PARTICULARS TO BE INCLUDED
IN AN INFORMATION STATEMENT

OFFER INFORMATION STATEMENT

A copy of this Offer Information Statement has been lodged with the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Information Statement. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

CAPITAMALL TRUST

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

Date of lodgement: 9 December 2003

In this Information Statement, capitalised terms not otherwise defined herein have the meaning given to them in the Glossary on pages 24 to 27 of this Offer Information Statement.

In the Information Statement, provide the following information:

(a) the address of the registered office of the manager of the Fund (the "Manager");

The registered office of the Manager, CapitaMall Trust Management Limited, is at 39 Robinson Road, #18-01, Robinson Point, Singapore 068911.

(b) the business carried on and to be carried on by the Fund and the general development of the business since inception of the Fund, indicating any material change in the affairs of the Fund since the last annual report;

Business carried on by the Fund and the general development of the business since inception of the Fund

The main business activity of CapitaMall Trust ("**CMT**") is the investment in real estate in Singapore which is income producing and which is used, or substantially used, for retail purposes. It is the intention of the Manager to produce secure and growing income that provides a competitive investment return to investors.

The general development of the business of CMT since its inception is set out below:

Date		Significant developments
29 October 2001	:	CMT established as a property fund in Singapore
28 December 2001	:	CMT acquired Tampines Mall, Junction 8 Shopping Centre ("**Junction 8**") and Funan The IT Mall ("**Funan**")
25 April 2002	:	CMT declared an authorised unit trust scheme under the Trustees Act, Chapter 337 of Singapore
1 July 2002	:	Initial public offering of units in CMT ("**Units**")
17 July 2002	:	CMT commenced trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**")
13 September 2002	:	Central Provident Fund ("**CPF**") members permitted to use their CPF Ordinary Account savings to purchase Units under the CPF Investment Scheme – Ordinary Account

25 October 2002	:	The Manager announced CMT's third quarter 2002 results which showed that CMT's distributable income had exceeded the distribution forecast for the period from 16 July 2002 to 30 September 2002 by 5.0%
15 November 2002	:	Confirmation from Ministry of Finance that CPF members who use CPF funds to purchase Units will be entitled to receive tax-free distributions
26 November 2002	:	Tax transparency extended to Singapore permanent residents who are tax resident in Singapore and other non-corporate Singapore constituted or registered entities
15 January 2003	:	The Manager announced CMT's full year results for 2002 which showed that CMT's distributable income for the period 16 July 2002 to 31 December 2002 had exceeded the distribution forecast for the same period by 8.4%
11 February 2003	:	CMT issued its inaugural annual report
21 February 2003	:	Distribution of 3.38 cents per Unit was paid by CMT to holders of the Units ("**Unitholders**") for the period from 16 July 2002 to 31 December 2002
17 April 2003	:	The Manager announced CMT's first quarter 2003 results which showed that CMT's distributable income had exceeded the distribution forecast for the first 3 months of 2003 by 5.0%
13 May 2003	:	CMT issued a circular to Unitholders in connection with an Extraordinary General Meeting of Unitholders convened to seek Unitholders' approval for, *inter alia*, the proposed acquisition of IMM Building and issuing 119,800,000 new Units to partly fund the acquisition of IMM Building
30 May 2003	:	The Manager announced that all the resolutions with respect to the proposed acquisition of IMM Building and the related fund raising exercise were approved at the Extraordinary General Meeting of Unitholders held on 30 May 2003
26 June 2003	:	CMT issued 119,800,000 new Units to partly fund the acquisition of IMM Building and completes the acquisition of IMM Building
16 July 2003	:	The Manager announced CMT's results for the period from 1 January 2003 to 25 June 2003 which showed that CMT's distributable income had exceeded the distribution forecast for the same period by 4.3%
28 July 2003	:	Distribution of 3.62 cents per Unit was paid by CMT to Unitholders for the period from 1 January 2003 to 25 June

		2003
10 September 2003	:	CMT announced that it is considering subscribing for up to S$60 million in principal amount of junior bonds intended to be issued by CapitaRetail Singapore Limited ("**CapitaRetail Singapore**")
21 October 2003	:	The Manager announced CMT's results for the period from 26 June 2003 to 30 September 2003 which showed that CMT's distributable income had exceeded the distribution forecast for the same period by 4.7%

CMT's portfolio of assets currently consists of four properties, namely, Tampines Mall, Junction 8, Funan and IMM Building (together, the "**CMT Properties**").

