

## FINANCIAL STATEMENTS

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HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaMall Trust (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 CapitaMall Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 29 October 2001 (as amended) (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 the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of the Certified Public Accountants of Singapore and 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, set out on pages 156 to 190, comprising the Balance Sheet, Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds, Portfolio Statement, Statement of Cash Flows and Notes to the 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,  
HSBC Institutional Trust Services (Singapore) Limited**



**Arjun Bambawale**  
*Director*

**Singapore**  
**22 February 2006**

## Statement by the Manager

In the opinion of the directors of CapitaMall Trust Management Limited, the accompanying financial statements set out on pages 156 to 190 comprising the Balance Sheets, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds, Portfolio Statements, Statements of Cash Flows and Notes to the Financial Statements of CapitaMall Trust and its associate (the "Trust and its associate") and of the Trust are drawn up so as to present fairly, in all material respects, the financial position of the Trust and its associate and of the Trust as at 31 December 2005, and the total return, distributable income, cash flows and movements in Unitholders' funds of the Trust and its associate and of the Trust for the financial year ended 31 December 2005 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 and its associate and the Trust will be able to meet their financial obligations as and when they materialise.

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



**Pua Seck Guan**  
*Director*

**Singapore**  
**22 February 2006**

# Auditors' Report to the Unitholders of CapitaMall Trust and its associate

(Constituted under a Trust Deed dated 29 October 2001 (as amended) in the Republic of Singapore)

We have audited the financial statements of CapitaMall Trust (the "Trust") and its associate (the "Trust and its associate") and the financial statements of the Trust as set out on pages 156 to 190, comprising the Balance Sheets, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds, Portfolio Statements, Statements of Cash Flows and Notes to the Financial Statements. These financial statements of the Trust and its associate and of the Trust 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 of the Trust and its associate and the financial statements of the Trust present fairly, in all material respects, the financial position of the Trust and its associate and of the Trust as at 31 December 2005, and the total return, cash flows and movements in Unitholders' funds of the Trust and its associate and of the Trust for the year ended 31 December 2005 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.



**KPMG**

*Certified Public Accountants*

**Singapore**

**22 February 2006**

# Balance Sheets

As at 31 December 2005

	Note	Trust and its associate		Trust	
		2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
<b>Non-current assets</b>					
Plant and equipment	3	547	389	547	389
Investment properties	4	3,365,000	2,234,950	3,365,000	2,234,950
Interest in an associate	5	64,928	69,825	58,000	58,000
		<u>3,430,475</u>	<u>2,305,164</u>	<u>3,423,547</u>	<u>2,293,339</u>
<b>Current assets</b>					
Trade and other receivables	6	13,942	9,311	13,942	9,311
Cash and cash equivalents	7	39,147	47,191	39,147	47,191
		<u>53,089</u>	<u>56,502</u>	<u>53,089</u>	<u>56,502</u>
<b>Current liabilities</b>					
Trade and other payables	8	55,543	40,043	55,543	40,043
Current portion of security deposits		22,209	12,520	22,209	12,520
Provision for taxation		367	367	367	367
		<u>78,119</u>	<u>52,930</u>	<u>78,119</u>	<u>52,930</u>
<b>Net current (liabilities)/assets</b>		<u>(25,030)</u>	<u>3,572</u>	<u>(25,030)</u>	<u>3,572</u>
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	9	1,089,232	660,000	1,089,232	660,000
Non-current portion of security deposits		32,308	26,258	32,308	26,258
		<u>1,121,540</u>	<u>686,258</u>	<u>1,121,540</u>	<u>686,258</u>
<b>Net assets</b>		<u>2,283,905</u>	<u>1,622,478</u>	<u>2,276,977</u>	<u>1,610,653</u>
Represented by:					
<b>Unitholders' funds</b>		<u>2,283,905</u>	<u>1,622,478</u>	<u>2,276,977</u>	<u>1,610,653</u>
<b>Units in issue ('000)</b>	10	<u>1,379,698</u>	<u>1,203,200</u>	<u>1,379,698</u>	<u>1,203,200</u>
		<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Net asset value per unit</b>		<u>1.66</u>	<u>1.35</u>	<u>1.65</u>	<u>1.34</u>

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

# Statements of Total Return

Year ended 31 December 2005

	Note	Trust and its associate		Trust	
		2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Gross revenue	11	243,087	177,239	243,087	177,239
Property expenses	12	(89,006)	(63,029)	(89,006)	(63,029)
Net property income		154,081	114,210	154,081	114,210
Interest income	13	219	26	4,975	4,990
Interest expense		(23,991)	(16,676)	(23,991)	(16,676)
Asset management fees	14	(14,948)	(11,312)	(14,948)	(11,312)
Professional fees		(797)	(541)	(797)	(541)
Trustee's fees		(828)	(553)	(828)	(553)
Audit fees		(160)	(160)	(160)	(160)
Other charges		(963)	(442)	(963)	(442)
Net income before share of profit of associate		112,613	84,552	117,369	89,516
Share of profit of associate		4,400	16,789	–	–
Net income		117,013	101,341	117,369	89,516
Net appreciation on revaluation of investment properties		293,284	159,669	293,284	159,669
Total return for the year before income tax		410,297	261,010	410,653	249,185
Income tax expense	15	–	–	–	–
<b>Total return for the year</b>		<b>410,297</b>	<b>261,010</b>	<b>410,653</b>	<b>249,185</b>
<b>Earnings per unit (cents)</b>	16				
Basic		9.48	9.85	9.50	8.70
Diluted		9.48	9.85	9.50	8.70

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

# Distribution Statements

Year ended 31 December 2005

	Trust and its associate		Trust	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Income available for distribution to Unitholders at beginning of year	49,133	38,098	49,133	38,098
Net income	112,613	84,552	117,369	89,516
Net tax adjustments (Note A)	9,413	8,589	9,413	8,589
Interest income from associate	4,756	4,964	–	–
	126,782	98,105	126,782	98,105
Income available for distribution to Unitholders	175,915	136,203	175,915	136,203
Distribution to Unitholders:				
Distribution of 4.41 cents per unit for period from 26/6/2003 to 31/12/2003	–	(37,973)	–	(37,973)
Distribution of 5.41 cents per unit for period from 1/1/2004 to 1/8/2004	–	(49,097)	–	(49,097)
Distribution of 4.07 cents per unit for period from 2/8/2004 to 31/12/2004	(48,971)	–	(48,971)	–
Distribution of 2.47 cents per unit for period from 1/1/2005 to 31/3/2005	(29,745)	–	(29,745)	–
Distribution of 2.51 cents per unit for period from 1/4/2005 to 30/6/2005	(30,245)	–	(30,245)	–
Distribution of 3.38 cents per unit for period from 1/7/2005 to 30/10/2005	(40,750)	–	(40,750)	–
	(149,711)	(87,070)	(149,711)	(87,070)
Income available for distribution to Unitholders at end of the year	26,204	49,133	26,204	49,133

## Note A – Net tax adjustments comprise:

Non-tax deductible/ (chargeable) items				
- asset management fees paid/payable in units	7,007	5,735	7,007	5,735
- trustee's fees	828	553	828	553
- write-off of assets	1,559	635	1,559	635
- other items	1,655	2,359	1,655	2,359
Tax deductible item				
- capital allowances/ balancing allowances	(1,636)	(693)	(1,636)	(693)
Net tax adjustments	9,413	8,589	9,413	8,589

