

**CAPITACOMMERCIAL TRUST
2006 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION
ANNOUNCEMENT**



**2006 SECOND QUARTER UNAUDITED
FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

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**SUMMARY OF CCT RESULTS
(1 January 2006 to 30 June 2006)**

	2Q 2006	1 January 2006 to 30 June 2006		
	Actual S\$'000	Actual S\$'000	Forecast ¹ S\$'000	Favourable / (Unfavourable)
Gross Revenue	30,147	59,812	59,593	0.4%
Net Property Income	23,121	44,948	44,547	0.9%
Distributable Income	15,855	31,249	31,164	0.3%
Distribution Per Unit (cents)				
For the period	1.77¢	3.49¢	3.48¢	0.3%
Annualised	7.10¢	7.03¢	7.01¢	0.3%

Footnotes

- (1) The forecast is based on the actual 1Q 2006 results plus management's forecast for the period 1 April 2006 to 30 June 2006. This, together with the forecast for the period 1 July 2006 to 31 December 2006, is the forecast shown in the Unitholders' Circular dated 26 June 2006 ("Unitholders' Circular") for the proposed acquisition of Raffles City and the proposed equity fund raising.

For a meaningful analysis/comparison of the actual results for the period 1 January 2006 to 30 June 2006 against the forecast as stated in the CCT Circular to unitholders dated 26 June 2006, please refer to Section 9 of this Announcement.

DISTRIBUTION & BOOKS CLOSURE DATE

Distribution	From 1 January 2006 to 31 August 2006 (estimated to be the day immediately prior to the date on which new units will be issued pursuant to the proposed equity fund raising exercise to raise funds for the proposed acquisition of Raffles City Singapore)
Distribution Type	i) Taxable income ii) Tax-exempt income
Distribution Rate	Between 4.58 cents to 4.63 cents per unit, and no less than 4.58 cents per unit
Books Closure Date	Expected to be 31 August 2006. An announcement will be made in due course
Payment Date	Expected to be end September 2006

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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 and a Second Supplemental Deed dated 20 April 2006.

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 2006, CCT's portfolio comprised 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.

On 12 April 2006, CCT invested in 100% of the junior bonds worth RM45 million (about S\$20 million) issued by Aragorn ABS Berhad, a special purpose vehicle in an asset-backed securitization structure which owns Wisma Technip, a prime office asset in Malaysia. Class D of the junior bonds is an equity tranche, hence, Aragorn ABS Berhad is accounted for as a subsidiary of CCT.

On 18 March 2006, CCT entered into a conditional put and call option agreement with Tincel Properties (Private) Limited to acquire Raffles City. At the same time, CCT entered into a collaboration agreement with CapitaMall Trust ("CMT") to establish a joint ownership vehicle ("RCS Trust") for the purpose of acquiring and holding Raffles City. Under the terms of the joint ownership, CCT and CMT will hold an interest of 60% and 40% respectively in RCS Trust. The acquisition was approved by the unitholders of CCT and CMT at their respective extraordinary general meetings held on 13 July 2006. On 18 July 2006, RCS Trust was constituted and the trustee of RCS Trust entered into the sale and purchase agreement with the vendor and the completion of the acquisition of Raffles City is expected to take place on 1 September 2006.

With effect from 1 July 2005, the distributable income to unitholders has increased to 100% of the taxable income available for distribution to unitholders. Prior to that, the distributable income to unitholders was based on 95% of taxable income.

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1(a)(i) Statement of Total Return & Distribution Statement (2Q 2006 vs 2Q 2005)
(For a review of the performance, please refer to paragraph 8 on page 15-17)

	Trust and its subsidiary			Trust		
	2Q 2006 S\$'000	2Q 2005 S\$'000	Change %	2Q 2006 S\$'000	2Q 2005 S\$'000	Change %
Statement of Total Return						
Gross rental income	26,957	24,838	8.5	26,117	24,838	5.1
Car park income	2,745	2,489	10.3	2,685	2,489	7.9
Other income	1,400	1,470	(4.8)	1,345	1,470	(8.5)
Gross revenue	31,102	28,797	8.0	30,147	28,797	4.7
Property management fees	(722)	(623)	15.9	(656)	(623)	5.3
Property tax	(1,639)	(1,876)	(12.6)	(1,575)	(1,876)	(16.0)
Other property operating expenses ¹	(4,962)	(4,911)	1.0	(4,795)	(4,911)	(2.4)
Property operating expenses	(7,323)	(7,410)	(1.2)	(7,026)	(7,410)	(5.2)
Net property income	23,779	21,387	11.2	23,121	21,387	8.1
Interest income	217	149	45.6	213	149	43.0
Investment income ²	-	-	-	306	-	Nm
Gain from re-measurement of derivatives ³	2,268	-	Nm	2,268	-	Nm
Manager's management fees	(1,592)	(1,390)	14.5	(1,592)	(1,390)	14.5
Trust expenses	(532)	(962)	(44.7)	(524)	(962)	(45.5)
Finance costs	(5,968)	(3,998)	(49.3)	(5,713)	(3,998)	(42.9)
Net income	18,172	15,186	19.7	18,079	15,186	19.1
Revaluation surplus ⁴	120,665	-	Nm	120,665	-	Nm
Net surplus on valuation of investments	120,665	-	Nm	120,665	-	Nm
Total return for the period before tax	138,837	15,186	814.2	138,744	15,186	813.6
Income tax	(18) ⁵	(151) ⁶	88.1	-	(151) ⁶	100.0
Total return for the period after tax	138,819	15,035	823.3	138,744	15,035	822.8

