

**CAPITACOMMERCIAL TRUST
2004 THIRD QUARTER FINANCIAL STATEMENT ANNOUNCEMENT**

For a meaningful analysis/comparison of the actual results against the forecast as stated in the Introductory Document, please refer to paragraph 9 of this announcement.

**Summary of CCT Results
(15 May 2004 to 30 September 2004)**

| | Actual | Forecast | Variance | |
|---|--------|----------|----------|-------|
| | | | Amount | % |
| Gross Revenue (S\$'000) | 41,060 | 40,098 | 962 | 2.4% |
| Net Property Income (S\$'000) | 30,047 | 28,367 | 1,680 | 5.9% |
| Distributable Income to Unitholders (S\$'000) | 20,089 | 18,105 | 1,984 | 11.0% |
| Distribution Per Unit (cents) | | | | |
| For the period 15 May 2004 to 30 Sep 2004 | 2.39¢ | 2.16¢ | 0.23¢ | 11.0% |
| Annualised | 6.30¢ | 5.68¢ | 0.62¢ | 11.0% |

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 (previously known as Bermuda Trust (Singapore) Limited) (as trustee of CCT). CCT's first financial period is from the date of its inception ie. 6 February 2004 to 31 December 2004.

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 were subsequently liquidated 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 CapitalLand Limited up to and including 14 May 2004 (the "Private Trust"). On 15 May 2004, CapitalLand 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 CapitalLand Group that together held 100% of the Units. CCT's distributable income from 15 May 2004 to the end of the current distribution period (31 December 2004) will be distributed to all the unitholders, including all the companies in the CapitalLand Group that continue to hold Units, on or before 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.

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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 subjected 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.

CCT's first financial period is from 6 February 2004 to 31 December 2004 and the prior period comparatives are based on the pro forma financial information as stated in CCT's Introductory Document.

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1(a)(i) Statement of Total Return (YTD September 2004 vs YTD September 2003)

(For a review of the performance, please refer to paragraph 8(a)(i) on page 14)

| | Actual (6/2/04 to 30/9/04) ⁽¹⁾ S\$'000 | Pro Forma (1/3/03 to 30/9/03) ⁽²⁾ S\$'000 | Increase / (Decrease) % |
|--|---|--|-------------------------------|
| Statement of Total Return | | | |
| Gross rental income | 55,165 | 62,276 | (11.4) |
| Car park income | 5,245 | 5,051 | 3.8 |
| Other income | 2,409 | 2,639 | (8.7) |
| Gross revenue | 62,819 | 69,966 | (10.2) |
| Property management fees | (1,405) | (1,709) | (17.8) |
| Property tax | (4,872) | (2,641) | 84.5 |
| Other property operating expenses ⁽³⁾ | (11,154) | (10,344) | 7.8 |
| Property operating expenses | (17,431) | (14,694) | 18.6 |
| Net property income | 45,388 | 55,272 | (17.9) |
| Interest income | 48 | 35 | 37.1 |
| Manager's management fees | (3,144) | (3,551) | (11.5) |
| Trust expenses | (1,480) | (1,900) | (22.1) |
| Borrowing costs | (8,031) | (8,594) | (6.6) |
| Non-operating expenditure ⁽⁴⁾ | (2,687) | - | Nm |
| Net investment income before tax | 30,094 | 41,262 | (27.1) |
| Income tax ⁽⁵⁾ | (2,551) | (459) | 455.8 |
| Net investment income after tax | 27,543 | 40,803 | (32.5) |

Distribution Statement

| | | | |
|--|---------------|---------------|---------------|
| Net investment income before tax | 30,094 | 41,262 | (27.1) |
| Net effect of non-tax deductible/(chargeable) items ⁽⁶⁾ | 2,749 | 442 | 521.9 |
| Taxable income available for distribution to unitholders | 32,843 | 41,704 | (21.2) |
| Distributable income to unitholders ⁽⁷⁾ | 29,361 | 39,619 | (25.9) |

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 relates only to the 7 month period from 1 March 2004 to 30 September 2004. CCT has no income from 6 to 29 February 2004. The entire period relates to both the Private Trust and Public Trust periods and the details are as stated in paragraph (1)(a)(iii) on page 7.