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

# Statements of Movements in Unitholders' Funds

Year ended 31 December 2005

	Trust and its associate		Trust	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
<b>Net assets at beginning of the year, as previously reported</b>	1,622,478	972,443	1,610,653	972,443
Effect of change in accounting policy (Note 17)	(2,052)	–	–	–
<b>Net assets at beginning of the year, restated</b>	1,620,426	972,443	1,610,653	972,443
<b>Operations</b>				
Net income	117,013	101,341	117,369	89,516
Net appreciation on revaluation of investment properties	293,284	159,669	293,284	159,669
Net increase in net assets resulting from operations	410,297	261,010	410,653	249,185
<b>Hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	(2,489)	–	–	–
<b>Unitholder's transactions</b>				
Creation of units				
- contributions on placements and public offering	406,895	238,140	406,895	238,140
- partial satisfaction of purchase consideration on investment property acquired	–	238,140	–	238,140
- asset management fees paid/payable in units	8,853	4,888	8,853	4,888
Issue expenses (Note 18)	(10,366)	(5,073)	(10,366)	(5,073)
Distribution to Unitholders	(149,711)	(87,070)	(149,711)	(87,070)
Net increase in net assets resulting from Unitholders' transactions	255,671	389,025	255,671	389,025
Net assets at end of the year	2,283,905	1,622,478	2,276,977	1,610,653

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



# Portfolio Statements

As at 31 December 2005

## Trust and its associate

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 31 December		At Valuation/Cost		Percentage of Total Net Assets	
						2005 %	2004 %	2005 S\$'000	2004 S\$'000	2005 %	2004 %
<i>Investment properties in Singapore</i>											
Tampines Mall	Leasehold	99 years	86 years	4 Tampines Central 5, Singapore	Commercial	100.0	100.0	633,000	548,000	27.7	33.8
Junction 8	Leasehold	99 years	85 years	9 Bishan Place, Singapore	Commercial	100.0	99.5	473,000	396,000	20.7	24.4
Funan DigitalLife Mall (formerly known as Funan The IT Mall)	Leasehold	99 years	73 years	109 North Bridge Road, Singapore	Commercial	98.7	99.9	247,500	202,000	10.8	12.5
IMM Building	Leasehold	60 years <sup>1</sup>	43 years <sup>1</sup>	2 Jurong East Street 21 Singapore	Commercial	79.1	74.9 <sup>2</sup>	400,000	352,000	17.5	21.7
Plaza Singapura <sup>3</sup>	Freehold	–	–	68 Orchard Road, Singapore	Commercial	99.6	100.0	803,000	736,950	35.2	45.4
Hougang Plaza Units <sup>4</sup>	Leasehold	99 years	85 years	1189 Upper Serangoon Road, Singapore	Commercial	100.0	–	44,300	–	2.0	–
Sembawang Shopping Centre <sup>5</sup>	Leasehold	999 years	879 years	604 Sembawang Road, Singapore	Commercial	100.0	–	79,600	–	3.5	–
Balance carried forward								2,680,400	2,234,950	117.4	137.8

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

# Portfolio Statements

As at 31 December 2005 (cont'd)

## Trust and its associate

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 31 December		At Valuation/Cost		Percentage of Total Net Assets	
						2005 %	2004 %	2005 S\$'000	2004 S\$'000	2005 %	2004 %
<i>Investment properties in Singapore</i>											
Balance carried forward								2,680,400	2,234,950	117.4	137.8
Jurong Entertainment Centre <sup>6</sup>	Leasehold	99 years	85 years	2 Jurong East Central 1, Singapore	Commercial	99.3	—	69,600	—	3.0	—
Bugis Junction <sup>7</sup>	Leasehold	99 years	84 years	200 Victoria Street, Singapore	Commercial	100.0	—	615,000	—	26.9	—
<b>Investment properties, at valuation</b>								<b>3,365,000</b>	<b>2,234,950</b>	<b>147.3</b>	<b>137.8</b>
<b>Interest in an associate (Note 5)</b>								64,928	69,825	2.8	4.3
<b>Other assets and liabilities (net)</b>								3,429,928	2,304,775	150.1	142.1
<b>Net assets</b>								<b>(1,146,023)</b>	<b>(682,297)</b>	<b>(50.1)</b>	<b>(42.1)</b>
								<b>2,283,905</b>	<b>1,622,478</b>	<b>100.0</b>	<b>100.0</b>

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

# Portfolio Statements

As at 31 December 2005

## Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 31 December		At Valuation/Cost		Percentage of Total Net Assets	
						2005 %	2004 %	2005 S\$'000	2004 S\$'000	2005 %	2004 %
<i>Investment properties in Singapore</i>											
Tampines Mall	Leasehold	99 years	86 years	4 Tampines Central 5, Singapore	Commercial	100.0	100.0	633,000	548,000	27.8	34.0
Junction 8	Leasehold	99 years	85 years	9 Bishan Place, Singapore	Commercial	100.0	99.5	473,000	396,000	20.8	24.6
Funan DigitalLife Mall (formerly known as Funan The IT Mall)	Leasehold	99 years	73 years	109 North Bridge Road, Singapore	Commercial	98.7	99.9	247,500	202,000	10.9	12.5
IMM Building	Leasehold	60 years <sup>1</sup>	43 years <sup>1</sup>	2 Jurong East Street 21, Singapore	Commercial	79.1	74.9 <sup>2</sup>	400,000	352,000	17.6	21.9
Plaza Singapura <sup>3</sup>	Freehold	–	–	68 Orchard Road, Singapore	Commercial	99.6	100.0	803,000	736,950	35.3	45.8
Hougang Plaza Units <sup>4</sup>	Leasehold	99 years	85 years	1189 Upper Serangoon Road, Singapore	Commercial	100.0	–	44,300	–	1.9	–
Sembawang Shopping Centre <sup>5</sup>	Leasehold	999 years	879 years	604 Sembawang Road, Singapore	Commercial	100.0	–	79,600	–	3.5	–
Balance carried forward								2,680,400	2,234,950	117.8	138.8

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

# Portfolio Statements

As at 31 December 2005 (cont'd)

## Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 31 December		At Valuation/Cost		Percentage of Total Net Assets	
						2005 %	2004 %	2005 S\$'000	2004 S\$'000	2005 %	2004 %
<i>Investment properties in Singapore</i>											
Balance carried forward								2,680,400	2,234,950	117.8	138.8
Jurong Entertainment Centre <sup>6</sup>	Leasehold	99 years	85 years	2 Jurong East Central 1, Singapore	Commercial	99.3	–	69,600	–	3.1	–
Bugis Junction <sup>7</sup>	Leasehold	99 years	84 years	200 Victoria Street, Singapore	Commercial	100.0	–	615,000	–	26.9	–
<b>Investment properties, at valuation</b>								3,365,000	2,234,950	147.8	138.8
<b>Interest in an associate (Note 5)</b>								58,000	58,000	2.5	3.6
<b>Other assets and liabilities (net)</b>								3,423,000	2,292,950	150.3	142.4
								(1,146,023)	(682,297)	(50.3)	(42.4)
<b>Net assets</b>								2,276,977	1,610,653	100.0	100.0

1 Upfront land premium of S\$55.7 million for a lease term of 45 years was paid in January 2004.

2 Figure based on occupancy of entire building. Occupancy rate at 31 December 2005 excluding office and warehouse is 99.5% (2004: 99.4%).

3 Plaza Singapura was acquired from Plaza Singapura (Private) Limited, a related party of the Manager, on 2 August 2004.

4 Hougang Plaza Units were acquired from Hougang Town Central Development Pte Ltd, S28 Holdings Pte Ltd and Jack's Place Holdings Pte Ltd, on 20 June 2005 (13.6%), 30 June 2005 (78.8%) and 16 August 2005 (4.3%), respectively.

5 Sembawang Shopping Centre was acquired from Ang Don Hue Private Limited, on 10 June 2005.

6 Jurong Entertainment Centre was acquired from Shaw Jurong Development Pte Ltd, on 31 October 2005.

7 Bugis Junction was acquired from BCH Retail Investment Pte Ltd, a related party of the Manager, on 31 October 2005.

On 17 October 2005, the Trust entered into the Agreement to Surrender with Seiyu (Singapore) Private Limited ("Seiyu Singapore") and The Seiyu, Ltd., in respect of the surrender of the Surrender Premises by Seiyu Singapore to the Trust. The Surrender Premises, which comprise #B1-01, part of #01-01 and part of the 4th storey, forms part of the premises at Bugis Junction currently leased by Seiyu Singapore for a term of 20 years commencing from 7 April 1995. Under the Agreement to Surrender, the existing tenancy and licence agreements in favour of the existing tenants and licensees at the Surrender Premises will be novated by Seiyu Singapore to the Trust on 1 November 2005.