Material changes in the affairs of the Fund since the last annual report

Save as disclosed herein, there have been no material changes in the affairs of CMT since its last annual report for the financial period ended 31 December 2002.

(c) the number of units being offered by the Fund;

The Manager is proposing to issue 45,000,000 new Units (the "**New Units**").

The New Units will, upon issue, rank *pari passu* in all respects with the then existing Units, **except that they shall not rank for any distribution declared or paid by CMT in respect of the current distribution period from 26 June 2003 to 31 December 2003**. In relation to the next distribution period commencing 1 January 2004 and all distribution periods thereafter, the New Units will be equally entitled, as with all other Units then existing, to any distributions which may be declared and paid by CMT.

For avoidance of doubt, the New Units will not be entitled to participate in the distributions to be paid in respect of the distribution period from 26 June 2003 to 31 December 2003. As such, it will be necessary for the New Units to trade under a separate stock counter for the period commencing from the date the New Units are listed on the SGX-ST up to the last day of "cum-distribution" trading for the existing Units (with respect to distributions for the distribution period from 26 June 2003 to 31 December 2003), which is expected to be in late January/early February 2004. It is envisaged that the existing Units and the New Units will be aggregated and traded under the existing CMT stock counter on the market day immediately following the last day of "cum-distribution" trading for the existing Units, *i.e.* the first day of "ex-distribution" trading for the existing Units.

(d) **the offer price, any discount or commission given to the underwriter (if any), and the estimated net proceeds on an aggregate basis to be derived by the Fund from the sale of the units being offered; if it is not possible to state the offer price or the discount or commission, the method by which it is to be determined must be explained;**

Offer price	:	S$1.33 for each New Unit (the "**Issue Price**")
Underwriting and selling commission	:	S$1.2 million
Estimated net proceeds (being the estimated gross proceeds less the estimated underwriting and selling commission as well as the professional and other fees and expenses to be incurred by CMT in connection with the Placement)	:	Approximately S$58.6 million

(e) **the range of the closing market price during the 90 days preceding the latest practicable date prior to the lodgement of the Offer Information Statement ("Latest Practicable Date");**

Range of closing market price during the 90-day period preceding the Latest Practicable Date (5 September 2003 to 4 December 2003)	:	Between S$1.19 per Unit and S$1.38 per Unit

(f) **the principal purposes for which the estimated net proceeds to be derived by the Fund from the sale of the units being offered are intended to be used and the approximate amount intended to be used for each such purpose; if any material amounts of other funds are to be used in conjunction with the proceeds for such purposes, the amounts and sources of such other funds;**

The entire net proceeds to be derived from the Placement (which is estimated to be approximately S$58.6 million) are intended to be used to finance CMT's proposed subscription of S$58.0 million in principal amount of the Class E Bonds (together with the Preference Shares attached thereto) to be issued by CapitaRetail Singapore (the "**Investment**").

CMT will not be making use of any other sources of funds for the aforesaid subscription of the Class E Bonds and Preference Shares.

(g) the place where the Fund was constituted and the date of constitution;

CMT was constituted in Singapore on 29 October 2001 pursuant to the Trust Deed.

(h) the names and addresses of the directors of the Manager as at the Latest Practicable Date;

The names and addresses of the directors of the Manager are set out in **Appendix 1** of this Information Statement.

(i) the unitholders' fund and borrowings of the Fund, as of the Latest Practicable Date showing:

(i) in the case of the unitholders' fund, the number of units issued and outstanding; or

(ii) in the case of borrowings, the total amount of the borrowings outstanding, together with the rate of interest (whether fixed or floating) payable thereon;

(i) Unitholders' Fund

As at the Latest Practicable Date, there were 861,063,427 Units issued and outstanding.