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(2) This is the first financial period of CCT and the comparative numbers for 2003 are extracted from the pro forma financial information for the year ended 31 December 2003 which was stated in the Introductory Document dated 16 March 2004 and pro-rated equally for 7 months to correspond to the period from 1 March 2003 to 30 September 2003.

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

| | Actual (6/2/04 to 30/9/04) S\$'000 | Pro Forma (1/3/03 to 30/9/03) S\$'000 | Increase / (Decrease) % |
|--|--|---|---------------------------------------|
| Depreciation | 89 | 92 | (3.3) |
| Allowance for doubtful debts and bad debts written off | 5 | (20) | (125.0) |
| Asset written off | - | 220 | (100.0) |

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

(5) The actual YTD September 2004 income tax provision is based on 100% of taxable income for the period of 6 February 2004 to 14 May 2004 (Private Trust) and 5% of taxable income for period of 15 May 2004 to 30 September 2004 (Public Trust). Income tax for pro forma YTD September 2003 was prepared on the basis that tax transparency applies ie. income tax is only provided for the amount to be withheld and not paid to unitholders and this has been assumed to be 5% of taxable income for the entire period.

(6) Included in the net effect of non-tax deductible/(chargeable) items are the following:

| | Actual (6/2/04 to 30/9/04) S\$'000 | Pro Forma (1/3/03 to 30/9/03) S\$'000 | Increase / (Decrease) % |
|---|--|---|---------------------------------------|
| Trustee's fees | 156 | 150 | 4.0 |
| Write-off of stamp duty paid for transfer of the property companies | 2,687 | - | Nm |
| Temporary differences and other adjustments | (94) | 292 | (132.2) |
| Total | 2,749 | 442 | 521.9 |

(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(a)(ii) Statement of Total Return (3Q 2004 vs 3Q 2003)

(For a review of the performance, please refer to paragraph 8(a)(ii) on page 16)

| | Actual (1/7/04 to 30/9/04) S\$'000 | Pro Forma (1/7/03 to 30/9/03) ⁽¹⁾ S\$'000 | Increase / (Decrease) % |
|--|--|--|-------------------------------|
| <u>Statement of Total Return</u> | | | |
| Gross rental income | 23,962 | 26,690 | (10.2) |
| Car park income | 2,297 | 2,165 | 6.1 |
| Other income | 955 | 1,131 | (15.6) |
| Gross revenue | 27,214 | 29,986 | (9.2) |
| Property management fees | (620) | (733) | (15.4) |
| Property tax | (2,090) | (1,132) | 84.6 |
| Other property operating expenses ⁽²⁾ | (4,538) | (4,433) | 2.4 |
| Property operating expenses | (7,248) | (6,298) | 15.1 |
| Net property income | 19,966 | 23,688 | (15.7) |
| Interest income | 38 | 15 | 153.3 |
| Manager's management fees | (1,358) | (1,522) | (10.8) |
| Trust expenses | (672) | (814) | (17.4) |
| Borrowing costs | (3,713) | (3,683) | 0.8 |
| Net investment income before tax | 14,261 | 17,684 | (19.4) |
| Income tax | (142) | (197) | (27.9) |
| Net investment income after tax | 14,119 | 17,487 | (19.3) |

Distribution Statement

| | | | |
|--|---------------|---------------|---------------|
| Net investment income before tax | 14,261 | 17,684 | (19.4) |
| Net effect of non-tax deductible/(chargeable) items ⁽³⁾ | (77) | 189 | (140.7) |
| Taxable income available for distribution to unitholders | 14,184 | 17,873 | (20.6) |
| Distributable income to unitholders ⁽⁴⁾ | 13,475 | 16,979 | (20.6) |

Footnotes

(1) This is the first financial period of CCT and the comparative numbers for 2003 are extracted from the pro forma financial information for the year ended 31 December 2003 which was stated in the Introductory Document dated 16 March 2004 and pro-rated equally for the 3 month period.

