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CAPITAMALL TRUST

2003 FIRST HALF FINANCIAL STATEMENT ANNOUNCEMENT

CapitaMall Trust (CMT) was established under a Trust Deed dated 29 October 2001 between the Manager, CapitaMall Trust Management Limited, and Bermuda Trust (Singapore) Limited as Trustee, and supplemented by a first supplemental trust deed dated 26 December 2001 and a second supplemental trust deed dated 28 June 2002.

CMT was originally held privately under a private trust until 15 July 2002 and was subsequently listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

As at 31 December 2002, CMT held 3 properties, Tampines Mall, Junction 8 and Tampines Mall. On 26 June 2003, CMT acquired and added another property, IMM Building into its portfolio.

For a meaningful analysis/comparison of the actual results against the forecast as stated in the Circular dated 11 June 2003, please refer to paragraph 9 specifically.

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1(a)(i) Income statement

| | 1H 2003 S\$'000 | 1H 2002 S\$'000 | Increase / (Decrease) % |
|--|--------------------|--------------------|-------------------------------|
| Gross rental income | 41,295 | 39,668 | 4.1 |
| Car park income | 2,209 | 1,763 | 25.3 |
| Other income | 2,210 | 1,679 | 31.6 |
| Gross revenue | 45,714 | 43,110 | 6.0 |
| Property management fees | (1,780) | (1,734) | 2.7 |
| Property tax | (951) | (2,045) | (53.5) |
| Other property operating expenses ¹ | (10,342) | (8,202) | 26.1 |
| Property operating expenses | (13,073) | (11,981) | 9.1 |
| Net property income | 32,641 | 31,129 | 4.9 |
| Interest income | 43 | 6 | 616.7 |
| Asset management fees | (2,648) | (2,425) | 9.2 |
| Trust expenses | (470) | (741) | (36.6) |
| Administrative expenses | (3,118) | (3,166) | (1.5) |
| Net investment income before interest costs and tax | 29,566 | 27,969 | 5.7 |
| Interest costs | (3,549) | (3,246) | 9.3 |
| Net investment income before tax | 26,017 | 24,723 | 5.2 |
| Taxation ² | NA | (5,714) | Nm |
| Net investment income after tax | 26,017 | 19,009 | Nm |

The review of the performance can be found in paragraph 8.

Footnotes :

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

| | 1H 2003 S\$'000 | 1H 2002 S\$'000 | Increase / (Decrease) % |
|---|--------------------|--------------------|-------------------------------|
| <i>Depreciation and amortisation</i> | 12 | - | Nm |
| <i>Allowance for doubtful debts and bad debts written off</i> | 105 | 4 | 2,525 |
| <i>Assets written off (primarily the carpark systems)</i> | 408 | - | Nm |

2 Upon listing of CMT on 16 July 2002, tax transparency applies and CMT is not directly assessed to tax on its income. Accordingly, distributions are paid gross with no tax deducted at source to qualifying tax residents.

Nm – not meaningful

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1(a)(ii) Distribution statement

| | 1H 2003 S\$'000 | 1H 2002 S\$'000 | Increase / (Decrease) % |
|---|--------------------|--------------------|-------------------------------|
| Net investment income after tax | 26,017 | 19,009 | Nm |
| Net effect of non-tax deductible / (chargeable) items (Note A) | 1,626 | - ¹ | Nm |
| Taxable income available for distribution to unitholders | 27,643 | 19,009 | Nm |
| <i>Note A</i> | | | |
| <i>Non-tax deductible / (chargeable) items</i> | | | |
| - Asset management fees (performance component) | 1,460 | - | Nm |
| - Trustee's fees | 148 | - | Nm |
| - Other items | 18 | - | Nm |
| Net effect of non-tax deductible / (chargeable) items | 1,626 | - | Nm |

Footnote:

1 Not meaningful for 1H 2002 as it was under private trust

Nm – not meaningful

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1(a)(iii) Income and distribution statement – breakdown

| | 1/1/2003 to 25/6/2003 S\$'000 | 26/6/2003 to 30/6/2003 S\$'000 | 1H 2003 S\$'000 |
|---|-------------------------------------|--------------------------------------|--------------------|
| Gross rental income | 39,622 | 1,673 | 41,295 |
| Car park income | 2,150 | 59 | 2,209 |
| Other income | 2,169 | 41 | 2,210 |
| Gross revenue | 43,941 | 1,773 | 45,714 |
| Property management fees | (1,720) | (60) | (1,780) |
| Property tax | (881) | (70) | (951) |
| Other property operating expenses | (9,722) | (620) | (10,342) |
| Property operating expenses | (12,323) | (750) | (13,073) |
| Net property income | 31,618 | 1,023 | 32,641 |
| Interest income | 42 | 1 | 43 |
| Asset management fees | (2,552) | (96) | (2,648) |
| Trust expenses | (462) | (8) | (470) |
| Administrative expenses | (3,014) | (104) | (3,118) |
| Net investment income before interest costs and tax | 28,646 | 920 | 29,566 |
| Interest costs | (3,405) | (144) | (3,549) |
| Net investment income | 25,241 | 776 | 26,017 |
| Net effect of non-tax deductible / (chargeable) items | 1,579 | 47 | 1,626 |
| Taxable income available for distribution to unitholders | 26,820 | 823 | 27,643 |
| Distribution per unit | 3.62¢¹ | | |

Footnotes:

1 As stated in the Circular to unitholders dated 11 June 2003, the distribution from 1 January 2003 to 25 June 2003 (advanced distribution) will be paid to unitholders who were registered as unitholders on the Transfer Books and Register of Unitholders of CMT as of 24 June 2003. Please see paragraph 11 for more details on the advanced distribution.

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1(b)(i) Balance sheet

As at 30/6/2003 vs 31/12/2002

| | 30/6/2003 S\$'000 | 31/12/2002 S\$'000 | Increase / (Decrease) % |
|-------------------------------------|------------------------|-----------------------|-------------------------------|
| Non-current assets | | | |
| Plant & equipment | 104 | 80 | 30.0 |
| Investment properties | 1,224,155 ¹ | 935,000 | 30.9 |
| Total non-current assets | 1,224,259 | 935,080 | 30.9 |
| Current assets | | | |
| Trade & other receivables | 3,503 ² | 2,173 | 61.2 |
| Cash & cash equivalents | 57,822 ³ | 52,969 ⁴ | 9.2 |
| Total current assets | 61,325 | 55,142 | 11.2 |
| Less current liabilities | | | |
| Trade & other payables | 40,746 ⁵ | 19,183 | 112.4 |
| Provisions for taxation | 367 | 367 | - |
| Total current liabilities | 41,113 | 19,550 | 110.3 |
| Net current assets | 20,212 | 35,592 | (43.2) |
| Less non-current liabilities | | | |
| Interest bearing loan | 325,000 ⁶ | 200,000 | 62.5 |
| Other non-current liabilities | 17,982 ⁷ | 9,452 | 90.3 |
| Total non-current liabilities | 342,982 | 209,452 | 63.8 |
| Net assets | 901,489 | 761,220 | 18.4 |
| Unitholders' funds | 901,489 | 761,220 | 18.4 |

Footnotes:

1 The increase is due to the purchase of IMM Building which was completed on 26 June 2003. IMM Building is stated at the market valuation of S\$280.0 million based on valuation dated 1 February 2003. The existing 3 properties are stated at valuation dated 1 December 2002 plus subsequent capital expenditure up to 30 June 2003. An independent valuation will be performed for all 4 properties at year ending 31 December 2003.

2 The increase is due to payment of utilities deposits for IMM Building, prepayment of insurance and property tax and higher trade receivables.

3 This includes the funds required to pay the distributable income for the period of 1 January 2003 to 25 June 2003 (advanced distribution) of S\$26.8 million which will be distributed on 28 July 2003.

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4 This includes the funds required to pay the distributable income for the period of 16 July 2002 to 31 December 2002 (5.5 months) of S\$25.0 million which was distributed in February 2003.

5 The higher amount is due to security deposits received from the tenants of IMM Building, payables for asset enhancement works at Tampines Mall and Junction 8 and accrued issuing expenses and fees payable in respect of the acquisition of IMM Building.

6 An additional loan of S\$125.0 million was taken to part finance the acquisition of IMM Building.

7 The increase is mainly due to the security deposits received from tenants of IMM Building whose leases expire after 30 Jun 2004.

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

| | 30/6/2003 S\$'000 | 31/12/2002 S\$'000 |
|--|----------------------|-----------------------|
| Secured borrowings | | |
| Amount repayable in one year or less, or on demand | - | - |
| Amount repayable after one year | 325,000 ¹ | 200,000 |
| | 325,000 | 200,000 |

Footnotes:

1 An additional S\$125.0 million 7-year term loan was drawdown on 26 June 2003 to part finance the acquisition of IMM Building.