(ii) Borrowings

A S$349.0 million loan facility was granted to CMT by Silver Maple Investment Corporation Ltd ("**Silver Maple**"), a special purpose company, of which S$325.0 million has been drawn down in three tranches. The three tranches comprise a term loan of S$172.0 million, another term loan of S$125.0 million and a revolving credit loan of S$28.0 million.

The S$172.0 million term loan carries a fixed interest rate of 3.91% for a period of five years till February 2007 and the S$125.0 million term loan carries a fixed interest rate of 2.764% for a period of seven years till June 2010. The interest rate for the revolving credit facility is pegged to the relevant swap offer rate plus a margin of 0.43%.

To fund its loans to CMT, Silver Maple issued S$172.0 million fixed rate notes due 2007, S$125.0 million fixed rate notes due 2010 and S$28.0 million floating rate notes, all of which are rated AAA by Fitch, Inc. and Standard & Poor's and Aaa by Moody's, under a S$1.0 billion medium term notes programme.

(j) the manner in which the units being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, including the name and address of each underwriter;

DBS Bank Ltd ("**DBS Bank**") of 6 Shenton Way, DBS Building Tower One, Singapore 068809 has been appointed as the lead manager and underwriter for the Placement.

In accordance with the terms and conditions of the placement agreement dated 9 December 2003 between the Manager and DBS Bank, the Manager will issue 45,000,000 New Units for placement by DBS Bank. The Placement will consist of:

(i) an offering of 23,000,000 New Units to the public in Singapore only through the automated teller machines ("**ATMs**") of DBS Bank (including POSB ATMs) (the "**ATM Offering**") on a "first-come, first-served" basis; and

(ii) a private placement of 22,000,000 New Units to institutional and certain other investors (the "**Private Placement**").

The Placement will be underwritten by DBS Bank at the Issue Price.

The directors of the Manager and their immediate family may apply for the New Units under the ATM Offering as the SGX-ST has granted a waiver of the prohibition in Rule 812(1) of the Listing Manual against placement of Units to such persons.

Under the ATM Offering, each applicant is allowed to apply for a minimum of 1,000 New Units and a maximum of 500,000 New Units. Each applicant may make only one application under the ATM Offering and one or more applications under the Private Placement.

The ATM Offering will be open to the public from 12.00 noon on 10 December 2003 and will close at 11.00 p.m. on 11 December 2003, subject to an early closure at the discretion of DBS Bank (after consultation with the Manager) in the event that the New Units offered under the ATM Offering are fully taken up. In the event that the New Units offered under the ATM Offering are not fully taken up, the number of New Units that are not taken up will be made available to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.

The New Units are expected to commence trading on the Main Board of the SGX-ST at 9.00

a.m. on Wednesday, 17 December 2003.

(k) the income, prospects and distributions of the Fund, together with:

(i) the following information in respect of the Fund for the financial period commencing from 16 July 2002 (the date on which units in the Fund were issued in connection with the initial public offering of units in the Fund) to 25 June 2003 (being the date on which the last audited balance sheet of CMT was made up) in the following format:

Period	Net investment income before tax (S$'000)	Taxable income available for distribution to Unitholders[(1)] (S$'000)	Extraordinary items (S$'000)	Distribution per Unit (cents)
16 July 2002 to 31 December 2002	24,432	24,970	0	3.38
1 January 2003 to 25 June 2003	25,241	26,820	0	3.62

Note:

(1) The taxable income available for distribution to Unitholders is derived by adjusting for the net effect of non-tax deductible/(chargeable) items from the net investment income before tax of CMT.

(ii) a statement as to the financial and business prospects of the Fund, together with any material information which will be relevant thereto, including all special business factors or risks (if any) which are unlikely to be known or anticipated by the general public and which could materially affect profits; and

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Business and Economic Conditions

Business conditions in Singapore have been sluggish for much of 2003. In such circumstances, it is expected that shopping centres and retailers that are focused on the basic and essential consumer segments, or those that are innovatively differentiated from competitors, will fare better.