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

| | Actual <i>(1/7/04 to 30/9/04)</i> S\$'000 | Pro Forma <i>(1/7/03 to 30/9/03)</i> S\$'000 | <i>Increase / (Decrease)</i> % |
|---|--|---|---------------------------------------|
| <i>Depreciation</i> | 40 | 40 | - |
| <i>Allowance for doubtful debts and bad debts written off</i> | 5 | (9) | (155.6) |
| <i>Asset written off</i> | - | 94 | (100.0) |

(3) Included in the net effect of non-tax deductible/(chargeable) items are the following:

| | Actual <i>(1/7/04 to 30/9/04)</i> S\$'000 | Pro Forma <i>(1/7/03 to 30/9/03)</i> S\$'000 | <i>Increase / (Decrease)</i> % |
|--|--|---|---------------------------------------|
| <i>Trustee's fees</i> | 66 | 64 | 3.1 |
| <i>Temporary differences and other adjustments</i> | (143) | 125 | (214.4) |
| <i>Total</i> | (77) | 189 | (140.7) |

(4) The distributable income to unitholders is based on 95% of the taxable income available for distribution to unitholders.

Nm – not meaningful

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**1(a)(iii) Statement of Total Returns – Breakdown between Private Trust and Public Trust
Period**

| | Private Trust (6/2/04 to 14/5/04) ⁽¹⁾ S\$'000 | Public Trust (15/5/04 to 30/9/04) S\$'000 | Actual (6/2/04 to 30/9/04) S\$'000 |
|---|--|---|--|
| <u>Profit & loss Statement</u> | | | |
| Gross rental income | 19,073 | 36,092 | 55,165 |
| Car park income | 1,826 | 3,419 | 5,245 |
| Other income | 860 | 1,549 | 2,409 |
| Gross revenue | 21,759 | 41,060 | 62,819 |
| Property management fees | (475) | (930) | (1,405) |
| Property tax | (1,684) | (3,188) | (4,872) |
| Other property operating expenses | (4,259) | (6,895) | (11,154) |
| Property operating expenses | (6,418) | (11,013) | (17,431) |
| Net property income | 15,341 | 30,047 | 45,388 |
| Interest income | 5 | 43 | 48 |
| Manager's management fees | (1,121) | (2,023) | (3,144) |
| Trust expenses | (135) | (1,345) | (1,480) |
| Non-operating expenditure | (2,687) | - | (2,687) |
| Borrowing costs | (2,478) | (5,553) | (8,031) |
| Net investment income before tax | 8,925 | 21,169 | 30,094 |
| Income tax | (2,339) | (212) | (2,551) |
| Net investment income after tax | 6,586 | 20,957 | 27,543 |

Distribution Statement

| | | | |
|---|---------------|---------------|---------------|
| Net investment income before tax | 8,925 | 21,169 | 30,094 |
| Net effect of non-tax deductible/(chargeable) items | 2,772 | (23) | 2,749 |
| Taxable income available for distribution to unitholders | 11,697 | 21,146 | 32,843 |
| Distributable income to unitholders | 9,272 | 20,089 | 29,361 |

Footnotes

(1) It was stated in the Introductory Document that on the day immediately preceding the distribution in specie, which took place on 15 May 2004, CCT will make a distribution for the period from 6 February 2004 to the day immediately preceding the distribution in specie to the companies that hold 100% of the Units prior to the distribution in specie.