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Distribution Statement

	Trust and its subsidiary			Trust		
	2Q 2006 S\$'000	2Q 2005 S\$'000	Change %	2Q 2006 S\$'000	2Q 2005 S\$'000	Change %
Net income	18,172	15,186	19.7	18,079	15,186	19.1
Net tax adjustments ⁷	(2,224)	35	(6,454.3)	(2,224)	35	(6,454.3)
Other adjustment ⁸	(93)	-	Nm	-	-	Nm
Taxable income available for distribution to unitholders	15,855	15,221	4.2	15,855	15,221	4.2
Distributable income to unitholders ⁹	15,855	14,460	9.6	15,855	14,460	9.6

Footnotes

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

	Trust and its subsidiary			Trust		
	2Q 2006 S\$'000	2Q 2005 S\$'000	Change %	2Q 2006 S\$'000	2Q 2005 S\$'000	Change %
Depreciation and amortization*	67	68	(1.5)	67	68	(1.5)
Allowance for doubtful debts and bad debts written off	-	(2)	100.0	-	(2)	100.0

* Amortization refers to the amortization of tenancy works.

(2) Investment income relates to the net income from the investment in junior bonds of Aragorn ABS Berhad.

(3) Gain from the re-measurement of fair values of interest rate swaps.

(4) This relates to the surplus on revaluation of the investment properties. For details, to refer to the review of performance on page 17 paragraph 8(i).

(5) The income tax provision is based on the relevant tax rates as applicable to the subsidiary.

(6) The income tax provision for 2Q 2005 was based on 5% of taxable income withheld and not distributed to unitholders. With effect from 1 July 2005, there would not be income tax provision as the distributable income to unitholders is based on 100% of the taxable income available for distribution to unitholders.

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

	Trust and its subsidiary			Trust		
	2Q 2006 S\$'000	2Q 2005 S\$'000	Change %	2Q 2006 S\$'000	2Q 2005 S\$'000	Change %
Non-tax deductible/(chargeable) items :						
Trustee's fees	69	64	7.8	69	64	7.8
Gain from re-measurement of derivatives	(2,268)	-	Nm	(2,268)	-	Nm
Temporary differences and other adjustments	(25)	(29)	(13.8)	(25)	(29)	(13.8)
Net tax adjustments	(2,224)	35	(6,454.3)	(2,224)	35	(6,454.3)

(8) This relates to the undistributed profit of the subsidiary.

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(9) The distributable income to unitholders is based on 95% of the taxable income available for distribution to unitholders for the period 1 January 2005 to 30 June 2005 and 100% of the taxable income available for distribution to unitholders from 1 July 2005.

Nm – not meaningful

1(a)(ii) Statement of Total Return & Distribution Statement (1H 2006 vs 1H 2005)
(For a review of the performance, please refer to paragraph 8 on page 15-17)

