

Financial Statements

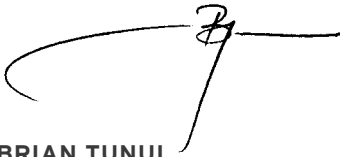
CONTENTS

64	Responsibilities of the Trustee
65	Report of the Trustee
66	Statement by the Manager
67	Auditors' Report to the Unitholders of CapitaMall Trust
68	Balance Sheet
69	Statement of Total Return
70	Distribution Statement
71	Statement of Movements In Unitholders' Fund
72	Portfolio Statement
73	Statement of Cash Flows
74	Summary of Financial Highlights
75	Notes to the Financial Statements

Responsibilities of the Trustee

Bermuda Trust (Singapore) Limited (the "Trustee") is under a duty to take into custody and to hold the assets of CapitaMall Trust (the "Trust") in trust for the holders of units (the "Unitholders"). Under the Securities and Futures Act and Code on Collective Investment Schemes, it is the duty of the Trustee to enquire into the conduct of CapitaMall Trust Management Limited (the "Manager") in the management of the Trust in each annual accounting period and report thereon to Unitholders in an Annual Report which shall contain the matters prescribed by the Securities and Futures Act and Code on Collective Investment Schemes and the trust deed dated 29 October 2001 (as amended) between the Trustee and the Manager (the "Trust Deed").

**For and behalf of the Trustee,
Bermuda Trust (Singapore) Limited**

A handwritten signature in black ink, appearing to read 'BRIAN TUNUI', with a long horizontal stroke extending to the right.

BRIAN TUNUI
Alternate Director

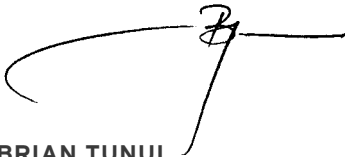
Singapore
10 February 2004

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Units Trusts" issued by the Institute of the Certified Public Accountants of Singapore and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

**For and on behalf of the Trustee,
Bermuda Trust (Singapore) Limited**

A handwritten signature in black ink, appearing to be 'B. Tunui', written over a horizontal line.

BRIAN TUNUI
Alternate Director

Singapore
10 February 2004

Statement by the Manager

In the opinion of the directors of CapitaMall Trust Management Limited, the accompanying financial statements set out on pages 68 to 98 comprising the Balance Sheet, Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Fund, Portfolio Statement, Statement of Cash Flows, Summary of Financial Highlights and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Trust as at 31 December 2003, the total return, distributable income, movements in unitholders' fund and cash flows for the year then ended and have been properly prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

**For and on behalf of the Manager,
CapitaMall Trust Management Limited**



PUA SECK GUAN
Director

Singapore
10 February 2004

Auditors' Report to the Unitholders of CapitaMall Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001 (as amended))

We have audited the financial statements of CapitaMall Trust (the "Trust") for the year ended 31 December 2003 as set out on pages 68 to 98. These financial statements are the responsibility of the Manager and the Trustee of the Trust. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2003, the total return, distributable income, movements in unitholders' fund and cash flows for the year then ended, and have been properly prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed.

The logo for KPMG, consisting of the letters 'KPMG' in a stylized, handwritten font.

KPMG

Certified Public Accountants

Singapore

10 February 2004

Balance Sheet

as at 31 December 2003

	Note	2003 \$'000	2002 \$'000
Non-current assets			
Plant and equipment	3	228	80
Investment properties	4	1,240,000	935,000
Other investment	5	58,000	-
		1,298,228	935,080
Current assets			
Trade and other receivables	6	3,819	2,173
Cash and cash equivalents	7	49,403	52,969
		53,222	55,142
Less:			
Current liabilities			
Trade and other payables	8	23,959	13,525
Current portion of security deposits		10,834	5,658
Provision for taxation	9	367	367
		35,160	19,550
Net current assets		18,062	35,592
Non-current liabilities			
Interest-bearing loan and borrowing	10	(325,000)	(200,000)
Non-current portion of security deposits		(18,847)	(9,452)
		(343,847)	(209,452)
Net assets		972,443	761,220
Represented by:			
Unitholders' funds		972,443	761,220
Units in issue ('000)	11	906,063	738,561
Net asset value per unit		\$ 1.07	\$ 1.03

The accompanying notes form an integral part of these financial statements.

Statement of Total Return

for the year ended 31 December 2003

	Note	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Gross revenue	12	117,003	88,390
Property expenses	13	(38,583)	(24,014)
Net property income		78,420	64,376
Interest income		69	66
Service and other charges transferred from the Administration Fund account:			
Interest expenses		(8,792)	(6,887)
Asset management fees	14	(6,821)	(4,955)
Professional fees		(389)	(552)
Trustee's fees		(343)	(295)
Audit fees		(138)	(68)
Other charges		(279)	(228)
Net investment income before tax		61,727	51,457
Income tax expense	9	-	(6,236)
Net investment income after tax		61,727	45,221
Net appreciation on revaluation of investment properties		16,870	15,933
Total return for the year/period		78,597	61,154
Earnings per unit (cents)	15		
Basic		7.68	6.21
Diluted		7.68	6.21

The accompanying notes form an integral part of these financial statements.

Distribution Statement

for the year ended 31 December 2003

	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Taxable income available for distribution to Unitholders at beginning of year/period	24,983	-
Net investment income after tax	61,727	45,221
Net tax adjustments (Note A)	3,136	538
Taxable income available for distribution to Unitholders	89,846	45,759
Distribution to Unitholders:		
Distribution of 0.03 cents per unit for period from 29/10/2001 to 31/12/2001	-	(227)
Distribution of 2.64 cents per unit for period from 1/1/2002 to 30/6/2002	-	(19,009)
Distribution of 0.21 cents per unit for period from 1/7/2002 to 15/7/2002	-	(1,540)
Distribution of 3.38 cents per unit for period from 16/7/2002 to 31/12/2002	(24,963)	-
Distribution of 3.62 cents per unit for period from 1/1/2003 to 25/6/2003	(26,785)	-
	(51,748)	(20,776)
Taxable income available for distribution to Unitholders	38,098	24,983
Note A - Net tax adjustments comprise:		
Non-tax deductible/(chargeable) items		
- asset management fees paid/payable in units	3,403	1,274
- trustee's fees	343	136
- other items	84	(833)
Tax deductible item		
- capital allowances/balancing allowances	(694)	(39)
Net tax adjustments	3,136	538

The accompanying notes form an integral part of these financial statements.