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1(b)(i) Balance sheet as at 30 September 2004 vs 31 December 2003

| | Actual 30/9/04 S\$'000 | Pro Forma 31/12/03 ⁽¹⁾ S\$'000 | Increase / (Decrease) % |
|--|---------------------------------------|--|--|
| Non-current assets | | | |
| Plant and equipment | 464 | 441 | 5.2 |
| Investment properties | 2,039,542 | 2,039,314 | 0.0 |
| Total non-current assets | 2,040,006 | 2,039,755 | 0.0 |
| Current assets | | | |
| Trade and other receivables ⁽²⁾ | 1,573 | 11,224 | (86.0) |
| Cash and cash equivalent | 45,021 | 23,988 | 87.7 |
| Total current assets | 46,594 | 35,212 | 32.3 |
| Total assets | 2,086,600 | 2,074,967 | 0.6 |
| Current liabilities | | | |
| Trade and other payables ⁽³⁾ | 14,663 | 26,571 | (44.8) |
| Provision for taxation | 232 | - | Nm |
| Total current liabilities | 14,895 | 26,571 | (43.9) |
| Non-current liabilities | | | |
| Interest-bearing borrowings | 580,042 | 580,042 | 0.0 |
| Other non-current liabilities | 9,823 | 8,599 | 14.2 |
| Total non-current liabilities | 589,865 | 588,641 | 0.2 |
| Total liabilities | 604,760 | 615,212 | (1.7) |
| Net assets | 1,481,840 | 1,459,755 | 1.5 |
| Unitholders' funds | 1,481,840 | 1,459,755 | 1.5 |

Footnotes

(1) This is the first financial period of CCT and the comparative numbers for 2003 are extracted from the pro forma financial information as at 31 December 2003 which was stated in the Introductory Document.

(2) The comparative number for 2003 extracted from the pro forma as at 31 December 2003 contains accrued revenue and other receivables.

(3) The comparative number for 2003 extracted from the pro forma as at 31 December 2003 contains accrued issue expenses and incidental acquisition costs of S\$15.4 million.

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

| | Actual 30/9/04 S\$'000 | Pro Forma 31/12/03 ⁽¹⁾ S\$'000 |
|--|-------------------------------------|--|
| Secured borrowings | | |
| Amount repayable in one year or less, or on demand | - | - |
| Amount repayable after one year | 580,042 | 580,042 |

Footnotes

(1) This is the first financial period of CCT and the comparative numbers for 2003 are extracted from the pro forma financial information as at 31 December 2003 which was stated in the Introductory Document.

Details of any collaterals

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

- (i) a mortgage over each of the properties
- (ii) an assignment and charge of the rental proceeds and tenancy agreements of units in the properties
- (iii) an assignment of the insurance policies relating to the properties
- (iv) an assignment of the agreements relating to the management of the properties
- (v) a charge creating a fixed and floating charge over certain assets of CCT relating to the properties.

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1(c) Cash flow statement ⁽¹⁾

| | Actual (6/2/04 to 30/9/04) ⁽²⁾ S\$'000 | Actual (1/7/04 to 30/9/04) S\$'000 |
|---|---|--|
| Operating activities | | |
| Net investment income before tax | 30,094 | 14,261 |
| Adjustment for | | |
| Interest income | (48) | (38) |
| Depreciation of plant and equipment | 89 | 40 |
| Amortization of rent incentives | 118 | 118 |
| Allowance for doubtful debts | 5 | 5 |
| Borrowing costs | 8,031 | 3,713 |
| Operating income before working capital changes | 38,289 | 18,099 |
| Changes in working capital | 6,573 | 859 |
| Tax paid | (2,318) | - |
| Cash generated from operating activities | 42,544 | 18,958 |
| Investing activities | | |
| Interest received | 37 | 32 |
| Purchase of investment property, plant and equipment and subsequent expenditure | (600,904) | (124) |
| Net cash inflow from acquisition of property companies | 15,086 | - |
| Cash flows from investing activities | (585,781) | (92) |
| Financing activities | | |
| Proceeds from issue of new units | 36,204 | - |
| Interest bearing borrowings | 580,042 | - |
| Issue expenses | (11,290) | (2,701) |
| Distribution to unitholders | (9,272) | - |
| Interest paid | (7,426) | (3,713) |
| Cash flows from financing activities | 588,258 | (6,414) |
| Increase/(Decrease) in cash and cash equivalent | 45,021 | 12,452 |
| Cash and cash equivalent at beginning of period | - | 32,569 |
| Cash and cash equivalent at end of period | 45,021 | 45,021 |

Footnotes

(1) There are no comparative prior period figures as this is the first financial period.