The Manager is optimistic about the medium term outlook for the retail industry once the economy embarks on a clear recovery trend. This view is shared by many industry players, as evidenced by the large number of current and planned refurbishment activities undertaken by property owners across the island. There are also many astute foreign and local retailers who are actively repositioning themselves or carrying out expansion plans during the current market lull, so as to maximise opportunities when the upturn arrives.

However, potential investors should note that the Manager's views about the retail industry in Singapore is not necessarily indicative of the future or likely performance of CMT.

More specifically, the Manager believes that the outlook for CMT remains positive. Since CMT was listed on the SGX-ST in July 2002, the Manager has implemented the following asset management strategies for the properties owned by CMT:

- pro-active asset management;
- active leasing strategies;
- continuous improvement of tenant mix;
- asset enhancement works;
- continuous minimisation of operating costs; and
- innovations in marketing and promotion.

These strategies helped CMT to achieve a distribution of 3.38 cents per Unit for the period from 16 July 2002 to 31 December 2002, which exceeded the original forecast distribution of 3.12 cents per Unit for the same period (as stated in the offering circular dated 28 June 2002 issued by CMT in connection with the initial public offering of Units in July 2002 (the "**IPO Offering Circular**")). These strategies have served CMT equally thus far in 2003. From 1 January 2003 to 25 June 2003, CMT achieved a distribution of 3.62 cents per Unit, which exceeded the projected distribution of 3.47 cents per Unit for the same period (as stated in the IPO Offering Circular). For the period of 26 June 2003 to 30 September 2003, CMT again achieved a higher distribution of 2.24 cents per Unit as compared to the forecast distribution of 2.14 cents per Unit for the same period (as stated in the circular dated 11 June 2003 issued by CMT in connection with the acquisition of IMM Building (the "**IMM Circular**")).

Barring any unforeseen circumstances, the Manager remains optimistic about the business and financial prospects of CMT for the year 2003.

Land Premium for IMM Building

Under the land lease for IMM Building, CMT is required to pay Jurong Town Corporation ("**JTC**") an annual land rent based on the applicable market rent in the relevant year for each year of the current lease term, which is due to expire on 22 January 2019. The lease provides that any increase in the annual land rent from year to year shall not exceed 5.5% of the annual land rent for the immediately preceding year. For 2004, CMT will be required to pay JTC an annual land rent of S$5.1 million. The land lease for IMM Building is renewable for a further term of 30 years at an annual land rent based on the market rate as at the commencement of the said further term, subject to annual revision.

To overcome the uncertainty of the variable annual land rent for IMM Building, the Manager has, on 26 November 2003, secured an offer from JTC which allows CMT to pay an upfront land premium for IMM Building of S$45.0 million for a period of 30 years commencing from 1 April 2004 or such earlier date on which payment of the upfront land premium is made, in lieu of the annual land rent currently payable by CMT.

Under the terms of JTC's offer, CMT has four months from 26 November 2003 to pay the upfront land premium. It is the Manager's current intention that CMT pays the upfront land premium in the first quarter of 2004 and that such payment be funded with additional borrowings to be incurred by CMT.

Financial Effects of the Investment and the Upfront Payment of the Land Premium

In the IMM Circular, the Manager projected that CMT would have a distribution per Unit ("**DPU**") of 8.14 cents for the year ending 31 December 2004 (the "**Original DPU Projection**").

The following three tables, which are based on CMT's projected income and distribution statement in the IMM Circular, show the combined, the sequential and cumulative as well as the individual effects of the Investment and the proposed upfront payment of the land premium for IMM Building on the Original DPU Projection. The projection information in those tables should be read together with the assumptions and sensitivity analysis set out below as well as in **Appendix 2** of this Offer Information Statement.