	Trust and its subsidiary			Trust		
	1H 2006 S\$'000	1H 2005 S\$'000	Change %	1H 2006 S\$'000	1H 2005 S\$'000	Change %
Statement of Total Return						
Gross rental income	52,930	48,712	8.7	52,090	48,712	6.9
Car park income	5,253	4,856	8.2	5,193	4,856	6.9
Other income	2,585	2,670	(3.2)	2,529	2,670	(5.3)
Gross revenue	60,768	56,238	8.1	59,812	56,238	6.4
Property management fees	(1,340)	(1,237)	8.3	(1,274)	(1,237)	3.0
Property tax	(3,757)	(3,908)	(3.9)	(3,693)	(3,908)	(5.5)
Other property operating expenses ¹	(10,065)	(9,841)	2.3	(9,897)	(9,841)	0.6
Property operating expenses	(15,162)	(14,986)	1.2	(14,864)	(14,986)	(0.8)
Net property income	45,606	41,252	10.6	44,948	41,252	9.0
Interest income	579	275	110.5	575	275	109.1
Investment income ²	-	-	Nm	306	-	Nm
Gain from re-measurement of derivatives ³	5,194	-	Nm	5,194	-	Nm
Manager's management fees	(3,164)	(2,678)	18.1	(3,164)	(2,678)	18.1
Trust expenses	(1,197)	(2,002)	(40.2)	(1,189)	(2,002)	(40.6)
Finance costs	(10,485)	(7,630)	37.4	(10,230)	(7,630)	34.1
Net income	36,533	29,217	25.0	36,440	29,217	24.7
Revaluation surplus ⁴	120,665	-	Nm	120,665	-	Nm
Net surplus on valuation of investments	120,665	-	Nm	120,665	-	Nm
Total return for the period before tax	157,198	29,217	438.0	157,105	29,217	437.7
Income tax	(18) ⁵	(292) ⁶	(93.8)	-	(292) ⁶	100.0
Total return for the period after tax	157,180	28,925	443.4	157,105	28,925	443.1

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	Trust and its subsidiary			Trust		
	1H 2006 S\$'000	1H 2005 S\$'000	Change %	1H 2006 S\$'000	1H 2005 S\$'000	Change %
Net income	36,533	29,217	25.0	36,440	29,217	25.0
Net tax adjustments ⁷	(5,191)	43	(12,172)	(5,191)	43	(12,172)
Other adjustment ⁸	(93)	-	Nm	-	-	Nm
Taxable income available for distribution to unitholders	31,249	29,260	6.8	31,249	29,260	6.8
Distributable income to unitholders ⁹	31,249	27,797	12.4	31,249	27,797	12.4

Footnotes

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

	Trust and its subsidiary			Trust		
	1H 2006 S\$'000	1H 2005 S\$'000	Change %	1H 2006 S\$'000	1H 2005 S\$'000	Change %
Depreciation and amortization*	128	118	8.5	128	118	8.5
Allowance for doubtful debts and bad debts written off	-	(8)	100.0	-	(8)	100.0

* Amortization refers to the amortization of tenancy works.

(2) Investment income relates to the net income from the investment in junior bonds of Aragorn ABS Berhad.

(3) Gain from the re-measurement of fair values of interest rate swaps.

(4) This relates to the surplus on revaluation of the investment properties. For details, to refer to the review of performance on page 17 paragraph 8(i).

(5) The income tax provision is based on the relevant tax rates as applicable to the subsidiary.

(6) The income tax provision for 1H 2005 was based on 5% of taxable income withheld and not distributed to unitholders. With effect from 1 July 2005, there would not be income tax provision as the distributable income to unitholders is based on 100% of the taxable income available for distribution to unitholders.

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

	Trust and its subsidiary			Trust		
	1H 2006 S\$'000	1H 2005 S\$'000	Change %	1H 2006 S\$'000	1H 2005 S\$'000	Change %
Non-tax deductible/(chargeable) items :						
Trustee's fees	135	125	8.0	135	125	8.0
Gain from re-measurement of derivatives	(5,194)	-	Nm	(5,194)	-	Nm
Temporary differences and other adjustments	(132)	(82)	61.0	(132)	(82)	61.0
Net tax adjustments	(5,191)	43	(12,172)	(5,191)	43	(12,172)

(8) This relates to the undistributed profit of the subsidiary.

(9) The distributable income to unitholders is based on 95% of the taxable income available for distribution to unitholders for the period 1 January 2005 to 30 June 2005 and 100% of the taxable income available for distribution to unitholders from 1 July 2005.

Nm – not meaningful

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1(b)(i) Balance Sheet as at 30 June 2006 vs 31 December 2005