Details of any collateral

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

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

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1(c) **Cash flows statement**

| | 1H 2003 S\$'000 | 1H 2002 S\$'000 |
|--|--------------------|--------------------|
| Operating activities | | |
| Net investment income before tax | 26,017 | 24,723 |
| Adjustments for interest income, interest expense, depreciation and asset management fee paid in units, provision for doubtful debts & write-off of carpark system | 5,491 | 3,243 |
| Change in working capital | 12,554 | 7,279 |
| Tax paid | - | (81) |
| Cash generated from operating activities | 44,062 | 35,164 |
| Investing activities | | |
| Interest received | 44 | 6 |
| Purchase of investment property, plant and equipment and subsequent expenditure | (258,693) | (972) |
| Cash flows from investing activities | (258,649) | (966) |
| Financing activities | | |
| Proceeds from issue of new units | 128,186 | - |
| Establishment, issue and financing expenses | (5,264) | (2,176) |
| Interest bearing borrowings | 125,000 | - |
| Distribution to unitholders | (24,963) | (18,990) |
| Interest paid | (3,519) | (2,580) |
| Cash flows from financing activities | 219,440 | (23,746) |
| Increase in cash and cash equivalent | 4,853 | 10,452 |
| Cash and cash equivalent at beginning of period | 52,969 | 18,477 |
| Cash and cash equivalent at end of period | 57,822 | 28,929 |

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

As at 30/6/2003 vs 30/6/2002

| | 1H 2003 S\$'000 | 1H 2002 S\$'000 |
|--|-----------------------|--------------------|
| Balance as at beginning of period | 761,220 | 720,000 |
| Operations | | |
| Net investment income after tax | 26,017 | 19,009 |
| Net appreciation on revaluation of investment property | 15,583 | - |
| Net increase in net assets resulting from operations | 41,600 | 19,009 |
| Unitholders' transactions | | |
| Creation of units | | |
| - proceeds from placement | 128,186 ¹ | - |
| - management fee paid in units | 1,406 | - |
| Establishment, issue and financing expenses | (5,960) ² | (3,859) |
| Distribution to unitholders | (24,963) ³ | (19,217) |
| Net increase in net assets resulting from unitholders' transactions | 98,669 | (23,076) |
| | | |
| Balance as at end of period | 901,489 | 715,933 |

Footnote:

1 New units of 119.8 million were issued on 26 June 2003 to part finance the acquisition of IMM Building.

2 This comprises mainly the underwriting and selling commissions and other issue/circular expenses relating to the capital raising exercise for the acquisition of IMM Building.

3 Distribution income for the period of 16 July 2002 to 31 December 2002 paid in February 2003.

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

| | 1H 2003 Units | 1H 2002 Units |
|--|--------------------|--------------------|
| Balance as at beginning of period | 738,560,948 | 720,000,000 |
| Issue of new units : | | |
| - As payment of asset management fees ¹ | 1,357,723 | - |
| - For acquisition of IMM Building ² | 119,800,000 | - |
| Balance as at end of period | 859,718,671 | 720,000,000 |

Footnote:

1 These are the performance component of the asset management fees for Q4 2002 and Q1 2003 which were issued in January 2003 and April 2003 respectively. The payment by units is not applicable for 1H 2002 as it is only effective from listing date on 17 Jul 2002.

2. These are the new units issued to part finance the acquisition of IMM Building on 26 June 2003.

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- 2 Whether the figures have been audited, or reviewed and in accordance with which standard (eg. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by our auditors.

- 3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been complied**

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with the audited financial statements for the period ended 31/12/2002.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Nil

- 6 Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period**

In computing the EPU, the weighted average number of units as at the end of each period is used for the computation.

In computing the DPU, the number of units as at end of each period is used.

| | 25 Jun 2003 | 30 Jun 2003 | 1H 2003 | 1H 2002 |
|---|-------------|-------------|-------------|-------------|
| Weighted average number of units in issue | 739,367,447 | 742,672,892 | 742,672,892 | 720,000,000 |
| Number of units in issue at end of period | 739,918,671 | 859,718,671 | 859,718,671 | 720,000,000 |

The diluted EPU and diluted DPU are the same as the basic EPU and DPU respectively as there are no dilutive instruments in issue during the period.