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

## Portfolio Statements

As at 31 December 2005 (cont'd)

On 1 December 2005, independent valuations of Tampines Mall, Junction 8, Funan DigitalLife Mall (formerly known as Funan The IT Mall), IMM Building, Plaza Singapura, Hougang Plaza Units, Sembawang Shopping Centre, Jurong Entertainment Centre and Bugis Junction were undertaken by CB Richard Ellis Pte Ltd. The independent valuers have appropriate professional qualifications and recent experience in the location and category of the property being valued. The valuations were based on capitalisation and discounted cash flow approaches. The valuations adopted were S\$633,000,000, S\$473,000,000, S\$247,500,000, S\$400,000,000, S\$803,000,000, S\$44,300,000, S\$79,600,000 and S\$615,000,000 for Tampines Mall, Junction 8, Funan DigitalLife Mall (formerly known as Funan The IT Mall), IMM Building, Plaza Singapura, Hougang Plaza Units, Sembawang Shopping Centre, Jurong Entertainment Centre and Bugis Junction, respectively. The increase in valuation has been taken to the Statement of Total Return of the Trust.

The carrying amounts of Tampines Mall, Junction 8, Funan DigitalLife Mall (formerly known as Funan The IT Mall) and IMM Building as at 31 December 2004 were based on independent valuations undertaken by Knight Frank Pte Ltd while the carrying amount of Plaza Singapura as at 31 December 2004 was based on independent valuation undertaken by CB Richard Ellis Pte Ltd. 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 of the Trust amounted to S\$5,811,000 (2004: S\$3,900,000).

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

# Statements of Cash Flows

Year ended 31 December 2005

	Trust and its associate		Trust	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
<b>Operating activities</b>				
Net income	117,013	101,341	117,369	89,516
Adjustments for:				
Interest income	(219)	(26)	(4,975)	(4,990)
Interest expense	23,991	16,676	23,991	16,676
Write-off of assets	1,559	635	1,559	635
Allowance for doubtful receivables	11	1	11	1
Depreciation and amortisation	540	399	540	399
Share of profit of associate	(4,400)	(16,789)	–	–
Asset management fees paid/payable in units	7,007	5,735	7,007	5,735
Operating income before working capital changes	145,502	107,972	145,502	107,972
Changes in working capital:				
Trade and other receivables	(3,954)	(3,248)	(3,954)	(3,248)
Trade and other payables	8,291	8,973	8,291	8,973
Security deposits	2,661	3,188	2,661	3,188
<b>Cash flows from operating activities</b>	152,500	116,885	152,500	116,885
<b>Investing activities</b>				
Interest received	4,970	2,596	4,970	2,596
Payment of land premium on investment property	–	(55,703)	–	(55,703)
Net cash outflow on purchase of investment properties (including acquisition charges) (see Note A below)	(786,066)	(491,406)	(786,066)	(491,406)
Capital expenditure on investment properties	(37,345)	(38,592)	(37,345)	(38,592)
Purchase of plant and equipment	(312)	(264)	(312)	(264)
<b>Cash flows from investing activities</b>	(818,753)	(583,369)	(818,753)	(583,369)
Balance carried forward	(666,253)	(466,484)	(666,253)	(466,484)

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

# Statements of Cash Flows

Year ended 31 December 2005 (cont'd)

	Note	Trust and its associate		Trust	
		2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Balance brought forward		(666,253)	(466,484)	(666,253)	(466,484)
<b>Financing activities</b>					
Proceeds from interest-bearing loans and borrowings		573,000	335,000	573,000	335,000
Repayment of short-term borrowings		(140,000)	–	(140,000)	–
Proceeds from issue of units		406,895	238,140	406,895	238,140
Payment of issue and financing expenses		(11,168)	(6,925)	(11,168)	(6,925)
Distribution to Unitholders		(149,711)	(87,070)	(149,711)	(87,070)
Interest paid		(20,807)	(14,873)	(20,807)	(14,873)
<b>Cash flows from financing activities</b>		<b>658,209</b>	<b>464,272</b>	<b>658,209</b>	<b>464,272</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(8,044)</b>	<b>(2,212)</b>	<b>(8,044)</b>	<b>(2,212)</b>
<b>Cash and cash equivalents at beginning of the year</b>	7	47,191	49,403	47,191	49,403
<b>Cash and cash equivalents at end of the year</b>	7	<b>39,147</b>	<b>47,191</b>	<b>39,147</b>	<b>47,191</b>

Note:

## (A) Net Cash Outflow on Purchase of Investment Properties (including acquisition charges)

Net cash outflow on purchase of investment properties (including acquisition charges) is set out below:

	2005 S\$'000	2004 S\$'000
Investment properties (including acquisition charges)	796,312	735,652
Cash	12,954	5,908
Other assets	1,066	143
Trade and other payables	1,642	(341)
Security deposits	(12,954)	(5,908)
Net identifiable assets and liabilities acquired	799,020	735,454
Purchase consideration paid in units	–	(238,140)
Cash consideration paid	799,020	497,314
Cash acquired	(12,954)	(5,908)
Net cash outflow	<b>786,066</b>	<b>491,406</b>

## (B) Significant Non-Cash Transactions

During the financial year, there were the following significant non-cash transactions:

- (i) 3,969,705 (2004: 3,136,582) units were issued or will be issued as payment for the asset management fees payable in units, amounting to a value of S\$8,853,000 (2004: S\$4,888,000).
- (ii) 147,000,000 units at S\$1.62 each, amounting to S\$238,140,000, were issued in 2004 as part satisfaction of the purchase consideration on an investment property, Plaza Singapura, acquired during 2004.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 22 February 2006.

## 1 General

CapitaMall Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2001 (as amended) (the "Trust Deed") between CapitaMall Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 17 July 2002 ("Listing Date") 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 consolidated financial statements relate to the Trust and its associate (referred to as the "Trust and its associate").

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:

### *Property management fees*

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

- (a) 2.00% per annum of the gross revenue of the properties;
- (b) 2.00% per annum of the net property income of the properties; and
- (c) 0.50% per annum of the net property income of the properties, in lieu of leasing commissions.

The property management fees are payable quarterly in arrears.

### *Asset management fees*

Pursuant to the Trust Deed, the asset management fees shall not exceed 0.70% 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.

The asset management fees comprise a base component of 0.25% per annum of Property Value and a performance component of 2.85% 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. Property Value means the aggregate of the value of investment properties.

The performance component is:

- (a) (for the 60-month period from the Listing Date) paid in the form of units to be issued to the Manager in respect of Tampines Mall, Junction 8, Funan DigitalLife Mall, Plaza Singapura, Hougang Plaza Units, Sembawang Shopping Centre, Jurong Entertainment Centre and Bugis Junction; in the form of cash in respect of IMM Building; and either in the form of cash or in the form of units (as the Manager may elect, such election to be irrevocable and made prior to the first payment of the performance component immediately following the acquisition of the relevant property) in respect of any other property to be acquired by the Trust; and



(b) (after 60 months following the Listing Date) paid in cash.

When the performance component is paid in the form of units, the Manager shall be entitled to receive such number of units as may be purchased for the relevant amount of the management fee at:

- (a) (in respect of Tampines Mall, Junction 8 and Funan DigitalLife Mall) an issue price of S\$0.96 per unit, unless the market price (as defined in the Trust Deed) at the time of issue exceeds S\$2.00 or more per unit, in which event, the units will be issued at a 25% discount from that market price; and
- (b) (in respect of Plaza Singapura, Hougang Plaza Units, Sembawang Shopping Centre, Jurong Entertainment Centre, Bugis Junction and any other property to be acquired by the Trust) the market price (as defined in the Trust Deed).