Combined effect of the Investment and the proposed upfront payment of the land premium

	Investment and upfront payment of the land premium
Original DPU Projection (cents)	8.14
Incremental DPU projection (cents)(1)	0.45 (+5.5%)
Revised DPU projection (cents)	8.59

Note:

(1) Calculated based on the number of Units anticipated to be in issue as at 31 December 2004 (comprising the 861,063,427 Units in issue as at the Latest Practicable Date and approximately 2.8 million new Units expected to be issued to the Manager in payment of the Performance Component of its Asset Management Fee for the period between the Latest Practicable Date and 31 December 2004) plus the 45,000,000 New Units to be issued under the Placement.

Sequential and cumulative effect of the Investment and the proposed upfront payment of the land premium

This table illustrates the effect of the Investment on the Original DPU Projection of 8.14 cents for the year ending 31 December 2004 (as stated in the IMM Circular) followed, on a cumulative basis, by the effect of the proposed upfront payment of the land premium for IMM Building.

Original DPU Projection (cents)	8.14
Investment (financed from Proceeds of the Placement)	
Incremental DPU projection (cents)[(1)]	0.12 (+1.5%)
Revised DPU projection (cents)	8.26
Upfront payment of the land premium (fully debt funded)	
Incremental DPU projection (cents)[(1)]	0.33 (+4.0%)
Revised DPU projection (cents)	8.59

Note:

(1) Calculated based on the number of Units anticipated to be in issue as at 31 December 2004 (comprising the 861,063,427 Units in issue as at the Latest Practicable Date and approximately 2.8 million new Units expected to be issued to the Manager in payment of the Performance Component of its Asset Management Fee for the period between the Latest Practicable Date and 31 December 2004) plus the 45,000,000 New Units to be issued under the Placement.

Individual effect of the Investment and the proposed upfront payment of the land premium

The table illustrates the effects of the Investment and the proposed upfront payment of the land premium for IMM Building, **each on a stand-alone basis**, on the Original DPU Projection of 8.14 cents for the year ending 31 December 2004 (as stated in the IMM Circular).

	Investment	**Upfront payment of the land premium**
Financing mode	Proceeds of the Placement	Fully debt-funded
Original DPU Projection	8.14	8.14
Incremental DPU projection (cents)	0.12[(1)] (+1.5%)	0.35[(2)] (+4.3%)
Revised DPU projection (cents)	8.26	8.49

Notes:

(1) Calculated based on the number of Units anticipated to be in issue as at 31 December 2004 (comprising the 861,063,427 Units in issue as at the Latest Practicable Date and approximately 2.8 million new Units expected to be issued to the Manager in payment of the Performance Component of its Asset Management Fee for the period between the Latest Practicable Date and 31 December 2004) plus the 45,000,000 New Units to be issued under the Placement.

(2) Calculated based on the number of Units anticipated to be in issue as at 31 December 2004 (comprising the 861,063,427 Units in issue as at the Latest Practicable Date and approximately 2.8 million new Units expected to be issued to the Manager in payment of the Performance Component of its Asset Management Fee for the period between the Latest Practicable Date and 31 December 2004).

Based on the Issue Price of S$1.33 for each New Unit, the revised DPU projection for the year ending 31 December 2004 of 8.59 cents will result in a distribution yield of 6.4%. Such yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Issue Price.

Assumptions

The incremental DPU projections in the tables above are based on the following assumptions (as applicable):

(1) that CMT receives interest of 8.2% per annum on the Class E Bonds, based on certain representations made to CapitaRetail Singapore by the asset manager for the securitisation arrangement under which the Bonds are issued, in respect of the likely minimum interest payable on the Class E Bonds; and

(2) that CMT incurs additional borrowings of S$45.0 million to fund the upfront payment of the land premium for IMM Building and that an interest rate of 4.5% is payable on such additional borrowings.[1]

The assumptions underlying the revised DPU projections in the tables above include both the aforementioned assumptions as well as the assumptions set out in the earlier IMM Circular, which have been reproduced in **Appendix 2** of this Offer Information Statement and updated (where applicable) to apply as at or, as the case may be, commencing from 30 September 2003 (being the last day of CMT's most recently completed financial quarter-year) instead of 31 January 2003 (the date originally used in the IMM Circular) as well as to reflect significant changes that have taken place since the date of the IMM Circular. The Manager is of the view that such updates have no material effect on the Original DPU Projection of 8.14 cents for the year ending 31 December 2004 (as set out in the IMM Circular).