| | 1/1/03 to 25/6/03 | 26/6/03 to 30/6/03 | 1H 2003 | 1H 2002 ¹ |
|--|-------------------|--------------------|---------|----------------------|
| Earnings per unit ("EPU") ¹ | | | | |
| Based on weighted average number of units in issue | 3.41¢ | 0.10¢ | 3.50¢ | 2.64¢ |
| Based on fully diluted basis | 3.41¢ | 0.10¢ | 3.50¢ | 2.64¢ |
| Distribution per unit ("DPU") ¹ | | | | |
| Based on the number of units in issue at end of period | 3.62¢ | 0.10¢ | 3.22¢ | 2.64¢ |
| Based on fully diluted basis | 3.62¢ | 0.10¢ | 3.22¢ | 2.64¢ |

Footnote:

1 For 1H 2002, the EPU and DPU are based on net investment income after tax.

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7 **Net asset value (“NAV”) backing per unit based on issued units at the end of the period**

| | 30/6/2003 | 31/12/2002 |
|--|-----------|------------|
| NAV per unit | \$1.05 | \$1.03 |
| Adjusted NAV per unit (excluding the distributable income) | \$1.02 | \$1.00 |

8 **Review of the performance**

| | Q2 2003 S\$'000 | Q1 2003 S\$'000 | 1H 2003 S\$'000 | 1H 2002 S\$'000 |
|---|--------------------|--------------------|--------------------|--------------------|
| <u>Income statement</u> | | | | |
| Gross revenue | 22,333 | 23,381 | 45,714 | 43,110 |
| Property operating expenses | (5,741) | (7,332) | (13,073) | (11,981) |
| Net property income | 16,592 | 16,049 | 32,641 | 31,129 |
| Other income | 18 | 25 | 43 | 6 |
| Administrative expenses | (1,558) | (1,560) | (3,118) | (3,166) |
| Interest costs | (1,802) | (1,747) | (3,549) | (3,246) |
| Net investment income before tax | 13,250 | 12,767 | 26,017 | 24,723 |

| | Q2 2003 S\$'000 | Q1 2003 S\$'000 | 1H 2003 S\$'000 | 1H 2002 S\$'000 |
|---|--------------------|--------------------|--------------------|----------------------|
| <u>Distribution statement</u> | | | | |
| Net investment income before tax | 13,250 | 12,767 | 26,017 | 24,723 |
| Net effect of non-tax deductible / (chargeable) items | 823 | 803 | 1,626 | - ¹ |
| Taxation | - | - | - | (5,714) ² |
| Taxable income available for distribution to unitholders | 14,073 | 13,570 | 27,643 | 19,009 |

Footnote:

1 Not meaningful for 1H 2002 as it was under private trust.

2 As 1H 2002 was under the private trust, tax transparency did not apply.

Q2 2003 vs Q1 2003

Gross revenue for Q2 2003 was S\$22.3 million, or \$1.1 m lower than Q1 2003, mainly because we have given rebates of \$0.9 million to our tenants. If we exclude these rebates, the gross revenue would be \$23.2 million which is only marginally lower than Q1 2003. Property operating expenses for Q2 2003 is S\$5.7 million, a decrease of S\$1.6 million from Q1 2003. The lower operating expenses were mainly due to the recognition of the property tax rebates for 1st half 2003 and property tax credits, offset by the higher tenancy works and advertising and promotion expenses incurred in the repositioning of Funan The IT Mall to strengthen its tenancy and retail mix.

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1H 2003 vs 1H 2002

Gross revenue for the period was S\$45.7 million, net of the rebates of S\$0.9 million given to the tenants. This is an increase of S\$2.6 million from 1H 2002. The higher revenue was mainly due to the higher average rental rates achieved by all the properties on new and renewal leases. Car park income and the other income initiatives also contributed to the increase as we brought in more new kiosks, kiddy rides, advertising panels and signages.

Property operating expenses for the period was S\$13.1 million, an increase of S\$1.1 million from 1H 2002. The higher operating expenses were due to the higher tenancy and advertising and promotion expenses incurred in repositioning the malls (S\$1.6m), write-off of the old carpark systems (S\$0.4m) in all the existing 3 malls following the implementation of the Electronic Pricing System (EPS) in all the malls' carparks and higher maintenance and related expenses (S\$0.6m). These higher expenses were offset by higher property tax rebates (S\$1.1m) and property tax credits and lower consultancy fee (S\$0.5m). Property tax rebates for 1H2003 were higher than 1H2002 due to the change in basis from global assessment to individual account assessment.

Interest costs were S\$3.5 million for the period, S\$0.3 million higher than 1H 2002. CMT refinanced its bridging loan at end of February 2002.