(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 cash flow for the 7 month period from 1 March 2004 to 30 September 2004 as there was no income from 6 to 29 February 2004.

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

| | Actual (6/2/04 to 30/9/04) S\$'000 | Actual (1/7/04 to 30/9/04) S\$'000 |
|---|--|--|
| Balance as at beginning of period | - | 1,467,291 |
| Operations | | |
| Net investment income after tax ⁽²⁾ | 27,543 | 14,119 |
| Net increase in net assets resulting from operations | 27,543 | 14,119 |
| Unitholders' transactions | | |
| Issue of new units | 1,475,145 | - |
| Issue expenses | (11,576) | 430 |
| Distribution to unitholders | (9,272) | - |
| Net increase / (decrease) in net assets resulting from unitholders' transactions | 1,454,297 | 430 |
| | | |
| Balance as at end of period | 1,481,840 | 1,481,840 |

Footnotes

(1) There are no comparative prior period figures as this is the first financial period.

(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 for the 7 month period from 1 March 2004 to 30 September 2004 as there was no income from 6 to 29 February 2004.

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

| | Actual (6/2/04 to 30/9/04) S\$'000 | Actual (1/7/04 to 30/9/04) S\$'000 |
|---|--|--|
| 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 | - |
| Balance as at end of period | 839,116,700 | 839,116,700 |

Footnotes

(1) There are no comparative prior period figures as this is the first financial period.

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 those stated in the Introductory Document dated 16 March 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.

| | Private Trust (6/2/04 to 14/5/04) | Public Trust (15/5/04 to 30/9/04) | Actual (6/2/04 to 30/9/04) |
|---|---|---|--------------------------------------|
| 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¢ | 2.50¢ | 3.28¢ |

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

| | Private Trust (6/2/04 to 14/5/04) | Public Trust (15/5/04 to 30/9/04) | Actual (6/2/04 to 30/9/04) |
|--|---|---|--------------------------------------|
| 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 |
| Distribution per unit (DPU) (based on the number of units as at end of period) | 1.10¢ | 2.39¢ | 3.49¢ |

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

| | Actual 30/9/04 | Pro forma 31/12/03¹ |
|--|---------------------------------|---|
| NAV per unit | \$1.77 | \$1.74 |
| Adjusted NAV per unit (excluding the distributable income) | \$1.74 | \$1.74 |

Footnotes

(1) The pro forma as at 31 December 2003 has been prepared on the assumption that the distributable income has been declared and paid to the unitholders.

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8(a)(i) Review of the performance (YTD September 2004 vs YTD September 2003)

| Actual (6/2/04 to 30/9/04) ⁽¹⁾ S\$'000 | Pro Forma (1/3/03 to 30/9/03) ⁽²⁾ S\$'000 | Increase / (Decrease) % |
|---|--|-------------------------------|
|---|--|-------------------------------|

Profit & loss Statement

| | | | |
|----------------------------------|----------|----------|--------|
| Gross revenue | 62,819 | 69,966 | (10.2) |
| Property operating expenses | (17,431) | (14,694) | 18.6 |
| Net property income | 45,388 | 55,272 | (17.9) |
| Other Income | 48 | 35 | 37.1 |
| Manager's management fees | (3,144) | (3,551) | (11.5) |
| Trust expense | (1,480) | (1,900) | (22.1) |
| Borrowing costs | (8,031) | (8,594) | (6.6) |
| Non-operating expenditure | (2,687) | - | Nm |
| Net investment income before tax | 30,094 | 41,262 | (27.1) |
| Income tax | (2,551) | (459) | 455.8 |
| Net investment income after tax | 27,543 | 40,803 | (32.5) |