The asset management fees are payable quarterly in arrears.

#### *Trustee's fees*

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.10% per annum of the Deposited Property (subject to a minimum sum of S\$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 annum of the Deposited Property (subject to a minimum sum of S\$6,000 per month).

The Trustee's fees are payable quarterly in arrears.

## **2 Summary of Significant Accounting Policies**

### *2.1 Basis of Preparation*

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 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 (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") 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.

In 2005, the Trust and its associate adopted the revised RAP 7 "Reporting Framework for Unit Trusts" issued in May 2005. The effect of adopting this revised RAP 2005 is set out in note 17.

Items included in the financial statements of the Trust are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Trust (the "functional currency"). The financial statements of the Trust and its associate and the Trust are presented in Singapore dollars, which is the functional currency of the Trust.

The preparation of financial statements in conformity with RAP 7 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

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

### 2.2 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.

### 2.3 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 the CIS Code issued by MAS; 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 revaluation surplus or deficit in the value of the investment properties.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Trust and its associate. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

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.

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

Acquisition of investment properties is accounted for as acquisition of non-current assets.

### 2.4 Interest in an Associate

Associates are companies in which the Trust has significant influence, but not control, over the financial and operating policies. Investment in associates is stated in the Trust's balance sheet at cost, less impairment losses. In the financial statements of the Trust and its associate, the interest in an associate is accounted for using the equity method of accounting.

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

### 2.5 Trade and Other Receivables

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

### 2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

### 2.7 Impairment

The carrying amounts of the Trust and its associate'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 properties carried at revalued amount is recognised in the same way as a revaluation decrease on the basis set out in Note 2.3.

#### *Calculation of recoverable amount*

The recoverable amounts of the Trust and its associate's receivables carried at amortised costs are calculated as the present value of estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net 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 largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### *Reversals 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, if no impairment loss had been recognised.

### 2.8 Trade and Other Payables

Trade and other payables are stated at cost.

### 2.9 Interest-Bearing Liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Total Return over the period of the borrowings on an effective interest basis.

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

### 2.10 Taxation

Taxation on the return 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 tax base of assets and liabilities and their carrying amounts in the financial statements. 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 (the "IRAS") has issued a tax ruling on the income tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling, the Trustee is not subject to tax on the taxable income of the Trust. Instead, the distributions made by the Trust out of such taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions. This treatment is known as the tax transparency treatment.

Individuals and qualifying Unitholders, i.e. companies incorporated and tax resident in Singapore, Singapore branches of foreign companies that have obtained waiver from the IRAS from tax deducted at source in respect of the distributions from the Trust, and bodies of persons registered or constituted in Singapore, are entitled to gross distributions from the Trust. For distributions made to foreign non-dividual Unitholders, the Trustee is required to withhold tax at the rate of 10%. For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such other types of Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source by the Trustee.

The Trust has a distribution policy where it is required to distribute at least 90% of its taxable income, other than gains from the sale of real estate properties that are determined by the IRAS to be trading gains. For the taxable income that is not distributed, referred to as retained taxable income, tax will be assessed on the Trustee. Where such retained taxable income is subsequently distributed, the Trustee need not deduct tax at source.

### 2.11 Issue Expenses

Issue expenses relate to expenses incurred in the issuance of additional units in the Trust. The expenses are deducted directly against Unitholders' funds.

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

### 2.12 Revenue Recognition

#### *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.

#### *Interest income*

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

### 2.13 Expenses

#### *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.

#### *Asset management fees*

Asset management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1. Where applicable, upon issuance of the units, 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.

#### *Trustee's fees*

The Trustee's fees are recognised on an accrual basis.

#### *Interest expenses*

Interest expenses are recognised in the period in which they are incurred on an accrual basis.

### 2.14 Segment Reporting

A segment is a distinguishable component of the Trust and its associate 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

	<b>Trust and its associate and Trust</b>
	<b>Furniture, fittings and equipment S\$'000</b>
<b>Cost</b>	
At 1 January 2004	258
Additions	264
At 31 December 2004	<u>522</u>
At 1 January 2005	522
Additions	312
At 31 December 2005	<u>834</u>
<b>Accumulated depreciation</b>	
At 1 January 2004	30
Charge for the year	103
At 31 December 2004	<u>133</u>
At 1 January 2005	133
Charge for the year	154
At 31 December 2005	<u>287</u>
<b>Carrying amount</b>	
At 1 January 2004	<u>228</u>
At 31 December 2004	<u>389</u>
At 1 January 2005	<u>389</u>
At 31 December 2005	<u>547</u>

## 4 Investment Properties

	<b>Trust and its associate and Trust</b>	
	<b>2005 S\$'000</b>	<b>2004 S\$'000</b>
At 1 January	2,234,950	1,240,000
Acquisition of investment properties	796,312	735,652
Land premium paid	—	55,703
Capital expenditure capitalised	42,013	44,561
Write-off of assets	(1,559)	(635)
	<u>3,071,716</u>	<u>2,075,281</u>
Revaluation differences recognised in Statement of Total Return	293,284	159,669
At 31 December	<u>3,365,000</u>	<u>2,234,950</u>

The investment properties have been mortgaged as security for credit facilities granted by Silver Maple Investment Corporation Ltd (Note 9) to the Trust.

## 5 Interest in an Associate

	Trust and its associate		Trust	Trust
	2005	2004		
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cost</b>				
Unquoted - CapitaRetail Singapore Limited <sup>1</sup> :				
- S\$58 million 10% Secured Fixed Rate Class E Bonds due 2009 (Class E Bonds)	58,000	58,000	58,000	58,000
- 232 Redeemable Preference Shares issued in connection with Class E Bonds	*	*	*	*
	<u>58,000</u>	<u>58,000</u>	<u>58,000</u>	<u>58,000</u>
Share of post – acquisition profit and reserve	6,928	11,825	–	–
	<u>64,928</u>	<u>69,825</u>	<u>58,000</u>	<u>58,000</u>

\* Less than S\$1,000.

<sup>1</sup> Audited by KPMG Singapore

The Trust has invested S\$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 (CRLot) and CapitaRetail Rivervale Trust (CRRT) and to issue the bonds and the redeemable preference shares as well as to extend mortgage loans to CRBPPT, CRLot and CRRT. CRBPPT, CRLot 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 are 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) S\$33,000,000 Secured Fixed Rate Final Class C Bonds due 2009 (Class C Bonds);
- (iv) S\$83,000,000 Secured Fixed Rate Final Class D Bonds due 2009 (Class D Bonds); and
- (v) S\$213,000,000 Secured Fixed Rate Class E Bonds due 2009 (Class E Bonds), together with 852 Redeemable Preference Shares of S\$0.10 each.

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

- (i) Class E Bonds bear interest at the fixed rate of 10% per annum, payable semi-annually in arrears. In the event of failure to pay 10% per annum 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 on 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).

## 5 Interest in an Associate (cont'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; and
- (ii) each preference share shall be redeemed by CRSL on redemption date as defined. 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.