	Trust and its subsidiary			Trust		
	June 2006 S\$'000	Dec 2005 S\$'000	Change %	June 2006 S\$'000	Dec 2005 S\$'000	Change %
Non-current assets						
Plant and equipment	323	294	9.9	323	294	9.9
Investment properties ¹	2,255,435	2,076,100	8.6	2,205,400	2,076,100	6.2
Investment in subsidiary ²	-	-	-	19,698	-	Nm
Total non-current assets	2,255,758	2,076,394	8.6	2,225,421	2,076,394	7.2
Current assets						
Trade and other receivables	2,182	1,518	43.7	2,331	1,518	53.6
Derivative asset ³	6,437	1,244	417.4	6,437	1,244	417.4
Cash and cash equivalents ⁴	38,029	64,197	(40.8)	35,891	64,197	(44.1)
Total current assets	46,648	66,959	(30.3)	44,659	66,959	(33.3)
Total assets	2,302,406	2,143,353	7.4	2,270,080	2,143,353	5.9
Current liabilities						
Trade and other payables	21,817	20,794	4.9	20,675	20,794	(0.6)
Short term borrowings	76,000	76,000	-	76,000	76,000	-
Provision for taxation	684	666	2.7	666	666	-
Total current liabilities	98,501	97,460	1.1	97,341	97,460	(0.1)
Non-current liabilities						
Long term borrowings	610,498 ⁵	580,042	5.3	580,042	580,042	-
Other non-current liabilities	11,998	9,505	26.2	11,243	9,505	18.3
Total non-current liabilities	622,496	589,547	5.6	591,285	589,547	0.3
Total liabilities	720,997	687,007	4.9	688,626	687,007	0.2
Net assets	1,581,409	1,456,346	8.6	1,581,454	1,456,346	8.6
Represented by:						
Unitholders' funds ⁶	1,581,409	1,456,346	8.6	1,581,454	1,456,346	8.6

Footnotes

(1) The increase is due to the investment in junior bonds in Aragorn ABS Berhad and the increase in property value of the existing properties in Singapore.

(2) This relates to the investment in junior bonds in Aragorn ABS Berhad.

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- (3) This relates to the fair value of the interest rate swaps.
- (4) The cash and cash equivalent is lower due to the investment in junior bonds in Aragorn ABS Berhad.
- (5) This includes RM70 million (approximately S\$30.5 million) of borrowings incurred by Aragorn ABS Berhad.
- (6) The increase is mainly due to the revaluation surplus from the increase in property value for the existing properties based on independent valuations dated 1 June 2006.

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

	Trust and its subsidiary			Trust		
	June 2006 S\$'000	Dec 2005 S\$'000	Change %	June 2006 S\$'000	Dec 2005 S\$'000	Change %
Secured borrowing						
Amount repayable after one year	610,498	580,042	5.3	580,042	580,042	-
Unsecured borrowing						
Amount repayable in one year or less, or on demand	76,000	76,000	-	76,000	76,000	-
	686,498	656,042	4.6	656,042	656,042	-

Details of any collaterals

As security for the secured long term borrowings of S\$580 million, CCT has granted in favour of the lender the following:

- (i) a mortgage over the Initial Investment Properties ¹;
- (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.

As security for the secured long term borrowings of RM70 million (approximately S\$30.5 million), Aragorn has granted in favour of the lender the following:

- (i) a fixed legal charge over Wisma Technip;
- (ii) debenture over all assets of the Issuer;
- (iii) charge/assignment over the Designated Accounts; and
- (iv) assignment over the present and future rights, title interest and benefits in and under tenancy agreements and existing contracts and all warranties and guarantees pertaining to the Wisma Technip and the plant and equipment.

As security for the short term borrowings of S\$76 million, CCT has granted in favour of the lender the legal assignment of the rental lease agreement of HSBC Building.

Footnote

- (1) Initial Investment 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 2006 vs 2Q 2005)

	Trust and its subsidiary	
	2Q 2006 S\$'000	2Q 2005 S\$'000
Operating activities		
Total return for the period before tax	138,837	15,186
Adjustment for		
Interest income	(217)	(149)
Depreciation of plant and equipment	39	38
Amortization of tenancy works	29	30
Amortization of rent incentives	181	121
Allowance for doubtful debts	-	(2)
Gain on disposal of assets	(5)	-
Finance costs	5,968	3,998
Gain from re-measurement of derivatives	(2,268)	-
Revaluation surplus	(120,665)	-
Foreign exchange difference	(120)	-
Operating income before working capital changes	21,779	19,222
Changes in working capital		
Trade and other receivables	(577)	(6,870)
Trade and other payables	1,405	(1,150)
Security deposits	2,059	571
Cash generated from operations activities	24,666	11,773
Investing activities		
Interest received	215	149
Purchase of investment property, acquisition charges and subsequent expenditure	(55,189)	(148,972)
Purchase of plant and equipment	(100)	(5)
Cash flows from investing activities	(55,074)	(148,828)
Financing activities		
Proceeds from issue of new units	-	78,872
Interest bearing borrowings	30,456	76,000
Issue expenses	-	(2,058)
Finance costs paid	(5,527)	(3,723)
Cash flows from financing activities	24,929	149,091
(Decrease)/increase in cash and cash equivalents	(5,479)	12,036
Cash and cash equivalents at beginning of period	43,508	43,501
Cash and cash equivalents at end of period	38,029	55,537

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1(c)(ii) Cash flow statement (1H 2006 vs 1H 2005)