[1] Such additional borrowings will raise CMT's gearing to 26.8%, based on the value of CMT's Deposited Property as at 25 June 2003 plus the value of IMM Building (which is recorded in CMT's accounts at its market valuation of S$280.0 million as at 1 February 2003), the aggregate principal amount of Class E Bonds proposed to be subscribed by CMT and the amount of the upfront land premium proposed to be paid for IMM Building.

The Manager confirms that the incremental and revised DPU projections above have been prepared on the basis of appropriate and reasonable assumptions at the time of issue of this Offer Information Statement.

The incremental and revised DPU projections have been reviewed by KPMG and KPMG Corporate Finance Pte Ltd and should be read together with their reports in **Appendices 3** and **4** of this Offer Information Statement.

Sensitivity Analysis

Investors should be aware that future events cannot be predicted with any certainty and deviations from the projected DPU figures are to be expected. To assist investors in assessing the impact of the assumptions stated above, the following tables have been prepared to illustrate the sensitivity of the projected DPU to changes in those assumptions. The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any of the variables shown below.

Yield on the Class E Bonds

	Full year 2004 (cents)
Revised DPU projection	
100 basis points below estimate (7.2%)	8.53
Base case (8.2%)	8.59
100 basis points above estimate (9.2%)	8.66

Interest rate on the additional borrowings incurred to pay the upfront land premium

	Full year 2004 (cents)
Revised DPU projection	
50 basis points below estimate (4.00%)	8.62
Base case (4.50%)	8.59
50 basis points above estimate (5.00%)	8.57

Other Material Information – special business factors or risks (if any) which are unlikely to be known or anticipated by the general public and which could materially affect profits

CapitaRetail Singapore's ability to meet payment obligations to the bondholders

The Bonds, when issued, will constitute Bonds with recourse only against the issuer thereof, CapitaRetail Singapore, pursuant to the terms of the security documents and the trust deed relating to the Bonds. Under the trust deed relating to the Bonds, the Bonds are backed by the rental income from Bukit Panjang Plaza, Lot One Shoppers' Mall and Rivervale Mall (collectively, the "**CapitaRetail Properties**") and the primary source of interest payments for the Bonds is expected to be revenue from the leases of the CapitaRetail Properties. There can be no assurance that such rental income from the CapitaRetail Properties will be sufficient to meet the payment obligation on the interest in respect of the Bonds. The Bonds will not be obligations or responsibilities of, or guaranteed by, any person other than CapitaRetail Singapore.

Absence of secondary market; limited liquidity

In the context of Singapore capital markets, there is no assurance that there will be a secondary market for the Bonds, or that there will be liquidity for holders of the Bonds during the life of the Bonds. Such illiquidity may affect CMT's ability to dispose of the Class E Bonds in response to changes in economic, market or other condition. This could have an adverse effect on CMT's financial condition and results of operations, with a consequential effect on CMT's ability to make expected distributions to Unitholders.

Subordination of the Class E Bonds

Generally, payments of interest on all the other senior classes of the Bonds will take place in priority to payments of interest on the Class E Bonds. Similarly, redemption of the other senior classes of the Bonds following the sale of all the underlying assets of CapitaRetail Singapore will generally take place in priority to redemption of the Class E Bonds. As a result of such priorities, the risk of any shortfall in the amounts available to CapitaRetail Singapore from the rental income of the CapitaRetail Properties or from the realisation of CapitaRetail Singapore's investment in the CapitaRetail Properties for payment of interest and principal on the Bonds will ultimately be borne by CMT and other holders of the Class E Bonds. There is therefore no assurance that CMT will receive the stated rate of interest on the Class E Bonds or any interest at all.

Moreover, any failure to pay the full coupon interest rate in respect of the Class E Bonds on any particular interest payment date for the Bonds will not trigger an event of default under the Bonds. In such circumstances, the rights of the holders of the Class E Bonds to the unpaid interest in respect of that interest payment date will be extinguished.

