapitaComm: 3.24 cents per unit (representing period from 1 January 2005 to 30 June 2005) |
| | CapitaComm A: 1.09 cents per unit (representing period from 29 April 2005 to 30 June 2005) |
| Par value of units | Not meaningful |
| Tax rate | Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. |
| | Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. |
| | All other investors will receive their distributions after deduction of tax at the rate of 20%. |
| Books closure date | 1 August 2005 |
| Date payable | 29 August 2005 |

The CapitaComm A stock counter will be merged with the main stock counter, CapitaComm, once units under both stock counters commenced trading on an “ex” basis at 9.00 a.m. on Thursday, 28 July 2005.

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

NA

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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
21 July 2005