	Trust and its subsidiary	
	1H 2006 S\$'000	1H 2005 S\$'000
Operating activities		
Total return for the period before tax	157,198	29,217
Adjustment for		
Interest income	(579)	(275)
Depreciation of plant and equipment	71	79
Amortization of tenancy works	58	39
Amortization of rent incentives	362	199
Allowance for doubtful debts	-	(8)
Gain on disposal of assets	(5)	-
Finance costs	10,485	7,630
Gain from re-measurement of derivatives	(5,194)	-
Revaluation surplus	(120,665)	-
Foreign exchange difference	(120)	-
Operating income before working capital changes	41,611	36,881
Changes in working capital		
Trade and other receivables	(1,077)	(7,503)
Trade and other payables	1,116	1,124
Security deposits	1,825	1,560
Cash generated from operations activities	43,475	32,062
Investing activities		
Interest received	577	295
Purchase of investment property, acquisition charges and subsequent expenditure	(58,670)	(149,038)
Purchase of plant and equipment	(100)	(14)
Cash flows from investing activities	(58,193)	(148,757)
Financing activities		
Proceeds from issue of new units	-	78,872
Interest bearing borrowings	30,456	76,000
Issue expenses	-	(2,058)
Distribution to unitholders	(31,997)	(33,481)
Finance costs paid	(9,909)	(7,355)
Cash flows from financing activities	(11,450)	111,978
Decrease in cash and cash equivalents	(26,168)	(4,717)
Cash and cash equivalents at beginning of period	64,197	60,254
Cash and cash equivalents at end of period	38,029	55,537

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1(d)(i) Statement of changes in unitholders' funds (2Q 2006 vs 2Q 2005)

	Trust and its subsidiary		Trust	
	2Q 2006 S\$'000	2Q 2005 S\$'000	2Q 2006 S\$'000	2Q 2005 S\$'000
Balance as at beginning of period	1,442,710	1,354,056	1,442,710	1,354,056
Operations				
Net increase in net assets resulting from operations	138,819	15,035	138,744	15,035
Unitholders' transactions				
Creation of new units	-	78,872	-	78,872
Issue expenses	-	(2,058)	-	(2,058)
Translation reserve	(120)	-	-	-
Net (decrease) / increase in net assets resulting from unitholders' transactions	(120)	76,814	-	76,814
Total (decrease) / increase in net assets	138,699	91,849	138,744	91,849
Balance as at end of period	1,581,409	1,445,905	1,581,454	1,445,905

1(d)(ii) Statement of changes in unitholders' funds (1H 2006 vs 1H 2005)

	Trust and its subsidiary		Trust	
	1H 2006 S\$'000	1H 2005 S\$'000	1H 2006 S\$'000	1H 2005 S\$'000
Balance as at beginning of period	1,456,346	1,373,647	1,456,346	1,373,647
Operations				
Net increase in net assets resulting from operations	157,180	28,925	157,105	28,925
Unitholders' transactions				
Creation of new units	-	78,872	-	78,872
Issue expenses	-	(2,058)	-	(2,058)
Translation reserve	(120)	-	-	-
Distribution to unitholders	(31,997)	(33,481)	(31,997)	(33,481)
Net (decrease) / increase in net assets resulting from unitholders' transactions	(32,117)	43,333	(31,997)	43,333
Total (decrease) / increase in net assets	125,063	72,258	125,108	72,258
Balance as at end of period	1,581,409	1,445,905	1,581,454	1,445,905

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1(e)(i) Details of any change in the units (2Q 2006 vs 2Q 2005)

	Trust	
	2Q 2006 Units	2Q 2005 Units
Balance as at beginning of period	896,270,700	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	896,270,700

1(e)(ii) Details of any change in the units (1H 2006 vs 1H 2005)

	Trust	
	2Q 2006 Units	2Q 2005 Units
Balance as at beginning of period	896,270,700	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	896,270,700

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 2005.

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.

	Trust and its subsidiary		Trust	
	2Q 2006 S\$'000	2Q 2005 S\$'000	2Q 2006 S\$'000	2Q 2005 S\$'000
Number of units on issue at end of period	896,270,700	896,270,700	896,270,700	896,270,700
Weighted average number of units for the period	896,270,700	878,684,854	896,270,700	878,684,854
Earnings per unit (EPU)				
Based on the weighted average number of units for the period	2.03¢	1.71¢	2.02¢	1.71¢
Based on fully diluted basis	2.03¢	1.71¢	2.02¢	1.71¢
Distribution per unit (DPU)				
Based on the number of units for the period	1.77¢	1.65¢	1.77¢	1.65¢