Distribution Statement

| | | | |
|--|--------|--------|--------|
| Net investment income before tax | 30,094 | 41,262 | (27.1) |
| Net effect of non-tax deductible/(chargeable) items | 2,749 | 442 | 521.9 |
| Taxable income available for distribution to unitholders | 32,843 | 41,704 | (21.2) |
| Distributable income to unitholders | 29,361 | 39,619 | (25.9) |
| Earnings per unit (cents) | 3.28¢ | 4.86¢ | (32.5) |
| Distribution per unit (cents) | 3.49¢ | 4.72¢ | (26.1) |

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 the 7 month period from 1 March 2004 to 30 September 2004. CCT has no income from 6 to 29 February 2004. The entire period relates to both the Private Trust and Public Trust periods and the details are as stated in paragraph (1)(a)(iii) on page 7.

(2) This is the first financial period of CCT and the comparative numbers for 2003 are extracted from the pro forma financial information for the year ended 31 December 2003 which was stated in the Introductory Document and pro-rated equally for the 7 month period from 1 March 2003 to 30 September 2003.

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Review of performance YTD September 2004 vs YTD September 2003

Gross revenue for YTD Sep 2004 is lower than YTD Sep 2003 by S\$7.1 million or 10.2% due to the impact of the negative rental reversions (ie. lower rentals on renewals) experienced by all the properties for the last two years.

The property operating expenses are higher for YTD Sep 2004 by S\$2.7 million or 18.6% due to higher property tax expenses of \$2.2 million and higher repairs and maintenance expenses of S\$0.8 million. This is offset by lower property management fee of S\$0.3 million due to the lower net property income achieved as the fee is pegged to a percentage of net property income. Property tax increased by 84.5% due to the cessation of the tax rebates granted by the government with effect from 1 January 2004.

Manager's management fee is lower by S\$0.4 million or 11.5% due to the lower income achieved as the performance component of management fee is pegged to a percentage of the net investment income. Borrowing costs is lower by S\$0.6 million or 6.6% for YTD Sep 2004 due to the lower borrowings required.

The non-operating expenditure of S\$2.7 million in YTD Sep 2004 relates to a write-off of stamp duty paid for transfer of the property companies to CCT.

Income tax is higher by S\$2.1 million for YTD Sep 2004 due to income tax expense during the private trust period. The pro forma YTD Sep 2003 was prepared on the basis that tax transparency applies and income tax is only provided for the amount to be withheld and not paid to unitholders and this has been assumed to be 5% of taxable income for the entire period. The actual YTD Sep 2004 income tax provision is based on 100% of taxable income for the period of 6 February 2004 to 14 May 2004 (Private Trust) and 5% of taxable income for period of 15 May 2004 to 30 September 2004 (Public Trust).

The net effect on non-tax deductible / (chargeable) items increased by S\$2.3 million for YTD Sep 2004 mainly due to the add-back of the one-off loss on liquidation of the property companies.

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8(a)(ii) Review of the performance (3Q 2004 vs 3Q 2003)

| Actual (1/7/04 to 30/9/04) S\$'000 | Pro Forma (1/7/03 to 30/9/03) ⁽¹⁾ S\$'000 | Increase / (Decrease) % |
|--|--|-------------------------------|
|--|--|-------------------------------|

Profit & loss Statement

| | | | |
|----------------------------------|---------|---------|--------|
| Gross revenue | 27,214 | 29,986 | (9.2) |
| Property operating expenses | (7,248) | (6,298) | 15.1 |
| Net property income | 19,966 | 23,688 | (15.7) |
| Other Income | 38 | 15 | 153.3 |
| Manager's management fees | (1,358) | (1,522) | (10.8) |
| Trust expense | (672) | (814) | (17.4) |
| Borrowing costs | (3,713) | (3,683) | 0.8 |
| Net investment income before tax | 14,261 | 17,684 | (19.4) |
| Income tax | (142) | (197) | (27.9) |
| Net investment income after tax | 14,119 | 17,487 | (19.3) |