Statement of Movements in Unitholders' Fund

for the year ended 31 December 2003

	Note	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Operations			
Net investment income after tax		61,727	45,221
Net appreciation on revaluation of investment properties		16,870	15,933
Net increase in net assets resulting from operations		78,597	61,154
Unitholders' transactions			
Creation of units			
- contributions prior to Initial Public Offering		-	720,000
- contributions on Initial Public Offering		-	17,280
- contributions on placements		188,036	-
- asset management fees paid in units		3,095	583
Establishment, Initial Public Offering and Issue expenses	16	(6,757)	(17,021)
Distribution to Unitholders		(51,748)	(20,776)
Net increase in net assets resulting from Unitholders' transactions		132,626	700,066
Increase in net assets during the year/period		211,223	761,220
Net assets at beginning of year/inception of trust		761,220	-
Net assets at end of year/period		972,443	761,220

The accompanying notes form an integral part of these financial statements.

Portfolio Statement

as at 31 December 2003

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates at 31 December		At Valuation/Cost		Percentage of Total Net Assets		
						2003 %	2002 %	2003 \$'000	2002 \$'000	2003 %	2002 %	
Investment properties in Singapore												
Tampines Mall	Leasehold	99 yrs	88 yrs	4 Tampines Central 5, Singapore	Commercial	99.7 %	100.0 %	450,000	441,000	46.3 %	57.9 %	
Junction 8 Shopping Centre	Leasehold	99 yrs	87 yrs	9 Bishan Place, Singapore	Commercial	100.0 %	100.0 %	315,000	303,000	32.4 %	39.8 %	
Funan The IT Mall	Leasehold	99 yrs	75 yrs	109 North Bridge Road, Singapore	Commercial	98.6 %	99.3 %	193,000	191,000	19.8 %	25.1 %	
IMM Building	Leasehold	30 yrs#	15 yrs#	2 Jurong East Street 21, Singapore	Commercial	76.6 %	-	282,000	-	29.0 %	-	
Investment properties, at valuation								1,240,000	935,000	127.5 %	122.8 %	
Unquoted investment								58,000	-	6.0 %	-	
Net liabilities								1,298,000	935,000	133.5 %	122.8 %	
Net assets								(325,557)	(173,780)	(33.5) %	(22.8) %	
								972,443	761,220	100.0 %	100.0 %	

On 31 October 2003, an independent valuation was undertaken by Knight Frank Pte Ltd, an independent valuer having appropriate professional qualifications and recent experience in the location and category of the property being valued. The valuations of the investment properties were based on investment and discounted cash flow approaches. The valuations adopted were \$450,000,000, \$315,000,000, \$193,000,000 and \$282,000,000 for Tampines Mall, Junction 8 Shopping Centre, Funan The IT Mall and IMM Building respectively. The increase in valuation has been taken to the Statement of Total Return.

The carrying amounts of the investment properties at 31 December 2002 were based on an independent valuation undertaken by CB Richard Ellis (Pte) Ltd and CB Richard Ellis (C) Pty Ltd on 1 December 2002. The valuations were based on the capitalisation and discounted cash flow approaches.

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. Contingent rents recognised in the Statement of Total Return amounted to \$2,096,000 (2002: \$1,281,000).

With an option to renew for a further 30 years.

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2003

	Note	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Operating activities			
Net investment income before tax		61,727	51,457
Adjustment for:			
Interest income		(69)	(66)
Interest expense		8,792	6,887
Write off of assets		648	-
Allowance for doubtful debts		108	-
Depreciation of plant and equipment		29	1
Asset management fees paid in units		3,403	583
Operating income before working capital changes		74,638	58,862
Changes in working capital:			
Trade and other receivables		(1,758)	(2,166)
Trade and other payables		6,970	10,596
Security deposits		14,571	15,110
Cash generated from operations		94,421	82,402
Tax paid			-
Cash flows from operating activities		94,421	76,533
Investing activities			
Interest received		73	59
Purchase of investment properties, acquisition charges and subsequent expenditure		(284,829)	(918,002)
Purchase of plant and equipment		(177)	(81)
Purchase of other investment		(58,000)	-
Cash flows from investing activities		(342,933)	(918,024)
Financing activities			
Proceeds from interest-bearing loan and borrowing		125,000	200,000
Proceeds from issue of units		188,036	737,280
Payment of issue of units expenses		(7,541)	(15,278)
Distribution to unitholders		(51,748)	(20,776)
Interest paid		(8,801)	(6,766)
Cash flows from financing activities		244,946	894,460
Net (decrease)/increase in cash and cash equivalents		(3,566)	52,969
Cash and cash equivalents at beginning of year/period	7	52,969	-
Cash and cash equivalents at end of year/period	7	49,403	52,969

The accompanying notes form an integral part of these financial statements.

Summary of Financial Highlights

for the year ended 31 December 2003

	Year ended 31/12/2003 \$	Period from 29/10/2001 to 31/12/2002 \$
Per unit data ¹		
Net asset value at beginning of year/period	1.03	-
Effect of creation of new units, net of expenses	0.01	0.98
Income from investment operations		
- Net investment income after tax	0.07	0.06
- Net appreciation on revaluation of investment properties		0.02
		<u>0.02</u>
Total from investment operations	0.09	0.08
Less: Distribution	(0.06)	(0.03)
		<u>1.03</u>
Net asset value at end of year/period	1.07	1.03
		<u>8.67 cents</u>
Total Return for the year/period	8.67 cents	8.28 cents

¹ Per unit data is estimated based on units in issue at end of each financial year/period.

Supplemental data and ratios

Net assets at end of year/period	\$972,443,000	\$761,220,000
Ratio of expenses to weighted average net assets ¹	0.46%	0.65%
Ratio of net investment income to weighted average net assets ¹	7.40%	6.07%
Portfolio turnover rate ²	-	-

¹ The annualised ratios are computed in accordance with guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Trust level only and exclude property related expenses, interest expense and performance component of asset management fees.

² The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Trust expressed as a percentage of daily average net asset value.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

31 December 2003

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 10 February 2004.

1. General

CapitaMall Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2001 between CapitaMall Trust Management Limited and Bermuda Trust (Singapore) Limited, as amended by the First Supplemental Deed dated 26 December 2001 and the Second Supplemental Deed dated 28 June 2002 and an Amending and Restating Deed dated 29 April 2003 and a Fourth Supplemental Deed dated 18 August 2003. The trust deed dated 29 October 2001 and the subsequent supplemental deeds (collectively, the "Trust Deed") are governed by the laws of the Republic of Singapore. On 25 April 2002, the Trust was declared an authorised unit trust scheme under the Trustees Act, Chapter 337 of Singapore. The Manager and Trustee of the Trust are CapitaMall Trust Management Limited and Bermuda Trust (Singapore) Limited, respectively.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 17 July 2002 and was included under the Central Provident Fund ("CPF") Investment Scheme on 13 September 2002.