There may be potential conflicts of interest between CMT, the Manager and CapitaLand

The Manager is an indirect wholly owned subsidiary of CapitaLand Limited ("**CapitaLand**"). CapitaLand, its subsidiaries and affiliates are engaged in the investment in, and the development of, properties in Singapore, including retail properties. The majority of the members of the board of directors of the Manager are representatives of CapitaLand. The asset manager as well as the property manager appointed or to be appointed in respect of the securitisation arrangement under which the Bonds are issued are indirect wholly owned subsidiaries of CapitaLand. In addition, the Manager has appointed an indirect wholly owned subsidiary of CapitaLand, CapitaLand Retail Management Pte Ltd (the "**Property Manager**"), as the property manager of Tampines Mall, Junction 8, Funan and IMM Building and all future properties acquired by CMT for which the Trustee has the right to appoint the property manager until 28 December 2011. As a result, the strategy and activities of CMT may be influenced by the overall interests of CapitaLand. There can be no assurance that conflicts of interests will not arise between CMT and CapitaLand in the future, including in relation to the acquisition of properties and competition for tenants within the Singapore property market.

The amount CMT may borrow is limited, which may affect the operations of CMT

Under the Code on Collective Investment Schemes issued by the Authority, CMT is only permitted to borrow up to 35.0% of its Deposited Property. The Code on Collective Investment Schemes also provide that if (i) all the borrowings of the fund are rated at least A (including any sub-categories or gradations therein) by Fitch Inc., Moody's or Standard & Poor's or (ii) the credit rating of the fund is at least A (including any sub-categories or gradations therein) as rated by Fitch Inc., Moody's or Standard and Poor's, the property fund may borrow more than 35.0% of the fund's deposited property.

As at the Latest Practicable Date, the level of CMT's borrowings was approximately S$325.0 million, which represents a gearing of 25.4% (based on the value of its Deposited Property as at 25 June 2003 plus the value of IMM Building (which is recorded in CMT's accounts at its market valuation of S$280.0 million as at 1 February 2003)). To finance the upfront payment of the land premium for IMM Building, the Manager may increase CMT's gearing to approximately 26.8%. CMT's ability to incur further borrowings thereafter may be limited.

Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements of CMT's portfolio;
- a decline in the value of Deposited Property may cause the borrowing limit to be exceeded, thus affecting CMT's ability to make further borrowings; and
- cashflow shortages which CMT may otherwise be able to resolve by borrowing funds.

CMT depends on certain key personnel, and the loss of any key personnel may adversely affect its operations

CMT's success depends, in part, upon the continued service and performance of members of the Manager's senior management team and certain key senior investment staff. However, these key personnel may leave the Manager or compete with it and CMT. The loss of any of these individuals, or of one or more of the Manager's other key employees, could have a material adverse effect on CMT's business, results of operations and financial condition.

CMT's business focus on Singapore retail properties

The CMT Properties are located in Singapore. As at 31 October 2003, approximately 94.0% of CMT's gross rental income was derived from retail use. This may render CMT vulnerable to economic and real estate conditions in Singapore, such as the oversupply of, or reduced demand from, tenants and other competing commercial properties.

CMT may face increased competition from other retail properties

The CMT Properties compete with properties of a similar type and, in some cases, a similar quality. Increased competition could adversely affect income from, and the market value of, the CMT Properties. Historical operating results of the CMT Properties may not be indicative of future operating results and historical market values of the CMT Properties may not be indicative of future market values of those properties.

The income from, and market value of, the CMT Properties will be largely dependent on the ability of those properties to compete against other retail properties in the area in attracting and retaining tenants. Important factors that affect the ability of retail office properties to attract or retain tenants include the quality of the building's existing tenants, the quality of the building's property manager and the attractiveness of the building and the surrounding area to prospective tenants and their customers or clients. Attracting and retaining tenants often involves re-fitting, repairing or making improvements to mechanical and electrical systems and outward appearance.

There are many shopping facilities that compete with the CMT Properties in attracting retailers to lease space. In addition, retailers at the CMT Properties face increasing competition from discount shopping centres, outlet malls, direct mail and telemarketing. Increased competition could adversely affect CMT's Gross Revenue.