The financial information of the associate is as follows:

	2005 S\$'000	2004 S\$'000
<b>Assets and Liabilities</b>		
Total assets	583,070	571,118
Total liabilities	557,628	527,691
<b>Results</b>		
Revenue	48,690	49,150
Loss after taxation	(2,436)	(668)

## 6 Trade and Other Receivables

	Trust and its associate and Trust	
	2005 S\$'000	2004 S\$'000
Trade receivables	7,535	4,437
Allowance for doubtful receivables	—	(61)
Net trade receivables	7,535	4,376
Deposits	2,430	1,409
Prepayments	215	300
Interest receivable	2,404	2,398
Other receivables	1,358	828
	13,942	9,311

## 7 Cash and Cash Equivalents

	Trust and its associate and Trust	
	2005 S\$'000	2004 S\$'000
Cash at bank and in hand	34,128	47,191
Fixed deposits with financial institutions	5,019	—
	39,147	47,191



## 8 Trade and Other Payables

	Trust and its associate and Trust	
	2005 S\$'000	2004 S\$'000
Trade payables and accrued operating expenses	40,731	27,847
Amounts due to related parties (trade)	8,141	9,181
Deposits and advances	3,792	2,954
Interest payables	2,879	61
	55,543	40,043

Included in amounts due to related parties is an amount due to the Manager of S\$2,364,000 (2004: S\$3,613,000) and an amount due to the property manager of S\$4,813,000 (2004: S\$1,167,000). Included in trade payables and accrued operating expenses was an amount due to the Trustee of S\$262,000 (2004: S\$175,000).

## 9 Interest-Bearing Loans and Borrowings

	Trust and its associate and Trust	
	2005 S\$'000	2004 S\$'000
Term loans	1,061,232	632,000
Revolving credit facility	28,000	28,000
	1,089,232	660,000
Maturity of loans and borrowings		
- After 1 year but within 5 years	172,000	172,000
- After 5 years	917,232	488,000
	1,089,232	660,000

The term loans 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 S\$1,187 million (2004: S\$704 million), made up of S\$1,065 million (2004: S\$632 million) term loan and S\$122 million (2004: S\$72 million) revolving credit facility.

The total facility drawn down by the Trust as at 31 December 2005 was S\$1,093 million (2004: S\$660 million), consisting of:

- (i) S\$433 million (2004: S\$ Nil) term loan at a fixed interest rate of 3.13% (2004: Nil %) per annum, fully repayable on 30 April 2014. Under the facility agreement, the Trust has the option to prepay in full on 31 October 2012. In the event that the Trust opts not to fully settle the term loan on 31 October 2012, the interest rate of 1.00% (2004: Nil %) above the Singapore Interbank Offered Rate (SIBOR) repriced every three months, will be applicable for the period from 31 October 2012 to 30 April 2014;
- (ii) S\$172 million (2004: S\$172 million) term loan at a fixed interest rate of 3.91% (2004: 3.91%) per annum, fully repayable on 26 August 2008. Under the facility agreement, the Trust has the option to prepay in full 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% (2004: 2.62%) above SIBOR repriced every three months, will be applicable for the period from 26 February 2007 to 26 August 2008;
- (iii) S\$125 million (2004: S\$125 million) term loan at a fixed interest rate of 2.764% (2004: 2.764%) per annum, fully repayable on 26 December 2011. Under the facility agreement, the Trust has the option to prepay in full 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% (2004: 2.914%) above the SIBOR repriced every three months, will be applicable for the period from 26 June 2010 to 26 December 2011;

## 9 Interest-Bearing Loans and Borrowings(cont'd)

- (iv) S\$335 million (2004: S\$335 million) term loan at a fixed interest rate of 2.804% (2004: 2.804%) per annum for the period ending on 2 August 2007, and at the swap rate applicable at the draw-down date (as defined in the facility agreement) plus 0.435% per annum for the period from 2 August 2007 to 2 August 2009, provided that such rate does not exceed 8.935% per annum and shall not fall below 2.905% per annum. The term loan is fully repayable on 2 February 2011. Under the facility agreement, the Trust has the option to prepay in full on 2 August 2009. In the event the Trust opts not to fully settle the term loan on 2 August 2009, the interest rate of 0.87% above the SIBOR repriced every three months, will be applicable for the period from 2 August 2009 to 2 February 2011; and
- (v) S\$28 million (2004: S\$28 million) revolving credit facility at floating interest rate of 0.43% (2004: 0.43%) above the SIBOR for a period of either one, three or six months and fully repayable on 26 December 2011 (2004: 26 December 2011). Under the facility agreement, the Trust has the option to prepay in full 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% (2004: 2.43%) above the SIBOR repriced every three months, 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 Trust, the Trust 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.

Under the terms of the Silver Maple loan facility agreement, the Trust undertakes that:

- (i) it shall not borrow or raise any monies if upon the effecting of such borrowing or raising the amount thereof would in the aggregate exceed such percentage of all assets of the Trust or other restriction or limit as may be imposed on the Trust from time to time by the Property Funds Guidelines of the Code on Collective Investment Schemes (the Property Funds Guidelines) issued by MAS and other relevant authorities; and
- (ii) it shall maintain the debt service ratio at greater than 2.0.

Silver Maple has secured a S\$2 billion (2004: S\$1 billion) 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 notes (the Notes). The maximum aggregate principal amount of the Notes to be issued shall be S\$2 billion. The Notes will be secured by the Notes Debenture.

To fund the loans to the Trust of S\$1,065 million (2004: S\$632 million) fixed rate term loan and S\$28 million (2004: S\$28 million) floating rate revolving credit, Silver Maple has raised funds through the following:

- (i) US\$255.5 million (2004: US\$ Nil) Floating Rate Notes at floating interest rate of 0.24% (2004: Nil %) above the US dollar London Interbank Offered Rate (LIBOR) repriced every three months, for the period from 31 October 2005 to 31 October 2012. In the event that the Floating Rate Notes are not redeemed by Silver Maple on 31 October 2012, interest will accrue at the rate of 1.0% (2004: Nil %) above the US dollar LIBOR repriced every three months, for the period from 31 October 2012 to date of redemption on 30 April 2014;

## 9 Interest-Bearing Loans and Borrowings(cont'd)

- (ii) S\$172 million (2004: S\$172 million) Fixed Rate Notes at fixed interest rate of 3.86% (2004: 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% (2004: 2.52%) above the SIBOR repriced every three months, for the period from 26 February 2007 to date of redemption on 26 August 2008;
- (iii) US\$72.1 million (2004: US\$72.1 million) Floating Rate Notes at floating interest rate of 0.62% (2004: 0.62%) above the US dollar 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% (2004: 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;
- (iv) US\$195.5 million (2004: US\$195.5 million) Floating Rate Notes at floating interest rate of 0.32% (2004: 0.32%) above the US dollar LIBOR repriced every three months, for the period from 2 August 2004 to 2 February 2011. In the event that the Floating Rate Notes are not redeemed by Silver Maple on 2 August 2009, interest will accrue at the rate of 0.80% (2004: 0.80%) above the US dollar LIBOR repriced every three months, for the period from 2 August 2009 to date of redemption on 2 February 2011; and
- (v) S\$28 million (2004: S\$28 million) Floating Rate Notes at floating interest rate of 0.43% (2004: 0.43%) above the SIBOR, due and renewable on either one, three or six months' duration until final redemption on 26 June 2010. In the event the Trust opts not to fully settle on 26 June 2010, the interest rate of 2.11% (2004: 2.11%) above the SIBOR repriced every three months, will be applicable for the period from 26 June 2010 to 26 December 2011.

## 10 Units in Issue

	2005 '000	Trust	2004 '000
<b>Units in issue:</b>			
At 1 January	1,203,200		906,063
Units created:			
- placement of units during the year			
- on 31 October 2005	173,400		-
- on 2 August 2004	-		147,000
- partial satisfaction of purchase consideration on investment property acquired	-		147,000
- asset management fees paid in units	3,098		3,137
As 31 December 2005	<u>1,379,698</u>		<u>1,203,200</u>
<b>Units to be issued:</b>			
- assets management fees payable in units	871		-
Total issued and issuable units at 31 December 2005	<u>1,380,569</u>		<u>1,203,200</u>

On 31 October 2005, the Trust issued 29,746,224 units and 143,653,776 units at S\$2.33 and S\$2.35 per unit respectively for cash:

- to part finance the acquisition of Bugis Junction;
- to part refinance the S\$123 million bridge loan taken to finance the acquisitions of Hougang Plaza Units and Sembawang Shopping Centre;
- to part refinance the S\$6.8 million bridge loan taken to finance the payment of a deposit of 10% of the purchase consideration and part finance the balance of the purchase consideration on Jurong Entertainment Centre; and
- for the Trust's working capital purposes.