The principal activity of the Trust is to invest in income producing real estate in Singapore, which is used or substantially used for retail purposes with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures of these services are as follows:

(i) Property management fees

Under the Property Management Agreements, property management fees are charged as follows:

- (a) 2 per cent per annum of the gross revenue of the properties;
- (b) 2 per cent per annum of the net property income of the properties; and
- (c) 0.50 per cent per annum of the net property income of the properties, in lieu of leasing commissions.

The property management fees are payable quarterly in arrears.

(ii) Asset management fees

Pursuant to the Trust Deed, the asset management fees shall not exceed 0.70 per cent per annum of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution at a meeting of Unitholders. Deposited Property refers to all the assets of the Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the Trust Deed.

Notes to the Financial Statements

31 December 2003

1. General (cont'd)

(ii) Asset management fees (cont'd)

The asset management fees comprise a base component of 0.25 per cent per annum of Property Value and a performance component of 2.85 per cent per annum of gross revenue of the Trust for each financial year. The base component shall be paid to the Manager out of the Deposited Property. The performance component is payable in cash except for the performance component arising from Tampines Mall, Junction 8 Shopping Centre and Funan The IT Mall, where the performance component shall for the first 60-month period from the listing date be paid in the form of units to be issued to the Manager at an issue price of \$0.96 per unit. Property Value means the aggregate of the value of investment properties.

The asset management fees are payable quarterly in arrears.

(iii) Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.10 per cent per annum of the Deposited Property (subject to a minimum sum of \$6,000 per month) payable out of the Deposited Property of the Trust. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current agreement between the Manager and Trustee, the Trustee's fees are agreed to be 0.03 per cent per annum of the Deposited Property (subject to a minimum sum of \$6,000 per month).

The Trustee's fees are payable quarterly in arrears.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore, and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed.

The financial statements, which are expressed in Singapore dollars and rounded to the nearest thousand, are prepared on the historical cost basis, except that investment properties are stated at valuation.

The measurement currency of the Trust is Singapore dollars. All revenue, expenses, receipts and payments are denominated primarily in Singapore dollars.

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(b) Administration Fund

All service and other charges incurred or to be incurred in the administration of the Trust are taken directly to the Administration Fund Account. The Administration Fund Account is taken to the Statement of Total Return at the end of each financial year.

(c) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis so as to write off items of plant and equipment, and major components that are accounted for separately, over their estimated useful lives as follows:

Furniture, fittings and equipment : 2 to 5 years

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Total Return on the date of retirement or disposal.

(d) Investment Properties

Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition, and at valuation thereafter. Valuation is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- in such manner and frequency required under Code on Collective Investment Schemes issued by The Monetary Authority of Singapore; and
- at least once in each period of 12 months following the acquisition of each parcel of real estate property.

Any increase or decrease on revaluation is credited or charged to the Statement of Total Return as a net appreciation or depreciation in the value of the investment properties.

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

(e) Depreciation

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out in note 2(d). For taxation purposes, the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(f) Trade and Other Receivables

Trade and other receivables are stated at their cost less allowance for doubtful receivables.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(h) Trade and Other Payables

Trade and other payables are stated at cost.

(i) Impairment

The carrying amounts of the Trust's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised in the Statement of Total Return whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of investment property carried at revalued amount is recognised in the same way as a revaluation decrease on the basis set out in note 2(d).

(i) Calculation of recoverable amount

The recoverable amount is the greater of the asset's selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversal of impairment loss

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss in respect of investment property carried at revalued amount is recognised in the same way as a revaluation increase. All reversals of impairment are recognised in the Statement of Total Return.

(j) Interest-Bearing Loan and Borrowing

Interest-bearing loan and borrowing is recognised at cost.

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(k) Taxation

Taxation on the returns for the year comprises current and deferred tax. Income tax is recognised in the Statement of Total Return except to the extent that it relates to items directly related to unitholders' funds, in which case it is recognised in unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its public listing. The Trustee will not be taxed on the portion of taxable income of the Trust that is distributed to Unitholders on the condition that the Trustee and the Manager will distribute at least 90% of the entire taxable income of the Trust to the Unitholders. Provided that at least 90% of the entire taxable income of the Trust is distributed, the Trustee will be taxed only on the remaining undistributed taxable income. However, the Trustee and the Manager are required to deduct income tax at the applicable corporate tax rate from distributions of taxable income of the Trust (which has not been taxed in the hands of the Trustee) to certain Unitholders. To the extent that the beneficial Unitholder is a Singapore citizen and tax resident in Singapore or is a company incorporated and tax resident in Singapore or is a Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from the Trust, the Trustee and the Manager will make the distributions without deducting any income tax. This waiver from tax deduction at source on distribution is termed as 'tax transparency'.

On 26 November 2002, the Trust received approval from the Ministry of Finance for the extension of tax transparency to include Singapore permanent residents who are tax residents in Singapore and other non-corporate Singapore constituted or registered entities such as town councils and statutory boards.

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(l) Establishment, Initial Public Offering ("IPO") and Issue Expenses

Establishment expenses represent expenses incurred in establishing the Trust. IPO expenses represent expenses incurred in listing the Trust on the SGX-ST and issue expenses relate to expenses incurred in the issuance and placement of additional units in the Trust. The expenses are deducted directly against unitholders' funds.

(m) Revenue Recognition

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised in the Statement of Total Return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

(ii) Interest income

Interest income from bank deposits is accrued on a time-apportioned basis.

(n) Expenses

(i) Property expenses

Property expenses consist of quit rents, property taxes and other property outgoings in relation to investment properties where such expenses are the responsibility of the Trust.

Included in the property expenses are the property management fees.

(ii) Asset management fees

Asset management fees are recognised in the Administration Fund Account on an accrual basis using the applicable formula, stipulated in note 1(ii). For Tampines Mall, Junction 8 Shopping Centre and Funan The IT Mall, the performance component is payable in units for the first 60-month period from the listing date. The actual number of units to be issued in respect of the performance component of asset management fees are determined based on the Initial Public Offering issue price of 96 cents per unit. Upon issuance of the units relating to the performance component of the asset management fees, the asset management fees are adjusted based on the market value of the actual number of units issued on date of issuance of the units to the Manager.

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(n) Expenses (cont'd)

(iii) Trustee's fees

The Trustee's fees are recognised in the Administration Fund Account on an accrual basis.

