

CCT continues with strong performance in 1H 2005

Prime office sector sees clear recovery

Distributions to unitholders to increase to 100% from July 2005

Singapore, 21 July 2005 – CapitaCommercial Trust Management Limited (“CCTML”), the manager of CapitaCommercial Trust (“CCT”), is pleased to announce a distributable income of S\$27.8 million to unitholders for the period 1 January 2005 to 30 June 2005.

CCT will pay a DPU of 3.24 cents for units trading on the main stock counter, *CapitaComm*, for the first half year 2005. This is equivalent to an annualised DPU of 6.53 cents for unitholders. Given this DPU, the distribution yield is 4.3% based on the closing price of S\$1.51 per unit on 19 July 2005.

Pursuant to the equity fund raising completed on 29 April 2005, approximately 57.2 million new units were issued. These new units, which are traded on a temporary stock counter, *CapitaComm A*, will receive a DPU of 1.09 cents per unit for the period 29 April 2005 to 30 June 2005. On an annualised basis, the DPU is 6.32 cents, 3% higher than the forecast ¹ of 6.14 cents.

Summary of CCT Results

	1 Jan 2005 – 30 Jun 2005	29 April 2005 – 30 June 2005		
	Actual	Actual	Forecast ¹	Variance %
Gross Revenue (S\$'000)	56,238	20,206	19,482	3.7
Net Property Income (S\$'000)	41,252	14,818	14,241	4.1
Distributable Income (S\$'000) ²	27,797	9,754	9,467	3.0
Distribution Per Unit (cents)				
For the period	3.24¢	1.09¢	1.06¢	2.9
Annualised	6.53¢	6.32¢	6.14¢	2.9
Distribution Yield				
Based on S\$1.51 per unit (closing as at 19 July 2005)	4.3%	4.2%	4.1%	2.9

¹ The forecast is based on the management's forecast in the CCT Offer Information Statement dated 21 April 2005 for the equity fund raising to acquire HSBC Building.

² Based on 95% of taxable income available for distribution to unitholders.

Summary of Distributions Payable

Stock Counter	Distribution Period	DPU (cents)
<i>CapitaComm</i>	1 January 2005 – 30 June 2005	3.24
<i>CapitaComm A</i>	29 April 2005 – 30 June 2005	1.09

The books closure date is 1 August 2005 and unitholders can expect to receive their respective distribution on 29 August 2005. The *CapitaComm A* stock counter will be merged with the main stock counter, *CapitaComm*, when units under both stock counters commence trading on an “ex” basis at 9.00am on 28 July 2005.

Mr Sum Soon Lim, Chairman of CCTML, said, “CCT has exceeded DPU forecast once again notwithstanding that the forecast was made fairly recently in April 2005 for the purchase of HSBC Building. As compared to the annualised DPU forecast of 5.68 cents during the listing of CCT in May 2004, we have achieved a 15% improvement. Competitive bidding by tenants for a tightening supply of prime office space allowed us to achieve more than 9% improvement in rental rates on new and renewal leases over our forecast. With CCT’s proactive management team and a stronger than expected performance underpinned by the positive Singapore office market, we are confident of achieving better DPU than the annualised forecast of 6.22 cents per unit for 29 April 2005 to 31 December 2005”.

Distribution Policy to Increase to 100%

In CCT’s Introductory Document dated 16 March 2004, CCT had indicated that it would only be distributing 95% of its taxable income till 31 December 2005 to give additional financial flexibility for CCT for its working capital and to fund unexpected capital expenditure. The 5% is subject to a 20% government tax. However, with the improved office market and government tax incentives (where distributions to individuals are tax exempt and foreign institutional investors pay only 10%), the Manager will be distributing 100% of its taxable income to unitholders from the next distribution period starting 1 July 2005.

Mr Martin Tan, CEO of CCTML, said, “Singapore prime office rents have continued their upward trend for the past one year. The recent award of the Business and Financial Centre site at S\$381 per sq ft over gross floor area has further boosted market sentiments and rental growth. With our strong positive operating cash flow, we are pleased to announce an increase in the distributions to unitholders from 95% to 100%. In addition, following our recent success with HSBC Building, we are evaluating several acquisition opportunities to grow CCT’s portfolio”.

Positive Office Rental Market Trend

Based on MTI's advanced estimates, in the second quarter of 2005, Singapore's gross domestic product (GDP) grew by a stronger-than-expected 3.9%, 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.

Based on URA data, islandwide office occupancy reached 85% in the first quarter 2005, up from 82.2% a year ago. According to CB Richard Ellis, prime office rents averaged S\$4.70 per sq ft per month in the second quarter of 2005. This represented an increase of 6.8% from the fourth quarter of 2004.

About CapitaCommercial Trust

CCT is Singapore's first commercial property REIT. Its aim is to own and invest in real estate and real estate-related assets which are income-producing and used, or predominantly used, for commercial purposes. CCT currently owns a S\$2.1 billion portfolio of eight prime properties in Singapore's Central Business District. The properties are Capital Tower, 6 Battery Road, HSBC Building, Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park and Market Street Car Park.

CCT is managed by an external manager, CCTML, which is an indirect wholly-owned subsidiary of CapitaLand, one of the largest listed real estate companies in Asia.

Visit CCT's website at for more details.

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The value of units in CCT and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their units while the units are listed. It is intended that unitholders may only deal in their units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the units on the SGX-ST does not guarantee a liquid market for the units.

The past performance of CCT is not necessarily indicative of the future performance of CCT.