Distribution Statement

| | | | |
|--|--------|--------|---------|
| Net investment income before tax | 14,261 | 17,684 | (19.4) |
| Net effect of non-tax deductible/(chargeable) items | (77) | 189 | (140.7) |
| Taxable income available for distribution to unitholders | 14,184 | 17,873 | (20.6) |
| Distributable income to unitholders | 13,475 | 16,979 | (20.6) |
| Earnings per unit (cents) | 1.68¢ | 2.08¢ | (19.2) |
| Distribution per unit (cents) | 1.61¢ | 2.02¢ | (20.3) |

Footnotes

(1) This is the first financial period of CCT and the comparative numbers for 2003 are extracted from the pro forma financial information for the year ended 31 December 2003 which was stated in the Introductory Document dated 16 March 2004 and pro-rated equally for the 3 month period from 1 July 2003 to 30 September 2003.

Review of performance 3Q 2004 vs 3Q 2003

Gross revenue for 3Q 2004 is lower than 3Q 2003 by S\$2.8 million or 9.2% due to the impact of the negative rental reversions (ie. lower rentals on renewals) experienced by all the properties for the last two years.

The property operating expenses are higher in 3Q 2004 by \$1.0 million or 15.1% due to higher property tax expenses of \$1.0 million and higher repairs and maintenance expenses of S\$0.1 million. This is offset by lower property management fee of S\$0.1 million due to the lower net property income achieved as the fee is pegged to a percentage of net property income. Property tax increased by 84.6% due to the cessation of the tax rebates granted by the government with effect from 1 January 2004.

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Manager's management fee is also lower by S\$0.2 million due to the lower income achieved as the performance component of management fee is pegged to a percentage of the net investment income.

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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 the period of 15 May 2004 to 30 September 2004

| | Actual S\$'000 | Forecast ⁽¹⁾ S\$'000 | Increase / (Decrease) % |
|---|--------------------------|---|-------------------------------|
| Gross rental income | 36,092 | 35,482 | 1.7 |
| Car park income | 3,419 | 3,167 | 8.0 |
| Other income | 1,549 | 1,449 | 6.9 |
| Gross revenue | 41,060 | 40,098 | 2.4 |
| Property management fees | (930) | (876) | 6.2 |
| Property tax | (3,188) | (3,104) | 2.7 |
| Other property operating expenses | (6,895) | (7,751) | (11.0) |
| Property operating expenses | (11,013) | (11,731) | (6.1) |
| Net property income | 30,047 | 28,367 | 5.9 |
| Interest income | 43 | 32 | 34.4 |
| Manager's management fees | (2,023) | (1,882) | 7.5 |
| Trust expenses | (1,345) | (1,876) | (28.3) |
| Borrowing costs | (5,553) | (5,723) | (3.0) |
| Net investment income before tax | 21,169 | 18,918 | 11.9 |
| Net effect of non-tax deductible/(chargeable items) | (23) | 140 | (116.4) |
| Taxable income available for distribution to unitholders | 21,146 | 19,058 | 11.0 |
| Distribution to unitholders based on payout of 95% of taxable income | 20,089 | 18,105 | 11.0 |
| Distribution per unit (in cents) | | | |
| For the period | 2.39¢ | 2.16¢ | 11.0 |
| Annualised | 6.30¢ | 5.68¢ | 11.0 |

Footnotes

(1) The forecast is extracted from the Introductory Document and is based on the assumptions set out in the Introductory Document. As the forecast stated was for 1 May 2004 to 31 December 2004, the Manager has used its best estimate to present the prorated forecast for the period of 15 May 2004 to 30 September 2004.

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9(ii) Breakdown of total gross revenue (by property) for the period of 15 May 2004 to 30 September 2004

| | Actual S\$'000 | Forecast ⁽¹⁾ S\$'000 | Increase / (Decrease) % |
|----------------------------|---------------------------|--|--|
| Capital Tower | 14,664 | 14,639 | 0.2 |
| 6 Battery Road | 12,652 | 12,351 | 2.4 |
| Starhub Centre | 5,017 | 4,639 | 8.1 |
| Robinson Point | 1,754 | 1,852 | (5.3) |
| Bugis Village | 2,821 | 2,735 | 3.1 |
| Golden Shoe Car Park | 2,770 | 2,557 | 8.3 |
| Market Street Car Park | 1,382 | 1,325 | 4.3 |
| Total gross revenue | 41,060 | 40,098 | 2.4 |

Footnotes

(1) The forecast is extracted from the Introductory Document. As the forecast stated was for 1 May 2004 to 31 December 2004, the Manager has used its best estimates to present the extrapolated forecast for the period of 15 May 2004 to 30 September 2004.