## 10 Units in Issue (cont'd)

On 2 August 2004, the Trust issued 147,000,000 units at an issue price of S\$1.62 per unit for cash to partly finance the purchase consideration for Plaza Singapura. In addition, the Trust issued 147,000,000 units at an issue price of S\$1.62 per unit to the vendor of Plaza Singapura as partial satisfaction of the purchase consideration on Plaza Singapura.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are 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' meetings. 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 the Manager to redeem his 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 for indemnifying the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

## 11 Gross Revenue

	Trust and its associate and Trust	
	2005 S\$'000	2004 S\$'000
Gross rental income	223,468	162,836
Car park income	7,580	5,669
Others	12,039	8,734
	243,087	177,239

## 12 Property Expenses

	Trust and its associate and Trust	
	2005 S\$'000	2004 S\$'000
Land rental	247	326
Property tax	22,406	15,688
Utilities	13,610	10,094
Property management fees	8,937	6,565
Property management reimbursements	9,579	6,824
Advertising and promotion	11,036	8,499
Maintenance	19,548	12,504
Others	3,643	2,529
	<u>89,006</u>	<u>63,029</u>

## 13 Interest Income

	Trust and its associate		Trust	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Interest income				
- associated company	–	–	4,756	4,964
- financial institution	219	26	219	26
	<u>219</u>	<u>26</u>	<u>4,975</u>	<u>4,990</u>

## 14 Asset Management Fees – Trust and its associate and Trust

Included in the asset management fees is an aggregate of 2,913,755 (2004: 3,474,538) units in the Trust that have been or will be issued to the Manager as payment of the performance component of management fees.

## 15 Income Tax Expense

	Trust and its associate		Trust	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
<b>Reconciliation of effective tax rate</b>				
Net income before tax	<u>117,013</u>	<u>101,341</u>	<u>117,369</u>	<u>89,516</u>
Income tax using Singapore tax rate of 20%	23,403	20,268	23,474	17,903
Non-tax deductible items	1,882	1,718	1,882	1,718
Income not subject to tax	71	(2,365)	–	–
Tax transparency	(25,356)	(19,621)	(25,356)	(19,621)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

## 16 Earnings Per Unit

Basic earnings per unit is based on:

	Trust and its associate		Trust	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Net income before tax	117,013	101,341	117,369	89,516
Less:				
Income tax attributable to net income	—	—	—	—
Net income after tax	117,013	101,341	117,369	89,516

	Trust Number of Units	
	'000	'000
Weighted average number of units		
- outstanding during the year	1,203,200	906,063
- placement of units	29,454	60,648
- issued as satisfaction of purchase consideration on investment property acquired	—	60,648
- issued and issuable as payment of asset management fees paid in units	1,797	1,611
	1,234,451	1,028,970

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

## 17 Changes in Accounting Policies

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2005.

The adoption of principles in FRS 28 (revised) *Investment in Associates* resulted in the presentation of the financial position, results, movements in Unitholders' funds and cash flows of the Trust and its associate in the financial statements in addition to those of the Trust.

The adoption of principles of FRS 39 *Financial Instruments: Recognition and Measurement* resulted in the Trust and its associate measuring its derivative financial instruments as assets or liabilities at fair values. Previously, derivative financial instruments were not recorded on the balance sheet. Where a derivative or non-derivative financial instrument is an effective hedge in a cash flow hedge relationship, the change in fair value of the hedging instrument relating to the effective portion is recorded in equity.

The adoption of principles of FRS 39 resulted in the Trust and its associate recognising all its derivative financial instruments as assets or liabilities at fair value and decreasing the opening balance at 1 January 2005 of the hedging reserve by S\$2,052,000. The 2004 comparatives have not been restated.

The change in accounting policies arising from adopting principles of FRS 39 has the following impact on the total return for the year:

	Trust and its associate	
	2005 S\$'000	2004 S\$'000
Total return for the year before changes in accounting policies	410,781	261,010
Effects of adopting principles of FRS 39		
- Share of swap losses of associate	(484)	—
Total return for the year	410,297	261,010

## 18 Issue Expenses

	Trust and its associate	
	2005	2004
	S\$'000	S\$'000
Underwriting and selling commissions	8,150	4,503
Professional fees	439	338
Miscellaneous expenses	1,777	232
	10,366	5,073

These expenses are deducted directly against the Unitholders' funds. Included in the professional fees are non-audit fees paid and payable to auditors of the Trust amounting to S\$128,000 (2004: S\$118,000) for acting as independent reporting accountants and scrutineers and with respect to the issuance and placement of additional units in the Trust.

## 19 Significant Related Party Transactions – Trust and its associate and Trust

For the purposes of these financial statements, parties are considered to be related to the Trust and its associate if the Trust and its associate 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 its associate and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager of the Trust 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.

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 arm's length commercial terms:

	2005	2004
	S\$'000	S\$'000
Asset enhancement works and consultancy fees to a related company of the Manager of the Trust	1,123	17,067
Property management fees and reimbursables to a related company of the Manager of the Trust	18,517	13,389
Rental and related income from related companies of the Manager of the Trust	4,991	2,986
Underwriting, advisory and acquisition fees to the Manager of the Trust and related companies of the Manager of the Trust	9,206	3,550
	9,206	3,550

## 20 Financial Instruments

### *Financial risk management objectives and policies*

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Trust and its associate's business. The Trust and its associate have 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 and its associate, as and when they fall due.

## 20 Financial Instruments (cont'd)

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

At 31 December 2005 and 2004, 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 and its associate's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk of the Trust and its associate is managed by the Manager of the Trust and the associate respectively, 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 of the Trust monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations. In addition, the Manager also monitors and observes the CIS code issued by the MAS concerning limits on total borrowings.

### *Sensitivity analysis*

In managing the interest rate risk, the Trust and its associate aims to reduce the impact of short-term fluctuations on its earnings.

As at 31 December 2005, it was estimated that a general increase in one percentage point in interest rates would reduce the Trust and its associate earnings by approximately S\$280,000 (2004: S\$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 as at 31 December 2005 and 2004 and the periods at which they reprice.



## 20 Financial Instruments (cont'd)

### Trust and its associate and Trust

	Note	Effective interest rate %	Floating interest S\$'000	Fixed interest rate maturing 1 to 5 years S\$'000	After 5 years S\$'000	Total S\$'000
<b>2005</b>						
<b>Financial Liabilities</b>						
Term loan	9	3.11	–	(172,000)	(889,232)	(1,061,232)
Revolving credit facility	9	2.56	(28,000)	–	–	(28,000)
			(28,000)	(172,000)	(889,232)	(1,089,232)
<b>2004</b>						
<b>Financial Liabilities</b>						
Term loan	9	3.10	–	(172,000)	(460,000)	(632,000)
Revolving credit facility	9	1.94	(28,000)	–	–	(28,000)
			(28,000)	(172,000)	(460,000)	(660,000)

### Fair value

Fair value is calculated based on the present value of expected future cash flows relevant to the financial instrument, where the discount rate is computed from the market interest rates for the Trust.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the balance sheet date.

The carrying values of the other financial assets and liabilities (including trade and other receivables, cash and cash equivalents, trade and other payables and security deposits) approximate their fair values.