(iv) Interest expenses

Interest expenses are taken directly to the Administration Fund Account in the period in which they are incurred on an accrual basis, except to the extent that they are capitalised as being directly attributable to the acquisition of the investment properties.

(o) Segment Reporting

A segment is a distinguishable component of the Trust that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. Plant and Equipment

	Furniture, Fittings and Equipment \$'000
Cost	
At 1 January 2003	81
Additions	177
	<hr/>
At 31 December 2003	258
	<hr/>
Accumulated depreciation	
At 1 January 2003	(1)
Depreciation charge for the year	(29)
	<hr/>
At 31 December 2003	(30)
	<hr/>
Depreciation charge for 2002	1
	<hr/>
Carrying amount	
At 31 December 2003	228
	<hr/>
At 31 December 2002	80
	<hr/>

Notes to the Financial Statements

31 December 2003

4. Investment Properties

	2003 \$'000	2002 \$'000
At beginning of year/period	935,000	-
Acquisition of investment properties	264,417	916,626
Capital expenditure capitalised	24,361	2,441
Write off of assets	(648)	-
	<hr/>	<hr/>
	1,223,130	919,067
Revaluation differences recognised in Statement of Total Return	16,870	15,933
	<hr/>	<hr/>
	1,240,000	935,000
	<hr/>	<hr/>

5. Other Investment

Cost:	2003 \$'000	2002 \$'000
Unquoted: - CapitaRetail Singapore Limited:		
- \$58 million 10% Secured Fixed Rate Class E Bonds due 2009 ("Class E Bonds")	58,000	-
- 232 Redeemable Preference Shares issued in connection with Class E Bonds	*	-
	<hr/>	<hr/>
	58,000	-
	<hr/>	<hr/>

* Less than \$1,000.

During the financial year ended 31 December 2003, the Trust invested \$58,000,000 in the Class E Bonds and 232 attached Redeemable Preference Shares issued by CapitaRetail Singapore Limited ("CRSL"), representing 27.2% of the Class E Bonds and Redeemable Preference Shares, respectively.

CRSL is a Singapore incorporated company and has its place of business in Singapore. The principal activity of CRSL is that of an investment holding company. CRSL is a special purpose vehicle, whose main objects are to own all the issued units in CapitaRetail BPP Trust ("CRBPPT"), CapitaRetail Lot One Trust ("CRLLOT") and CapitaRetail Rivervale Trust ("CRRT") and to issue the Bonds and the Redeemable Preference Shares as well as to extend mortgage loans to CRBPPT, CRLLOT and CRRT. CRBPPT, CRLLOT and CRRT in turn own Bukit Panjang Plaza, Lot One Shoppers' Mall and Rivervale Mall respectively. The Bonds and Redeemable Preference Shares issued by CRSL at 31 December 2003 were as follows:

- (i) €67,500,000 Secured Floating Rate Final Class A Bonds due 2009 ("Class A Bonds").
- (ii) €13,500,000 Secured Floating Rate Final Class B Bonds due 2009 ("Class B Bonds").
- (iii) \$33,000,000 Secured Fixed Rate Final Class C Bonds due 2009 ("Class C Bonds").
- (iv) \$83,000,000 Secured Fixed Rate Final Class D Bonds due 2009 ("Class D Bonds").

Notes to the Financial Statements

31 December 2003

5. Other Investment (cont'd)

- (v) \$213,000,000 Secured Fixed Rate Class E Bonds due 2009 ("Class E Bonds"), together with 852 Redeemable Preference Shares of \$0.10 each.

The salient terms of the Class E Bonds are as follows:

- (i) Class E Bonds bears interest at the fixed rate of 10% per annum, payable semi-annually in arrears. In the event of failure to pay 10% interest on Class E Bonds, the rights of holders of Class E Bonds to unpaid interest will be extinguished and such failure does not constitute an event of default;
- (ii) the payment of interest of Class E Bonds is subordinated to other classes of the Bonds (Class A to Class D); and
- (iii) the redemption of Class E Bonds is subordinated to other classes of the Bonds (Class A to Class D).

The Redeemable Preference Shares issued in connection with Class E Bonds have limited voting rights under certain prescribed circumstances (other than those conferred by law). The holders of Redeemable Preference Shares shall be entitled to, amongst others, the following:

- (i) 'Special Preferential Dividend' based on the sale price of the units or property (as the case may be) less liabilities of CRSL and expenses when any properties or units in the property trusts (namely, CRBPPT, CRL0T and CRRT) are sold.
- (ii) each preference share shall be redeemed by CRSL on redemption date. The redemption amount shall be based on the aggregate of the par value of redeemable preference shares, outstanding special preferential dividend, net asset value of CRSL and any insurance proceeds less expenses.

6. Trade and Other Receivables

	2003 \$'000	2002 \$'000
Trade receivables	1,974	1,583
Less:		
Allowance for doubtful receivables at 31 December	161	53
Net trade receivables	1,813	1,530
Deposits	977	615
Prepayments	312	14
Interest receivable	3	7
Other receivables	714	7
	3,819	2,173

Notes to the Financial Statements

31 December 2003

7. Cash and Cash Equivalents

	2003	2002
	\$'000	\$'000
Cash at bank and in hand	25,383	23,924
Fixed deposits with financial institutions	24,020	29,045
	<hr/>	<hr/>
	49,403	52,969
	<hr/>	<hr/>

8. Trade and Other Payables

	2003	2002
	\$'000	\$'000
Trade payables and accrued operating expenses	14,646	8,154
Amounts due to related parties		
- trade	6,797	2,338
- non-trade	-	560
Deposits and advances	2,404	2,352
Interest payables	112	121
	<hr/>	<hr/>
	23,959	13,525
	<hr/>	<hr/>

Included in the trade payables and accrued operating expenses is an amount due to the Trustee of \$98,000 (2002: \$75,000). Included in the amounts due to related parties is an amount due to the Manager of \$2,122,000 (2002: \$1,281,000) and an amount due to the property manager of \$1,103,000 (2002: \$965,000).

The non-trade amounts due to related parties were unsecured, interest free and had no fixed terms of repayment.

9. Income Taxes

	2003	2002
	\$'000	\$'000
(a) Provision for taxation		
At beginning of year/period	367	-
Tax expense	-	6,236
Tax paid	-	(5,869)
	<hr/>	<hr/>
At end of year/period	367	367
	<hr/>	<hr/>
(b) Tax expense	Year ended	Period from
	31/12/2003	29/10/2001 to
	\$'000	31/12/2002
		\$'000
<u>Current tax</u>		
Based on results for the year/period	-	6,236*
	<hr/>	<hr/>

* Related to income tax expense during the private trust period from 29 October 2001 to 15 July 2002, where tax transparency did not apply.