9(iii) Breakdown of net property income (by property) for the period of 15 May 2004 to 30 September 2004

| | Actual S\$'000 | Forecast ⁽¹⁾ S\$'000 | Increase / (Decrease) % |
|----------------------------------|---------------------------|--|--|
| Capital Tower | 10,452 | 10,019 | 4.3 |
| 6 Battery Road | 9,452 | 9,025 | 4.7 |
| Starhub Centre | 3,693 | 3,346 | 10.4 |
| Robinson Point | 1,045 | 1,075 | (2.8) |
| Bugis Village | 2,260 | 2,086 | 8.3 |
| Golden Shoe Car Park | 2,098 | 1,844 | 13.8 |
| Market Street Car Park | 1,047 | 972 | 7.7 |
| Total net property income | 30,047 | 28,367 | 5.9 |

Footnotes

(1) The forecast is extracted from the Introductory Document. As the forecast stated was for 1 May 2004 to 31 December 2004, the Manager has used its best estimates to present the extrapolated forecast for the period of 15 May 2004 to 30 September 2004.

Review of the performance for the period of 15 May 2004 to 30 September 2004

Gross revenue increased by S\$1.0 million or 2.4% over the forecast. This is mainly due to higher rental revenue by S\$0.6 million arising from higher rental rates achieved on new and renewal leases and lower vacancy periods. There is also increased contribution from car park revenue and other income of S\$0.3 million and S\$0.1 million respectively.

Actual property operating expenses are also lower by S\$0.7 million or 6.1% due mainly to the lower maintenance expenses of S\$0.7 million and lower tenancy works and marketing expenses of S\$0.2 million. This is partially offset by higher property management fee (as it is pegged to 3% of net property income) and higher property tax.

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Manager's management fee is slightly higher by S\$0.1 million or 7.5% due to higher income achieved. The trust expenses is lower by S\$0.5 million due to cost savings achieved and borrowing costs is lower by S\$0.2 million due to lower amount of financing required.

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

Q3 2004 saw an expected moderation of growth in the Singapore economy. According to MTI's advanced estimates, Singapore's gross domestic product (GDP) in Q3 2004 rose by 7.7% compared to Q3 2003. On an annualised quarter-on-quarter basis, GDP declined 2.3% in Q3 from Q2. MTI has maintained that the economy is expected to remain on track for a full year growth of 8.0% - 9.0%.

The current economic climate has boosted business confidence and has stopped the slide in office rentals after three straight years of decline. There has been an increase in leasing enquiries for prime office space in better-quality buildings. According to CB Richard Ellis, average prime office rent has risen 3.7% in Q3 over Q2, bringing the gain over the past year to 5%. The new supply of office space for the next three years remains tight, averaging only 0.73 million square feet per year which is significantly lower than the 10-year historical average of 2.3 million square feet per year. Hence, occupancy rates and rentals in general are expected to strengthen further.

Outlook for 2004

The manager of CapitaCommercial Trust is confident to achieve more than the forecast distribution per unit of 3.58 cents per unit (annualized distribution per unit of 5.68 cents per unit) for the period 15 May 2004 to 31 December 2004 (as stated in the Introductory Document dated 16 March 2004).

11 Distributions

11(a) Current financial period

Any distributions declared for the current financial period?

Nil

11(b) Corresponding period of the preceding financial period

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

Nil

11(c) Date payable

Not applicable

11(d) Book closure date

Not applicable

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

No distribution has been declared / recommended.

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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
As Manager of CapitaCommercial Trust

Jessica Lum
Company Secretary