	Carrying amount S\$'000	Fair value S\$'000	Percentage of net assets %
<b>2005</b>			
<b>Non-current</b>			
Term loans	1,061,232	1,043,257	45.7
Revolving credit facility	28,000	28,000	1.2
	Carrying amount S\$'000	Fair value S\$'000	Percentage of net assets %
<b>2004</b>			
<b>Non-current</b>			
Term loans	632,000	644,667	39.7
Revolving credit facility	28,000	28,000	1.7

## 21 Segment Reporting – Trust and its associate

Segment information is presented in respect of the Trust and its associate's business segments. The primary format, business segment's, is based on its 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 loans and borrowings and expenses, and related 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 and its associate is in the business of investing in the following shopping malls, which are considered to be the main business segments: Tampines Mall, Junction 8, Funan DigitalLife Mall (formerly known as Funan The IT Mall), IMM Building, Plaza Singapura, Bugis Junction and other investment properties.

### *Geographical segments*

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

# Notes to the Financial Statements

## 21 Segment Reporting – Trust and its associate (cont'd)

### Business segments

#### Property income and expenses

	Tampines Mall		Junction 8		Funan DigitalLife Mall (formerly known as Funan The IT Mall)		IMM Building		Plaza Singapura <sup>1</sup>	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Gross rental income	46,500	44,347	36,277	29,832	20,207	19,309	49,572	47,302	57,347	22,046
Car park income	2,172	1,977	1,348	1,308	1,560	1,567	5	–	2,169	817
Others	1,824	1,879	2,742	2,344	906	978	3,081	2,466	2,001	1,067
Gross revenue	50,496	48,203	40,367	33,484	22,673	21,854	52,658	49,768	61,517	23,930
Segment net property income	34,888	34,045	26,451	21,263	13,394	13,668	25,874	27,571	43,829	17,663

## Notes to the Financial Statements

### 21 Segment Reporting – Trust and its associate (cont'd)

#### Business segments

#### Property income and expenses

	2005 S\$'000	Bugis Junction <sup>2</sup>	2004 S\$'000	2005 S\$'000	Other Investment Properties <sup>3</sup>	2004 S\$'000	2005 S\$'000	Total	2004 S\$'000
Gross rental income	7,867	–	–	5,698	–	–	223,468	162,836	–
Car park income	–	–	–	326	–	–	7,580	5,669	–
Others	765	–	–	720	–	–	12,039	8,734	–
Gross revenue	8,632	–	–	6,744	–	–	243,087	177,239	–
Segment net property income	5,471	–	–	4,174	–	–	154,081	114,210	–
Interest income							219	26	
Unallocated expenses							(41,687)	(29,684)	
Share of profit of associate							112,613	84,552	
Net income							4,400	16,789	
Net appreciation on revaluation of investment properties							117,013	101,341	
Total return for the year before taxation							293,284	159,669	
Taxation							410,297	261,010	
Total return for the year							410,297	261,010	

# Notes to the Financial Statements

## 21 Segment Reporting – Trust and its associate (cont'd)

### Business segments

2005	Tampines Mall S\$'000	Junction 8 S\$'000	Funan DigitalLife Mall (formerly known as Funan The IT Mall) S\$'000	IMM Building S\$'000	Plaza Singapore <sup>1</sup> S\$'000	Bugis Junction <sup>2</sup> S\$'000	Other Investment Properties <sup>3</sup> S\$'000	Total S\$'000
<b>Assets and liabilities</b>								
Segment assets	634,729	474,150	248,432	401,016	804,979	618,188	194,461	3,375,955
Interest in an associate								64,928
Unallocated assets								42,681
Total assets								<u>3,483,564</u>
Segment liabilities	14,003	16,566	11,706	24,887	15,299	12,660	6,170	101,291
Unallocated liabilities:								
- interest-bearing loans and borrowings								1,089,232
- interest payables								2,879
- asset management fees								2,364
- provision for taxation								367
- others								3,526
Total liabilities								<u>1,098,368</u>
								<u>1,199,659</u>

### Other segmental information

Depreciation of plant and equipment	16	22	12	57	40	–	7	154
Plant and equipment:								
- Capital expenditure	15	53	10	10	19	123	82	312
Investment properties:								
- Capital expenditure	4,431	9,715	7,978	375	9,121	613,249	193,456	838,325
- Write-off of assets	105	265	731	–	458	–	–	1,559
Allowance for doubtful receivables/bad receivables written off	(2)	1	16	(1)	(3)	–	–	11

1 Plaza Singapore was acquired on 2 August 2004.

2 Bugis Junction was acquired on 31 October 2005. On 17 October 2005, the Trust entered into an Agreement to Surrender with Seiyu Singapore and The Seiyu, Ltd., in respect of the Surrender Premises by Seiyu Singapore to the Trust. Under the Agreement to Surrender, the existing tenancy and licence agreements in favour of the existing tenants and licensees at the Surrender Premises will be novated by Seiyu Singapore to the Trust on 1 November 2005.

3 Other Investment Properties comprise Sembawang Shopping Centre, Hougang Plaza Units and Jurong Entertainment Centre.

• Sembawang Shopping Centre was acquired on 10 June 2005.

• 13.6% and 78.8% of the strata area of Hougang Plaza were acquired on 20 June 2005 and 30 June 2005 respectively. On 16 August 2005, another 4.3% of the strata area in Hougang Plaza was acquired.

• Jurong Entertainment Centre was acquired on 31 October 2005.

## 21 Segment Reporting – Trust and its associate (cont'd)

### Business segments

2004	Tampines Mall S\$'000	Junction 8 S\$'000	Funan DigitalLife Mall (formerly known as Funan The IT Mall) S\$'000	IMM Building S\$'000	Plaza Singapore S\$'000	Total S\$'000
<b>Assets and liabilities</b>						
Segment assets	549,366	397,677	202,905	353,294	738,999	2,242,241
Interest in an associate						69,825
Unallocated assets						49,600
Total assets						<u>2,361,666</u>
Segment liabilities	14,124	18,008	11,496	20,267	9,897	73,792
Unallocated liabilities:						
- interest-bearing loans and borrowings						660,000
- interest payables						61
- asset management fees						3,613
- trustee's fees						175
- provision for taxation						367
- others						1,180
Total liabilities						<u>665,396</u>
						<u>739,188</u>
<b>Other segmental information</b>						
Depreciation of plant and equipment	14	24	6	44	15	103
Plant and equipment:						
- Capital expenditure	13	39	8	102	102	264
Investment properties:						
- Land premium paid	–	–	–	55,703	–	55,703
- Capital expenditure	9,265	18,029	8,744	8,430	735,745	780,213
- Write-off of assets	–	–	–	633	2	635
Allowance for doubtful receivables/bad receivables written off	4	5	(43)	1	34	1

## 22 Commitments

	Trust and its associate and Trust	
	2005 S\$'000	2004 S\$'000
Capital commitments:		
- contracted but not provided for	3,445	4,738
- authorised but not contracted for	145,964	57,992
	149,409	62,730

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

	Trust and its associate and Trust	
	2005 S\$'000	2004 S\$'000
Within 1 year	243,355	168,283
After 1 year but within 5 years	230,669	176,185
After 5 years	-	1,268
	474,024	345,736

## 23 Contingent Liability

Pursuant to the tax transparency ruling from IRAS, the Trustee 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. This indemnity is applicable to distributions made out of the Trust's income for the period from the date of the listing of the Trust to 1 August 2004. The amount of indemnity, as agreed with IRAS for any one year is limited to the higher of S\$500,000 or 1.0% of the taxable income of the Trust for that year. Each yearly indemnity has a validity period of the earlier of seven years from the end of the relevant year of assessment and three years from the termination of the Trust.

## 24 Subsequent Event

Subsequent to the year ended 31 December 2005, the Manager declared distribution of S\$25,800,362 for the Trust in respect of the period 31 October 2005 to 31 December 2005.

## 25 Financial Ratios

	2005 %	2004 %
Expenses to weighted average net assets <sup>1</sup>	0.92	1.06
Portfolio turnover rate <sup>2</sup>	—	—

<sup>1</sup> The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Trust, excluding property expenses and interest expense.

<sup>2</sup> 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.