	Trust and its subsidiary		Trust	
	1H 2006 S\$'000	1H 2005 S\$'000	1H 2006 S\$'000	1H 2005 S\$'000
Number of units on issue at end of period	896,270,700	896,270,700	896,270,700	896,270,700
Weighted average number of units for the period	896,270,700	859,010,081	896,270,700	859,010,081
Earnings per unit (EPU)				
Based on the weighted average number of units for the period	4.08¢	3.37¢	4.07¢	3.37¢
Based on fully diluted basis	4.08¢	3.37¢	4.07¢	3.37¢
Distribution per unit (DPU)				
Based on the number of units as at end of period	3.49¢	3.24¢	3.49¢	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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7 Net asset value (“NAV”) backing per unit based on issued units at the end of the period

	Trust & its subsidiary	
	30 Jun 2006	31 Dec 2005
NAV per unit	S\$1.76	S\$1.62
Adjusted NAV per unit (excluding the distributable income to unitholders)	S\$1.73	S\$1.59

	Trust	
	30 Jun 2006	31 Dec 2005
NAV per unit	S\$1.76	S\$1.62
Adjusted NAV per unit (excluding the distributable income to unitholders)	S\$1.73	S\$1.59

8 Review of the performance

	Trust & its subsidiary			
	2Q 2006 S\$'000	2Q 2005 S\$'000	1H 2006 S\$'000	1H 2005 S\$'000
8(i) <u>Statement of Total Return</u>				
Gross revenue	31,102	28,797	60,768	56,238
Property operating expenses	(7,323)	(7,410)	(15,162)	(14,986)
Net property income	23,779	21,387	45,606	41,252
Other income	217	149	579	275
Gain from re-measurement of derivatives	2,268	-	5,194	-
Manager’s management fees	(1,592)	(1,390)	(3,164)	(2,678)
Trust expense	(532)	(962)	(1,197)	(2,002)
Finance costs	(5,968)	(3,998)	(10,485)	(7,630)
Net income	18,172	15,186	36,533	29,217
Revaluation surplus	120,665	-	120,665	-
Total return for the period before income tax	138,837	15,186	157,198	29,217
Income tax	(18)	(151)	(18)	(292)
Total return for the period after income tax	138,819	15,035	157,180	28,925

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Trust & its subsidiary			
2Q 2006	2Q 2005	1H 2006	1H 2005
S\$'000	S\$'000	S\$'000	S\$'000

Distribution Statement

Net income	18,172	15,186	36,533	29,217
Net tax adjustments	(2,224)	35	(5,191)	43
Adjustment	(93)	-	(93)	-
Taxable income available for distribution to unitholders	15,855	15,221	31,249	29,260
Distributable income to unitholders	15,855	14,460	31,249	27,797
Earnings per unit (cents)	2.03¢	1.71¢	4.08¢	3.37¢
Distribution per unit (cents)	1.77¢	1.65¢	3.49¢	3.24¢

Review of performance 2Q 2006 vs 2Q 2005

Gross revenue for 2Q 2006 is higher than 2Q 2005 by S\$2.3 million or 8.0%. This is mainly due to the consolidation of gross revenue of approximately S\$1 million from Aragorn ABS Berhad (subscription of 100% of the junior bonds was made in April 2006) and higher car park income from the Singapore properties. This is partially offset by lower income from the retail space at Market Street Car Park due to the commencement of the asset enhancement work in November 2005.

Property operating expenses are lower in 2Q 2006 by S\$0.1 million or 1.2% due to lower property tax and lower cyclical works carried out in this quarter. This is partially offset by higher utility costs incurred and this is expected to increase further due to the higher electricity tariff.

Interest income is higher in 2Q 2006 by S\$0.1 million or 45.6% due to higher deposit rates. Trust expenses are lower in 2Q 2006 by S\$0.4 million or 44.7% due to lower professional fees and unitholders' expenses.

Finance costs are higher in 2Q 2006 by \$2.0 million or 49.3% due to additional borrowings of RM70 million incurred to part finance the acquisition of Wisma Technip in April 2006 and higher interest costs due to the S\$250.3 million term loan which reverted to floating rate in March 2006. Interest rate swap contracts for S\$390 million have been put in place to fix the interest costs for periods of between 5 to 7 years, thus extending the weighted average term to expiry from 4.1 years as at 31 March 2006 to 4.8 years as at 30 June 2006. This would result in an average all-in interest rate of 3.5% for CCT at the trust level.

Gain from the re-measurement of derivatives relates to the fair value of the interest rate swaps.

Review of performance 1H 2006 vs 1H 2005

Gross revenue for 1H 2006 is higher than 1H 2005 by S\$4.5 million or 8.1%. This is mainly due to the additional revenue derived from the acquisition of HSBC Building (which was completed in April 2005) and the consolidation of the revenue from Aragorn ABS Berhad

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(subscription of the junior bonds was made in April 2006) and higher car park income. This is partially offset by lower income from the retail space at Market Street Car Park due to the commencement of asset enhancement work in November 2005.