Notes to the Financial Statements

31 December 2003

9. Income Taxes (cont'd)

(c) Reconciliation of effective tax rate	Year ended 31/12/2003		Period from 29/10/2001 to 31/12/2002	
	%	\$'000	%	\$'000
Net investment income before tax		<u>61,727</u>		<u>51,457</u>
Income tax using Singapore tax rate	22.0	13,580	22.0	11,321
Non-deductible expenses	1.1	690	0.8	400
Tax transparency	(23.1)	(14,270)	(10.7)	(5,493)
Others	-	-	-	8
	-	-	12.1	6,236

10. Interest-Bearing Loan and Borrowing

This note provides information about the contractual terms of the Trust's interest-bearing loan and borrowing.

	2003 \$'000	2002 \$'000
Term loan	297,000	172,000
Revolving credit facility	28,000	28,000
	<u>325,000</u>	<u>200,000</u>
Maturity of loan and borrowing		
After 1 year but within 5 years	200,000	200,000
After 5 years	125,000	-
	<u>325,000</u>	<u>200,000</u>
Total loan	<u>325,000</u>	<u>200,000</u>

The term loan and revolving credit facility were granted by a special purpose company, Silver Maple Investment Corporation Ltd ("Silver Maple"). Under the facility agreement between Silver Maple and the Trustee, Silver Maple has granted the Trust a total facility of \$349 million (2002: \$222 million), made up of \$297 million (2002: \$172 million) term loan and \$52 million (2002: \$50 million) revolving credit facility.

Notes to the Financial Statements

31 December 2003

10. Interest-Bearing Loan and Borrowing (cont'd)

The total facility drawn down by the Trust as at 31 December 2003 was \$325 million (2002: \$200 million), consisting of:

- (i) \$172 million (2002: \$172 million) term loan at a fixed interest rate of 3.91% (2002: 3.91%) per annum, fully repayable on 26 August 2008. Under the facility agreement, the Trust has the option to prepay in full settlement on 26 February 2007. In the event the Trust opts not to fully settle the term loan on 26 February 2007, the interest rate of 2.62% (2002: 2.48%) above the 3 months Singapore Dollar Swap Rate will be applicable for the period from 26 February 2007 to 26 August 2008;
- (ii) \$125 million (2002: Nil) term loan at a fixed interest rate of 2.764% (2002: Nil) per annum, fully repayable on 26 December 2011. Under the facility agreement, the Trust has the option to prepay in full settlement on 26 June 2010. In the event the Trust opts not to fully settle the term loan on 26 June 2010, the interest rate of 2.914% (2002: Nil) above the 3 months Singapore Dollar Swap Rate will be applicable for the period from 26 June 2010 to 26 December 2011; and
- (iii) \$28 million (2002: \$28 million) revolving credit facility at floating interest rate of 0.43% (2002: 0.43%) above the Singapore Dollar Swap Rate for a period of either one, three or six months and fully repayable on 26 December 2011 (2002: 26 February 2007). In the facility agreement, the Trust has the option to prepay in full settlement on 26 June 2010. In the event the Trust opts not to fully settle the revolving credit facility on 26 June 2010, the interest rate of 2.43% (2002: 2.43%) above the 3 months Singapore Dollar Swap Rate will be applicable for the period from 26 June 2010 to 26 December 2011.

As security for credit facilities granted by Silver Maple to the Trustee, the Trustee has granted in favour of Silver Maple 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; and
- (v) a charge creating a fixed and floating charge over certain assets of the Trust relating to the properties.

Silver Maple has secured a \$1 billion (2002: \$222 million) Medium Term Note Programme due 2008 ("MTN Programme"). Under this MTN Programme, Silver Maple may, subject to compliance with all relevant laws, regulations and directives, from time to time issue fixed or floating interest rate note (the "Notes"). The maximum aggregate principal amount of the Notes to be issued shall be \$1 billion (2002: \$222 million). The Notes will be secured by the Notes Debenture.

Notes to the Financial Statements

31 December 2003

10. Interest-Bearing Loan and Borrowing (cont'd)

To fund the loans to the Trust of \$297 million (2002: \$172 million) fixed rate term loan and \$28 million (2002: \$28 million) floating rate revolving credit, Silver Maple has raised funds through the following:

- (i) \$172 million (2002: \$172 million) Fixed Rate Notes at fixed interest rate of 3.86% (2002: 3.86%) per annum for the period from 26 February 2002 (date of first issue of Fixed Rate Notes) to 26 February 2007. In the event that the Fixed Rate Notes are not redeemed by Silver Maple on 26 February 2007, interest will accrue at the rate of 2.52% (2002: 2.38%) above the 3 months Average Singapore Dollar Swap Rate, for the period from 26 February 2007 to date of redemption on 26 August 2008; and
- (ii) US\$72.1 million (2002: Nil) Floating Rate Notes at floating interest rate of 0.62% above the US dollar London Interbank Offered Rate ("LIBOR") repriced every three months, for the period from 26 June 2003 to 26 June 2010. In the event that the Floating Rate Notes are not redeemed by Silver Maple on 26 June 2010, interest will accrue at the rate of 2.30% above the US dollar LIBOR repriced every three months, for the period from 26 June 2010 to date of redemption on 26 December 2011; and
- (iii) \$28 million (2002: \$28 million) Floating Rate Notes at floating interest rate of 0.43% (2002: 0.43%) above the Singapore Dollar Swap Rate, due and renewable on either one, three or six months' duration until final redemption on 26 June 2010 (2002: 26 February 2007). In the event the Trust opts not to fully settle on 26 June 2010, the interest rate of 2.11% (2002: 2.33%) above the 3 months Singapore Dollar Swap Rate will be applicable for the period from 26 June 2010 to 26 December 2011.

11. Units in Issue

	2003 \$'000	2002 \$'000
At 1 January 2003/date of inception of trust	738,561	-
Units created:		
- private trust period	-	720,000
- initial public offering	-	18,000
- placement of units during the year		
- on 26 June 2003	119,800	-
- on 17 December 2003 ¹	45,000	-
- asset management fees paid in units	2,702	561
	<hr/>	<hr/>
	906,063	738,561

¹ According to the terms of issuance of units issued on 17 December 2003, these units will not be eligible for distribution in respect of the period from 26 June 2003 to 31 December 2003.

Notes to the Financial Statements

31 December 2003

11. Units in Issue (cont'd)

On 28 December 2001, the Trust issued 720,000,000 new units at an issue price of \$1.00 per unit for cash to part finance the acquisition of Tampines Mall, Junction 8 Shopping Centre and Funan The IT Mall.