## STATISTICS OF UNITHOLDINGS AS AT 1 MARCH 2006

### Issued and Fully Paid Units

1,380,569,714 units (voting rights : 1 vote per unit)

Market Capitalisation \$3,230,533,131 (based on closing unit price of S\$2.34 on 1 March 2006)

### Distribution of Unitholdings

Size of Holdings	No. of Unitholders	%	No. of Units	%
1 - 999	144	1.77	45,064	0.00
1,000 - 10,000	5,685	69.76	23,592,018	1.71
10,001 - 1,000,000	2,289	28.09	116,158,176	8.41
1,000,001 and above	31	0.38	1,240,774,456	89.88
	8,149	100.00	1,380,569,714	100.00

### Location of Unitholders

Country	No. of Unitholders	%	No. of Units	%
Singapore	8,019	98.40	1,373,621,684	99.50
Malaysia	48	0.59	1,166,350	0.08
Others	82	1.01	5,781,680	0.42
	8,149	100.00	1,380,569,714	100.00

### Twenty Largest Unitholders

S/No.	Name	No. of Units	%
1	Pyramex Investments Pte Ltd	284,181,553	20.58
2	Citibank Nominees Singapore Pte Ltd	208,671,560	15.11
3	Raffles Nominees Pte Ltd	184,497,148	13.36
4	Albert Complex Pte Ltd	147,000,000	10.65
5	DBS Nominees Pte Ltd	121,611,731	8.81
6	NTUC Fairprice Co-Operative Ltd	71,070,000	5.15
7	HSBC (Singapore) Nominees Pte Ltd	67,775,440	4.91
8	United Overseas Bank Nominees Pte Ltd	37,926,696	2.75
9	Premier Healthcare Services International Pte Ltd	33,000,000	2.39
10	Alphaplus Investment Pte Ltd	25,330,000	1.83
11	DB Nominees (S) Pte Ltd	11,964,000	0.87
12	Morgan Stanley Asia (Singapore) Securities Pte Ltd	10,582,914	0.77
13	CapitaMall Trust Management Limited	3,969,705	0.29
14	Baiduri Bank Berhad	3,700,000	0.27
15	BNP Paribas Nominees Singapore Pte Ltd	3,351,100	0.24
16	Merrill Lynch (Singapore) Pte Ltd	3,189,609	0.23
17	The Asia Life Assurance Society Ltd-Par Fund	3,114,000	0.23
18	Yong Loo Lin Holdings Private Limited	3,000,000	0.22
19	DBS Vickers Securities (S) Pte Ltd	1,995,900	0.14
20	Yong Ying-I	1,500,000	0.11
		1,227,431,356	88.91



## List of Directors' Interest as at 21 January 2006

Name	No. of CMT Units Held
Hsuan Owyang	Nil
Liew Mun Leong	825,000 (Deemed)
Pua Seck Guan	Nil
James Glen Service	Nil
David Wong Chin Huat	110,000 (Direct) 30,000 (Deemed)
S Chandra Das	55,000 (Direct)
Hiew Yoon Khong	267,000 (Direct)
Kee Teck Koon	100,000 (Direct)
Olivier Lim Tse Ghow	132,000 (Direct) 110,000 (Deemed)

## List of Substantial Unitholders as at 1 March 2006

Name	No. of Units Held	%
<b>NTUC FairPrice Co-operative Limited</b>	<b>Direct:</b> 71,070,000 units <b>Deemed:</b> 25,330,000 units held by Alphaplus Investments Pte Ltd	5.15 1.83
<b>The Capital Group Companies, Inc.</b>	<b>Deemed:</b> 84,262,700 units	6.10
<b>Albert Complex Pte Ltd ("ACPL")</b>	<b>Direct:</b> 147,000,000 units	10.65
<b>Pyramex Investments Pte Ltd ("PIPL")</b>	<b>Direct:</b> 284,181,553 units	20.58
<b>CapitaLand Retail Limited</b>	<b>Deemed:</b> 464,181,553 units -147,000,000 units held by ACPL - 284,181,553 units held by PIPL - 33,000,000 units held by Premier Healthcare Services International Pte Ltd ("PHSIPL")	33.62
<b>CapitaLand Limited</b>	<b>Deemed:</b> 468,151,258 units - 147,000,000 units held by ACPL - 284,181,553 units held by PIPL - 33,000,000 units held by PHSIPL - 3,969,705 units held by the Manager	33.91

## FREEFLOAT

Based on the information made available to the Manager, no less than 40% of the units in CMT were held in the hands of the public as at 1 March 2006. Accordingly, Rule 723 of the listing Manual of the SGX-ST has been complied with.

## Related Party Transactions

The transactions entered into with related parties during the financial year, which fall under the Listing Manual and the CIS Code, 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	
- Management fees <sup>1</sup>	14,948
- Property management fees & reimbursables	18,517
- Acquisition fees related to acquisitions of Sembawang Shopping Centre, Hougang Plaza Units, Jurong Entertainment Centre and Bugis Junction	7,706
- Project management and consultancy fees for asset enhancement works	2,247
- Acquisition of Bugis Junction	580,800
- Fee in consideration of backstop arrangement	1,500
Temasek Holdings (Private) Limited and its associates	
- Rental and service income	1,083
- Utilities	3,480
- General Maintenance	440

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 of its management fees, was used to determine the amount of the aggregate asset management fees paid to the Manager for the period from 1 January 2005 to 31 December 2005. A total of 2,913,755 CMT units amounting to an aggregate of S\$6,915,574 have been or will be issued to the Manager as payment of the performance component of the asset management fees (as computed pursuant to the Trust Deed) for the period from 1 January 2005 to 31 December 2005. In respect of the period from 1 January 2005 to 31 March 2005, a total of 726,487 units, comprising 516,348 and 210,139 CMT units at issue prices of S\$1.511025 and S\$ 2.0147\* per unit respectively, were issued on 6 May 2005 to the Manager. The market price at the date of issue was S\$2.23 per unit and the aggregate market value of these units was S\$1,620,066 based on this market price. In respect of the period from 1 April 2005 to 30 June 2005, a total of 648,420 units, comprising 458,799 and 189,621 CMT units at issue prices of S\$1.775625 and S\$2.3675\* per unit respectively, were issued on 3 August 2005 to the Manager. The market price at the date of issue was S\$2.60 per unit and the aggregate market value of these units was S\$1,685,892 based on this market price. In respect of the period from 1 July 2005 to 30 September 2005, a total of 667,601 CMT units, comprising 452,678 and 214,923 CMT units at issue prices of S\$1.7778 and S\$2.3704\* per unit respectively, were issued on 4 November 2005 to the Manager. The market price at the date of issue was S\$2.34 per unit and the aggregate market value of these units was S\$1,562,186 based on this market price. In respect of the period from 1 October 2005 to 31 December 2005, a total of 871,247 CMT units, comprising 504,690 and 366,557 CMT units at issue prices of S\$1.6567 and S\$2.2090\* per unit respectively, were issued on 8 February 2006 to the Manager. The market price at the date of issue was S\$2.35 and the aggregate market value of these units was S\$2,047,430 based on this market price.

\* Based on the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten business days of the relevant period in which the management fee accrues.

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 period under review.

On 16 February 2004, CMT announced that the 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 management fee, payments for acquisition and divestment fees, payments of property management fee, reimbursement to the property manager in respect of payroll and related expenses as well as payments of trustee's fee not to be included in the aggregated value of total related party transactions as governed by rules 905 and 906 of the Listing Manual.

Please also see Significant Related Party Transactions on note 19 in the financial statements.

## Subscription of CMT Units

For the financial year ended 31 December 2005, an aggregate of 176,498,458 CMT units were issued and subscribed for. As at 31 December 2005, 1,379,698,467 CMT units were in issue and outstanding. On 8 February 2006, 871,247 CMT units were issued to the Manager as part payment of the performance component of its asset management fees for the fourth quarter of 2005.