Property operating expenses are higher in 1H 2006 by S\$0.2 million or 1.2% due to the consolidation of Aragorn ABS Berhad and higher utility costs incurred. This is partially offset by lower marketing fees. Utility cost is expected to increase further due to higher electricity tariffs.

Interest income is higher in 1H 2006 by S\$0.3 million or 110.5% due to higher cash on hand and higher deposit rates. Trust expenses are lower in 1H 2006 by S\$0.8 million or 40.2% due to lower professional fees and unitholders' expenses.

Finance costs are higher in 1H 2006 by \$2.9 million or 37.4% due to additional borrowings of S\$76 million incurred to part finance the acquisition of HSBC Building in April 2005 and higher interest costs due to the S\$250.3 million term loan which reverted to floating rate in March 2006.

Revaluation surplus

The revaluation surplus has no impact on the taxable income or distributable income to unitholders.

In accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, where the CCT Manager proposed to carry out an equity fund raising exercise, a valuation of all the real estate assets of CCT is required, unless such assets have been valued not more than six months ago (based on the date of the last valuation report). In relation to the proposed fund raising exercise for the acquisition of Raffles City, valuations of the CCT properties as of 1 June 2006 were procured because the date of the last valuation of the real estate assets of CCT is 1 December 2005.

Valuations of the CCT portfolio were conducted by CB Richard Ellis on 1 June 2006 using the Investment Method, Discounted Cash Flow Analysis and Direct Comparison Approach.

CCT's portfolio is valued at S\$2,202.0 million as at 1 June 2006. The book value prior to revaluation is S\$2,081.3 million. This gives rise to a revaluation surplus of S\$120.7 million which is charged to the Statement of Total Return. As the revaluation surplus is a non-tax chargeable item, it has no impact on the taxable income or distribution to unitholders.

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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)

	Trust		
	1 January 2006 to 30 June 2006		
	Actual S\$'000	Forecast ¹ S\$'000	Change %
Gross rental income	52,090	52,095	-
Car park income	5,193	5,078	2.3
Other income	2,529	2,420	4.5
Gross revenue	59,812	59,593	0.4
Property management fees	(1,274)	(1,261)	1.0
Property tax	(3,693)	(3,820)	(3.3)
Other property operating expenses	(9,897)	(9,965)	(0.7)
Property operating expenses	(14,864)	(15,046)	(1.2)
Net property income	44,948	44,547	0.9
Interest income	575	535	7.5
Investment income	306	308	(0.6)
Gain from measurement of derivatives	5,194	-	Nm
Manager's management fees	(3,164)	(3,007)	5.2
Trust expenses	(1,189)	(1,058)	12.4
Borrowing costs	(10,230)	(10,229)	-
Net income	36,440	31,096	17.2
Net tax adjustments	(5,191)	68	(7,733.8)
Taxable income available for distribution to unitholders	31,249	31,164	0.3
Distributable Income to unitholders	31,249	31,164	0.3
Distribution per unit (in cents)			
For the period	3.49¢	3.48¢	0.3
Annualised	7.03¢	7.01¢	0.3

Footnote

(1) The forecast is based on the actual 1Q 2006 results plus management's forecast for the period 1 April 2006 to 30 June 2006. This, together with the forecast for the period 1 July 2006 to 31 December 2006, is the forecast shown in the Unitholders' Circular dated 26 June 2006 for the proposed acquisition of Raffles City and the proposed equity fund raising.

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

	Actual 1 Jan 2006 to 30 Jun 2006 S\$'000	Forecast¹ 1 Jan 2006 to 30 Jun 2006 S\$'000	Change %
Capital Tower	21,424	21,365	0.3
6 Battery Road	15,753	15,737	0.1
HSBC Building	4,146	4,146	-
Starhub Centre	6,403	6,377	0.4
Robinson Point	3,089	3,077	0.4
Bugis Village	4,097	4,090	0.2
Golden Shoe Car Park	3,799	3,714	2.3
Market Street Car Park	1,101	1,087	1.3
Total gross revenue	59,812	59,593	0.4

Footnote

(1) The forecast is based on the actual 1Q 2006 results plus management's forecast for the period 1 April 2006 to 30 June 2006. This, together with the forecast for the period 1 July 2006 to 31 December 2006, is the forecast shown in the Unitholders' Circular dated 26 June 2006 for the proposed acquisition of Raffles City and the proposed equity fund raising.