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9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

9(i) Income and distribution statement for the period of 1 January 2003 to 25 June 2003

| | Actual S\$'000 | Forecast ¹ S\$'000 | Increase / (Decrease) % |
|---|-------------------|----------------------------------|-------------------------------|
| Gross rental income | 39,622 | 40,644 | (2.5) |
| Car park income | 2,150 | 2,151 | (0.1) |
| Other income | 2,169 | 1,538 | 41.0 |
| Gross revenue | 43,941 | 44,333 | (0.9) |
| Property management fees | (1,720) | (1,726) | (0.4) |
| Property tax | (881) | (2,846) | (69.0) |
| Other property operating expenses | (9,722) | (8,560) | (13.6) |
| Property operating expenses | (12,323) | (13,132) | (6.2) |
| Net property income | 31,618 | 31,201 | 1.3 |
| Interest income | 42 | 120 | (65.0) |
| Asset management fees | (2,552) | (2,441) | 4.6 |
| Trust expenses | (462) | (840) | (45.0) |
| Administrative expenses | (3,014) | (3,281) | (8.1) |
| Net investment income before interest costs and tax | 28,646 | 28,040 | 2.2 |
| Interest costs | (3,405) | (3,598) | (5.4) |
| Net investment income before tax | 25,241 | 24,442 | 3.3 |
| Net effect of non-tax deductible / (chargeable) items | 1,579 | 1,267 | 24.6 |
| Taxable income available for distribution to unitholders | 26,820 | 25,709 | 4.3 |
| Distribution per unit (in cents) | | | |
| For the period | 3.62¢ | 3.47¢ | 4.3 |
| Annualised | 7.51¢ | 7.20¢ | 4.3 |

Footnote:

1 The forecast is derived by taking the forecast shown in the circular to unitholders dated 11 June 2003 for all the properties (excluding IMM Building) for 2003 less the June to December 2003 forecast plus pro-rated 25 days of June to December 2003 forecast.

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9(ii) **Income and distribution statement for the period of 26 June 2003 to 30 June 2003**

| | Actual S\$'000 | Forecast ¹ S\$'000 | Increase / (Decrease) % |
|---|-------------------|----------------------------------|-------------------------------|
| Gross rental income | 1,673 | 1,657 | 1.0 |
| Car park income | 59 | 54 | 9.3 |
| Other income | 41 | 41 | - |
| Gross revenue | 1,773 | 1,752 | 1.2 |
| Property management fees | (60) | (66) | (9.1) |
| Property tax | (70) | (235) | (70.2) |
| Other property operating expenses | (620) | (416) | 49.0 |
| Property operating expenses | (750) | (717) | 4.6 |
| Net property income | 1,023 | 1,035 | (1.2) |
| Interest income | 1 | 3 | (66.7) |
| Asset management fees | (96) | (93) | 3.2 |
| Trust expenses | (8) | (25) | (68.0) |
| Administrative expenses | (104) | (118) | (11.9) |
| Net investment income before interest costs and tax | 920 | 920 | - |
| Interest costs | (144) | (167) | (13.8) |
| Net investment income before tax | 776 | 753 | 3.1 |
| Net effect of non-tax deductible / (chargeable) items | 47 | 37 | 27.0 |
| Taxable income available for distribution to unitholders | 823 | 790 | 4.2 |
| Distribution per unit (in cents) | | | |
| For the period | 0.10 | 0.09 | Nm |
| Annualised | Nm | Nm | Nm |

Footnote:

1 The forecast is based on the forecast shown in the circular to unitholders dated 11 June 2003 for all the properties for June to December 2003 pro-rated for 4 days in June 2003.

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| | Actual 1H 2003 S\$'000 | Forecast ¹ 1H 2003 S\$'000 | Increase / (Decrease) % |
|---|------------------------------|---|-------------------------------|
| 9(iii) <u>Breakdown of gross revenue</u> | | | |
| Tampines Mall | 21,887 | 21,510 | 1.8 |
| Junction 8 | 13,879 | 13,746 | 1.0 |
| Funan The IT Mall | 10,329 | 10,337 | (0.1) |
| IMM Building | 520 | 492 | 5.7 |
| Gross revenue | 46,615 | 46,085 | 1.2 |
| Less : Rebate to tenants | (901) | - | NA |
| Gross revenue | 45,714 | 46,085 | (0.8) |

Footnote:

1 The forecast is based on the forecast shown in the circular to unitholders dated 11 June 2003 and derived as follows:

a) For all the properties (excluding IMM Building) – the forecast is derived by taking the forecast shown in the circular to unitholders dated 11 June 2003 for all the properties (excluding IMM Building) for 2003 less the June to December 2003 forecast plus pro-rated 1 month of June to December 2003 forecast.

b) For IMM Building – the pro-rated June to December 2003 forecast (4 days only as IMM Building was acquired by CMT on 26 June 2003)

| | Actual 1H 2003 S\$'000 | Forecast ¹ 1H 2003 S\$'000 | Increase / (Decrease) % |
|--|------------------------------|---|-------------------------------|
| 9(iv) <u>Breakdown of net property income</u> | | | |
| Tampines Mall | 16,491 | 16,108 | 2.4 |
| Junction 8 | 9,845 | 9,687 | 1.6 |
| Funan The IT Mall | 6,038 | 6,206 | (2.7) |
| IMM Building | 267 | 235 | 13.6 |
| Net property income | 32,641 | 32,236 | 1.3 |

Footnote:

1 The forecast is based on the forecast shown in the circular to unitholders dated 11 June 2003 and derived as follows:

a) For all the properties (excluding IMM Building) – the forecast is derived by taking the forecast shown in the circular to unitholders dated 11 June 2003 for all the properties (excluding IMM Building) for 2003 less the June to December 2003's forecast plus pro-rated 1 month of June to December 2003 forecast.

b) For IMM Building – the pro-rated June to December 2003 forecast (4 days only as IMM Building was acquired by CMT on 26 June 2003)

9(v) **Review of the performance (for the period of 1 January 2003 to 25 June 2003)**

Actual gross revenue for the period was S\$43.9 million, net of the rebates of S\$0.9 million granted to the tenants. This is 1.2% higher than the forecasted revenue which has not factored in the rebates.

On the whole, property operating expenses were lower than forecast by S\$0.8 million. This was mainly due to the actual savings for property tax with the recognition of the 1st half 2003

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rebates granted by the government and property tax credits. However, S\$1.1 million had been channelled to Funan The IT Mall for its repositioning, including tenancy works and additional advertising and promotion expenses. Also, there was an asset write-off of S\$0.4 million for the old car-park systems in all the 3 existing malls following the implementation of the EPS in all the 3 carparks.

Interest costs were lower by S\$0.2 million due to the lower interest rates achieved versus the forecast.

10 **Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

In general, retail sales in Singapore suffered a drop in the month of April and May 2003 during the outbreak of the Severe Acute Respiratory Syndrome (SARs). For the CMT malls, SARs has caused the shopper traffic to dip by an average of 10% during the first two weeks of April 2003. But shopper traffic soon returned to the pre-SARs level following measures taken by government and all business and retail outlets to contain the spread of SARS. The Great Singapore Sale in June 2003 also generates good retail sales for the retailers. It is expected that the retail sales for the next 6 months will remain steady given that Singapore has been declared a SARs-free nation.

Outlook for 2003

Given the actual performance for the first half of 2003, the manager of CMT is optimistic to deliver the 2003 annualized distribution per unit forecast of 8.04 cents (as stated in the circular to unitholders dated 11 June 2003) for the period after the acquisition of IMM Building, barring any unforeseen circumstances.

11 **Distributions**

11(a) Current financial period

Any distributions declared for the current financial period?

Name of distribution : Advanced distribution for 1 January 2003 to 25 June 2003

Distribution type : Income

Distribution rate : 3.62 cents per unit

Par value of units : Not meaningful

Tax rate : Qualifying investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt. All other investors will receive their distributions after deduction of tax at the rate of 22%.

Remarks : In the Circular to unitholders dated 11 June 2003, it was stated that the manager's expectation of the distribution per unit will be between 3.59 cents and 3.69 cents per unit, and no less than 3.59 cents per unit.

11(b) Corresponding period of the preceding financial period

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

Nil

**CAPITAMALL TRUST
2003 FIRST HALF FINANCIAL STATEMENT ANNOUNCEMENT**

11(c) Date payable
28 July 2003

11(d) Book closure date
Registrable Transfers received up to 5.00 p.m. on 24 June 2003 will be registered before entitlements to the distribution are determined.

12 **If no distribution has been declared/recommended, a statement to that effect**
NA

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
CAPITAMALL TRUST MANAGEMENT LIMITED
(as Manager of CapitaMall Trust)

Winnie Tan
Company Secretary
16 July 2003