On 16 July 2002, the Trust issued 18,000,000 new units at an issue price of \$0.96 per unit for cash to pay for the estimated initial public offering expenses.

On 26 June 2003, the Trust issued 119,800,000 new units at an issue price of \$1.07 per unit for cash to part finance the acquisition of IMM Building.

On 17 December 2003, the Trust issued 45,000,000 new units at an issue price of \$1.33 per unit for cash to finance the investment in Class E Bonds and 232 attached redeemable preference shares issued by CapitaRetail Singapore Limited.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders as contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- Attend all unitholders' meeting. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem their units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

Notes to the Financial Statements 31 December 2003**12. Gross Revenue**

	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Gross rental income	107,200	81,101
Car park income	4,359	3,619
Others	5,444	3,670
	<hr/>	<hr/>
	117,003	88,390
	<hr/>	<hr/>

13. Property Expenses

	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Land rental	2,173	-
Property tax	4,148	4,097
Utilities	6,485	4,538
Property management fees	4,418	3,434
Property management reimbursements	4,238	3,172
Advertising and promotion	5,029	2,277
Maintenance	8,458	6,066
Others	3,634	430
	<hr/>	<hr/>
	38,583	24,014
	<hr/>	<hr/>

The Trust does not have any employees.

14. Asset Management Fees

Included in the asset management fees are an aggregate of 2,756,859 (2002: 1,224,562) units in the Trust that have been and/or will be issued to the Manager as payment of performance component of management fees.

Notes to the Financial Statements

31 December 2003

15. Earnings Per Unit

The calculation of basic earnings per unit is based on weighted average number of units during the year and net investment income after tax.

	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Net investment income after tax	61,727	45,221
	No. of Units '000	No. of Units '000
Weighted average number of units outstanding during the year/period	803,925	728,343

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the year/period.

16. Establishment, Initial Public Offering and Issue Expenses

	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Underwriting and selling commissions	4,806	9,688
Professional fees	1,355	7,154
Listing and perusal fee	31	33
Miscellaneous expenses	565	146
Establishment, Initial Public Offering and Issue expenses	6,757	17,021

These expenses are deducted directly against the unitholders' fund. Included in the professional fees are non-audit fees paid and payable to auditors of the Trust amounting to \$271,000 (2002: \$590,000) for acting as independent reporting accountants and expert.

Notes to the Financial Statements

31 December 2003

17. Significant Related Party Transactions

For the purposes of this financial statement, parties are considered to be related to the Trust if the Trust has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Trust and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager is an indirect wholly-owned subsidiary of a substantial Unitholder of the Trust.

In the normal course of the operations of the Trust, asset management fees and trustee's fees have been paid or are payable to the Manager and Trustee respectively as shown in the Administration Fund Account.

During the financial year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions, which were carried out in the normal course of business on commercial terms:

	Year ended 31/12/2003 \$'000	Period from 29/10/2001 to 31/12/2002 \$'000
Asset enhancement works and consultancy fees paid/payable to a related company of the Manager	17,522	129
Property management fees and reimbursable paid/payable to a related company of the Manager	8,656	6,606
Operating lease incentives to a related party	600	-
Rental income from related companies of the Manager	4,931	1,185
Underwriting, advisory and acquisition fees paid to the Manager and related companies of the Manager	7,422	-
Retainer fee as project management/development specialist paid/payable to a related company of the Manager	140	-
Car park income from related companies of the Manager	-	994

18. Financial Instruments

Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Trust's business. The Trust has written policies and guidelines, which set out its overall business strategies and its general risk management philosophy.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Trust, as and when they fall due.

Notes to the Financial Statements

31 December 2003

18. Financial Instruments (cont'd)

Credit Risk

The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with customers. Cash and fixed deposits are placed with financial institutions which are regulated.

At 31 December 2003 and 2002, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet.

Interest rate risk

The Trust's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Trust's operations. In addition, the Manager also monitors and observes the Code on Collective Investment Schemes issued by The Monetary Authority of Singapore concerning limits on total borrowings.

Sensitivity analysis

In managing the interest rate risk, the Manager aims to reduce the impact of short-term fluctuations on the Trust's earnings.

As at 31 December 2003, it was estimated that a general increase in one percentage point in interest rates would reduce the Trust's earnings by approximately \$280,000 (2002: \$280,000).

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at 31 December 2003 and 2002 and the periods at which they reprice.

Notes to the Financial Statements

31 December 2003

18. Financial Instruments (cont'd)

2003	Note	Effective Interest Rate %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
Financial assets						
Fixed deposits with financial institution	7	0.25	24,020	24,020	-	-
Financial liabilities						
Interest-bearing loan and borrowing						
- term loan	10	3.60	(297,000)	-	(172,000)	(125,000)
- revolving credit facility	10	1.11	(28,000)	(28,000)	-	-
			(325,000)	(28,000)	(172,000)	(125,000)
Total			(300,980)	(3,980)	(172,000)	(125,000)
2002						
Financial assets						
Fixed deposits with financial institution	7	0.25	29,045	29,045	-	-
Financial liabilities						
Interest-bearing loan and borrowing						
- term loan	10	3.91	(172,000)	-	(172,000)	-
- revolving credit facility	10	1.49	(28,000)	(28,000)	-	-
			(200,000)	(28,000)	(172,000)	-
Total			(170,955)	1,045	(172,000)	-

Notes to the Financial Statements

31 December 2003

18. Financial Instruments (cont'd)

Fair value

The Manager believes that it is not practicable to estimate the fair value of other investment, the interest-bearing loan and security deposits because of the inability to estimate the fair values without incurring excessive costs. However, the Manager believes that the carrying amounts recorded as at 31 December 2003 and 2002 reflect the approximate fair values.

The carrying values of the other financial assets and liabilities as at 31 December 2003 approximate their fair values.

19. Segment Reporting

Segment information is presented in respect of the Trust's business segments. This primary format is based on the Trust's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loan, borrowing and expenses, and Trust assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business segments

The Trust comprises the following shopping malls, which are considered to be the main business segments: Tampines Mall, Junction 8 Shopping Centre, Funan The IT Mall and IMM Building.

Geographical segments

Geographical segment reporting has not been prepared because all four malls are located in Singapore.