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

	Actual 1 Jan 2006 to 30 Jun 2006 S\$'000	Forecast¹ 1 Jan to 30 Jun 2006 S\$'000	Change %
Capital Tower	15,079	15,172	(0.6)
6 Battery Road	11,631	11,449	1.6
HSBC Building	4,088	4,088	-
Starhub Centre	5,215	5,162	1.0
Robinson Point	2,185	2,122	3.0
Bugis Village	3,244	3,236	0.2
Golden Shoe Car Park	2,783	2,644	5.3
Market Street Car Park	723	674	7.3
Total net property income	44,948	44,547	0.9

Footnote

(1) The forecast is based on the actual 1Q 2006 results plus management's forecast for the period 1 April 2006 to 30 June 2006. This, together with the forecast for the period 1 July 2006 to 31 December 2006, is the forecast shown in the Unitholders' Circular dated 26 June 2006 for the proposed acquisition of Raffles City and the proposed equity fund raising.

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Review of the performance

Gross revenue is slightly above the forecast by S\$0.2 million or 0.4% due mainly to the increased contribution from car park revenue and tenant recoveries. Actual property operating expenses are slightly lower than forecast by S\$0.2 million or 1.2% due to lower property tax and marketing expenses.

Trust expenses are higher by S\$0.1 million or 12.4% due to higher general and administrative expenses and unitholders' expenses.

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 registered a moderation of growth in the second quarter of 2006. Advance estimates by the Ministry of Trade and Industry showed that real GDP rose by 7.5% in the quarter compared to the same period in 2005. On a quarter-to-quarter seasonally adjusted annualised basis, real GDP grew by 1.1%, easing from the 7.0% expansion in the preceding quarter. Economists still believe that Singapore is on track to achieve, if not, beat the upper end of the Government's 5-7% full-year growth forecast.

URA reported island-wide office occupancy rate was 88.0% as at end March 2006, compared to 85.0% a year ago. The office property market continued to strengthen in the second quarter of 2006. The overall occupancy improvement was led by strong leasing momentum in both prime and Grade A office buildings. Demand was mainly fuelled by financial institutions with expansion plans. According to a report by CB Richard Ellis ("CBRE"), strong demand for office space has filtered down to office demand in the suburban areas such as Tampines, Jurong East, Thomson and Novena. It is becoming increasingly difficult to look for good quality office space whether inside or outside CBD. This bodes well for CCT as its portfolio consists largely of prime office properties.

The tightening supply of office space and improving demand have placed landlords in a better negotiating position to increase rental rates. As reported by CBRE, average prime rents as at end June 2006 rose to S\$6.00 psf per month, reflecting a 7.1% quarter-on-quarter increase from S\$5.60 psf per month in the previous quarter. In view of the current positive market condition, CBRE has revised their previous year-end projections of S\$6.50 psf per month and S\$7.20 psf per month for prime office rents and Grade A office rents to S\$7.00 psf per month and S\$8.00 psf per month respectively by end 2006.

Outlook for 2006

The manager of CCT is optimistic to deliver the 2006 forecast distribution of 6.83 cents per unit (for the existing portfolio) as stated in the Circular dated 26 June 2006, barring any unforeseen circumstances.

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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 the period from 1 January 2006 to 31 August 2006 (expected to be the day immediately prior to the date on which new units will be issued pursuant to the proposed equity funds raising exercise to raise funds for the proposed acquisition of Raffles City (see the Unitholders' Circular dated 26 June 2006) issued in connection with the Extraordinary General Meeting held on 13 July 2006).

Distribution type i) Taxable income
ii) Tax-exempt income

Distribution rate Between 4.58 cents to 4.63 cents per unit, and no less than 4.58 cents per unit. The actual distribution will be confirmed in due course.

Par value of units Not meaningful

Tax rate Taxable income distribution
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%.

Tax-exempt income distribution
Tax-exempt income distribution is exempt from tax in the hands of all unitholders. Tax-exempt income relates to the net income from the investment in junior bonds of Aragorn ABS Berhad.

Books closure date Expected to be 31 August 2006. An announcement will be made in due course.

Date payable Expected to be end September 2006

Remarks Please see the Unitholders' Circular for further details about the distribution, including the rationale for it being in respect of the period from 1 January 2006 to the day immediately prior to the date on which new units will be issued pursuant to the equity fund raising instead of the original scheduled period from 1 January 2006 to 30 June 2006.

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11(b) Corresponding period of the preceding financial period

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

Name of distribution	Distribution for 1 January 2005 to 30 June 2005
Distribution type	Taxable 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 was merged with the main stock counter, CapitaComm, once units under both stock counters commenced trading on an “ex” basis on 28 July 2005.

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
26 July 2006