19. Segment Reporting (cont'd)

Business segments

Property income and expenses

	Tampines Mall		Junction 8 Shopping Centre		Funan The IT Mall		IMM Building*		Total
	Year ended 31/12/2003	Period from 29/10/2001 to 31/12/2002 \$'000	Year ended 31/12/2003	Period from 29/10/2001 to 31/12/2002 \$'000	Year ended 31/12/2003	Period from 29/10/2001 to 31/12/2002 \$'000	Year ended 31/12/2003	Period from 29/10/2001 to 31/12/2002 \$'000	
Gross rental income	40,538	38,664	25,632	24,226	17,706	18,211	23,324	107,200	81,101
Car park income	1,675	1,538	1,091	1,047	1,593	1,034	-	4,359	3,619
Others	1,552	1,189	2,242	1,654	834	827	816	5,444	3,670
Gross revenue	43,765	41,391	28,965	26,927	20,133	20,072	24,140	117,003	88,390
Segment net property income	33,408	31,509	20,306	19,866	12,218	13,001	12,488	78,420	64,376
Interest income								69	66
Unallocated expenses								(16,762)	(12,985)
Net investment income before tax								61,727	51,457
Taxation								-	(6,236)
Net investment income after tax								61,727	45,221
Net appreciation on revaluation of investment properties								16,870	15,933
Total return for the year/period								78,597	61,154

* IMM Building was acquired on 26 June 2003.

Notes to the Financial Statements

31 December 2003

19. Segment Reporting (cont'd)

Business segments

	Tampines Mall \$'000	Junction 8 Shopping Centre \$'000	Funan The IT Mall \$'000	IMM Building \$'000	Total \$'000
2003					
Assets and liabilities					
Segment assets	450,817	316,858	194,885	282,851	1,245,411
Unallocated assets					<u>106,039</u>
Total assets					<u>1,351,450</u>
Segment liabilities	<u>10,517</u>	<u>13,210</u>	<u>9,964</u>	<u>16,582</u>	<u>50,273</u>
Unallocated liabilities:					
- interest-bearing loan and borrowing					325,000
- interest payables					112
- asset management fees					2,122
- trustee's fees					98
- provision for taxation					367
- others					1,035
					<u>328,734</u>
Total liabilities					<u>379,007</u>
Other segmental information					
Capital expenditure	7,542	13,749	3,150	264,514	288,955
Depreciation	8	18	1	2	29
Write off of assets	210	71	367	-	648
Allowance for doubtful debts	<u>25</u>	<u>32</u>	<u>51</u>	<u>-</u>	<u>108</u>

Notes to the Financial Statements

31 December 2003

19. Segment Reporting (cont'd)

Business segments

	Tampines Mall \$'000	Junction 8 Shopping Centre \$'000	Funan The IT Mall \$'000	Total \$'000
2002				
Assets and liabilities				
Segment assets	444,773	305,883	194,100	944,756
Unallocated assets				45,466
Total assets				<u>990,222</u>
Segment liabilities	8,288	8,952	7,971	25,211
Unallocated liabilities:				
- interest-bearing loan and borrowing				200,000
- interest payables				121
- asset management fees				1,281
- trustee's fees				75
- provision for taxation				367
- others				1,947
				<u>203,791</u>
Total liabilities				<u>229,002</u>
Other segmental information				
Capital expenditure	419,759	302,547	196,842	919,148
Depreciation	-	1	-	1

20. Commitments

	2003 \$'000	2002 \$'000
Capital commitments:		
- contracted but not provided for	6,059	389
- authorised but not contracted for	6,013	4,312
	<u>12,072</u>	<u>4,701</u>

Notes to the Financial Statements

31 December 2003

20. Commitments (cont'd)

At 31 December 2003 and 2002, the Trust has commitments for future minimum lease payments under a non-cancellable operating lease relating to the IMM Building as follows:

	2003 \$'000	2002 \$'000
Payable:		
Within 1 year	4,768	-
After 1 year but within 5 years	19,072	-
After 5 years	47,681	-
	<hr/>	<hr/>
	71,521	-
	<hr/>	<hr/>

The Trust is required to pay Jurong Town Corporation ("JTC") an annual land rent in respect of IMM Building land lease from JTC. The annual land rent is based on market rent in the relevant year of the current lease term and the lease provides that any increase in annual land rent from year to year shall not exceed 5.5% of the annual land rent for the immediately preceding year.

The Trust leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	2003 \$'000	2002 \$'000
Within 1 year	115,182	68,148
After 1 year but within 5 years	140,348	97,870
After 5 years	3,705	-
	<hr/>	<hr/>
	259,235	166,018
	<hr/>	<hr/>

21. Contingent Liability

Pursuant to the tax transparency ruling from Inland Revenue Authority of Singapore (IRAS), the Trust has provided a tax indemnity for certain types of tax losses, including unrecovered late payment penalties, that may be suffered by IRAS should IRAS fail to recover from unitholders tax due or payable on distributions made to them without deduction of tax, subject to the indemnity amount agreed with the IRAS. The amount of indemnity, as agreed with IRAS for any one year is limited to the higher of \$500,000 or 1.0 per cent of the taxable income of the Trust for that year. Each yearly indemnity has a validity period of eight years.

22. Subsequent Event

On 30 January 2004, the Trust accepted an offer from JTC to convert its holding of IMM Building (presently under an annual rent revision scheme) to an upfront premium scheme, for a term of 45 years ending 22 January 2049.

On acceptance of the offer from JTC, the Trust made an upfront land premium payment of \$55,702,738 to JTC. Arising from the conversion, the Trust is no longer committed to the non-operating lease payments disclosed in note 20.

Statistics of Unitholdings

AS AT 1 MARCH 2004

Issued and Fully Paid-up Units

906,781,421 units (voting rights: 1 vote per unit)

Market Capitalisation S\$1,287,629,618 (based on closing price of S\$1.42 on 1 March 2003)

Distribution of Unitholdings

Size of Holdings (Units)	No. of Unitholders	%	No. of Units	%
1 - 999	99	1.31	33,983	0.00
1,000 - 10,000	5,069	66.91	21,984,350	2.43
10,001 - 1,000,000	2,373	31.32	130,821,873	14.43
1,000,001 and above	35	0.46	753,941,215	83.14
	7,576	100.00	906,781,421	100.00

Twenty Largest Unitholders

As shown in the Register of Unitholders

S/No.	Name	No. of Units	%
1	Pyramex Investments Pte Ltd	180,346,867	19.89
2	Citibank Nominees Singapore Pte Ltd	116,802,292	12.88
3	Raffles Nominees Pte Ltd	93,918,000	10.36
4	CapitaLand Investments Pte Ltd	78,000,000	8.60
5	NTUC Fairprice Co-operative Limited	65,000,000	7.17
6	DBS Nominees Pte Ltd	56,795,395	6.26
7	United Overseas Bank Nominees Pte Ltd	42,969,900	4.74
8	Premier Healthcare Services International Pte Ltd	30,000,000	3.31
9	Fairprice Investment Pte Ltd	25,000,000	2.76
10	Oversea-Chinese Bank Nominees Pte Ltd	9,282,700	1.02
11	Morgan Stanley Asia (Singapore) Securities Pte Ltd	6,804,000	0.75
12	BNP Paribas Nominees Singapore Pte Ltd	5,137,500	0.57
13	Meren Pte Ltd	5,000,000	0.55
14	HSBC (Singapore) Nominees Pte Ltd	4,100,350	0.45
15	CapitaMall Trust Management Limited	3,981,421	0.44
16	PSA Corporation Limited	3,500,000	0.39
17	The Asia Life Assurance Society Ltd-Singapore Life Fund	3,221,000	0.36
18	Tanjong Pagar Town Council	2,200,000	0.24
19	Lee Yuen Shih	2,112,900	0.23
20	OCBC Securities Private Ltd	2,047,690	0.23
		736,220,015	81.20

Manager's Director' Unitholders**As shown in the Register of Directors' Unitholdings as at 21 January 2004**

Name of Director	No. of units
Hsuan Owyang	NIL
Liew Mun Leong	750,000 (deemed - held by spouse)
James Glen Service	NIL
David Wong Chin Huat	110,000 (own name) 30,000 (deemed - held by spouse)
Pua Seck Guan	NIL
Hiew Yoon Khong	220,000
Kee Teck Koon	NIL
Lui Chong Chee	665,000 (deemed - held by spouse)
S Chandra Das	50,000
Chay Wai Chuen (Alternate to S Chandra Das)	NIL

Substantial Unitholders as at current date - 1 March 2004**As shown in the Register of Substantial Unitholders as at 1 March 2004**

Name	Units held
NTUC Fairprice Co-operative Limited	65,000,000 (direct) 25,000,000 (deemed - held by FairPrice Investment Pte Ltd)
The Capital Group Companies, Inc.	61,922,000 (deemed)
Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen	50,000,000
Pyramex Investments Pte Ltd ("PIPL")	180,346,867
CapitaLand Investments Pte Ltd ("CIPL")	78,000,000 (direct) 180,346,867 (deemed - held by PIPL)
CapitaLand Commercial Limited ("CCL")	288,346,867 (deemed - 78,000,000 held by CIPL, 180,346,867 held by PIPL, 30,000,000 held by Premier Healthcare Services International Pte Ltd ("PHSIPL")
CapitaLand Limited ("CL")	292,328,288 (deemed - 78,000,000 held by CIPL, 180,346,867 held by PIPL, 30,000,000 held by PHSIPL, 3,981,421 held by CMTML)

Free Float

Based on information made available to the Manager as at 29 January 2004, no less than 40% of the units in CMT are held under public hands. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

Additional Information

Related Party Transactions

The transactions entered into with related parties during the financial year which fall under the Listing Manual of the SGX-ST and the Code on Collective Investment Schemes, are as follows:

Name of Related Party	Aggregate value of all related party transactions during the financial period under review (excluding transactions of less than S\$100,000 each)
	S\$'000
CapitaLand Limited and its subsidiaries or associates	
- Asset management fees	6,821 ¹
- Property management fees & reimbursables	8,656
- Underwriting, advisory and acquisition fees related to acquisition of IMM	8,322
- Project management and consultancy fees for asset enhancement works	22,215
Singapore Technologies Pte Ltd and its associates	
- Rental and service income	2,115
DBS Group Holdings Ltd	
- Rental and service income	644
Sembcorp Industries Limited and its associates	
- Property maintenance expense	787
NTUC Fairprice Co-operative Limited and its associates	
- Rental and service income	10,505

1. For the purposes of Clause 907 of the Listing Manual of the SGX-ST, in arriving at this figure, the market price of the CMT units (being the closing price of the units traded on the SGX-ST on the relevant date of issue of the units) issued to the Manager for the performance component paid by way of units issued, was used to determine the amount of the aggregate asset management fees paid to the Manager for the period from 1 January 2003 to 31 December 2003. The performance component of the asset management fees (as computed pursuant to the Trust Deed) payable to the Manager amounted to S\$3,409,050 for the period from 1 January 2003 to 31 December 2003. In respect of the period from 1 January 2003 to 31 March 2003, a total of 694,109 CMT units were issued on 28 April 2003 at an issue price of S\$0.96 per unit to the Manager. The market price at the date of issue was S\$1.05 per unit and the aggregate market value of these units was S\$728,814 based on this market price. In respect of the period from 1 April 2003 to 30 June 2003, a total of 647,588 CMT units were issued on 28 July 2003 at an issue price of S\$0.96 per unit to the Manager. The market price at the date of issue was S\$1.22 per unit and the aggregate market value of these units was S\$790,057 based on this market price. In respect of the period from 1 July 2003 to 30 September 2003, a total of 697,168 CMT units were issued on 28 October 2003 at an issue price of S\$0.96 per unit to the Manager. The market price at the date of issue was S\$1.29 per unit and the aggregate market value of these units was S\$899,347 based on this market price. In respect of the period from 1 October 2003 to 31 December 2003, a total of 717,994 CMT units were issued on 4 February 2004 at an issue price of S\$0.96 per unit to the Manager. The market price at the date of issue was S\$1.38 and the aggregate market value of these units was S\$990,832 based on this price.

Save as disclosed above, there were no additional related party transactions (excluding transactions of less than S\$100,000 each) entered into during the financial year under review.

Subsequently on 16 February 2004, CMT announced that the Singapore Exchange Securities Trading Limited ("SGX-ST") has on 10 February 2004 granted a waiver to CMT from Rules 905 and 906 of the SGX-ST's Listing Manual in relation to payments for asset management fees, payments for acquisition and divestment fees, payments of property management fees, reimbursement to the property manager in respect of salary and related expenses, as well as

payments of trustee's fees not to be included in the aggregated value of total related party transaction as governed by Rules 905 and 906 of the Listing Manual.

Please also see Significant Related Party Transactions on note 17 in the financial statements.

Subscription of CMT Units

For the financial year ended 31 December 2003, an aggregate of 167,502,479 CMT units were issued and subscribed for. As at 31 December 2003, 906,063,427 CMT units were in issue and outstanding. On 4 February 2004, 717,994 CMT units were issued to CMTML as part payment of the performance component of its asset management fees for the fourth quarter of 2003.

This page has been intentionally left blank.

This page has been intentionally left blank.