The age, construction quality and design of a particular property may affect the occupancy level as well as the rent that may be charged. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements needed to maintain the property. Even well built or well designed properties will deteriorate or become obsolete over time if the property managers do not schedule and perform adequate maintenance and building upgrades in a timely fashion.

If competing properties of a similar type are built in the areas where the CMT Properties are located or similar properties in the vicinity of the CMT Properties are substantially updated and refurbished, the value and net property income of the CMT Properties could be reduced.

Most of the leases in the CMT Properties are for periods of three years, which exposes the properties to high rates of lease expiries every three years

Many of the lease agreements for the CMT Properties are for tenancy periods of three years, which reflects the general practice in the Singapore property market for rental tenancies to take the form of a rolling three-year agreement. The high concentration of lease expiries after every three-year cycle exposes CMT to risks that vacancies following renewal of leases may lead to reduced occupancy levels, which will in turn reduce CMT's Gross Revenue. If a large number of tenants do not renew their leases in a year with a high rate of lease expiries, it would have a material adverse effect on the relevant property, and could affect CMT's Gross Revenue.

CMT is exposed to general risks relating to ownership and operation of commercial real estate

Investments in CMT will be subject to the risks relating to ownership and operation of commercial real estate. Factors such as the national and international economic climate, trends in the retail industry, the quality and strategy of management, competition for tenants, changes in market rental rates, the inability to collect rent due to bankruptcy or otherwise, the need to periodically renovate, repair and re-let space and the costs thereof, the ability of the Manager to provide adequate maintenance and insurance, increased operating costs and changes in laws and governmental regulations in relation to real estate could impact upon the performance of the CMT Properties.

The performance of the CMT Properties may also be adversely affected by the following factors:

- vacancies following expiry or termination of leases that lead to reduced occupancy levels – this reduces rental income and the ability to recover certain operating costs such as service charges;
- tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rent payment, or which could hinder or delay the sale of a property, or inability to collect rentals at all or the termination of the tenant's lease;
- tenants failing to comply with the terms of their leases or commitments to lease;
- the amount of rent and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- declining sales turnover of tenants;
- the oversupply of, or reduced demand for, space;
- downturns in the sales of products or services which particular tenants offer; and
- changes in laws and governmental regulations relating to real estate including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in the management expenses or unforeseen capital expenditure to ensure compliance. Rights relating to the relevant properties may also be restricted by legislative actions, such as revisions to building standards laws or the city planning laws, or the enactment of new laws relating to condemnation and redevelopment.

CMT may be adversely affected by the illiquidity of real estate investments

Real estate investments, particularly investments in high value properties such as shopping centres, are relatively illiquid. Such illiquidity may affect CMT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions This could have an adverse effect on CMT's ability to make expected distributions to its Unitholders.

(iii) a statement by the Manager whether, in its reasonable opinion, the working capital available to the Fund as at the Latest Practicable Date is sufficient for present requirements and, if insufficient, how the additional working capital thought by the Manager to be necessary, is proposed to be provided;

The Manager confirms that in its reasonable opinion, after taking into account the loan facilities available to CMT and the estimated net proceeds from the Placement, the working capital available to CMT as at the Latest Practicable Date is sufficient for the present requirements of CMT.

(l) the number of units of the Fund owned by each person who has an interest of not less than 5.0% of all the units in the Fund ("Substantial Unitholder") (as recorded in the Register of Substantial Unitholders of the Fund) at the Latest Practicable Date;

The number of Units owned by each person who has an interest of not less than 5.0% of all the Units (as recorded in the Register of Substantial Unitholders of CMT) at the Latest Practicable Date is set out in **Appendix 5** of this Information Statement.

(m) information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the last 12 months before the Latest Practicable Date, a material effect on the Fund's financial position or profitability;

To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the Latest Practicable Date, a material effect on the financial position or profitability of CMT.

(n) the prices at which units of the Fund have been issued for cash, or traded, within the period commencing on the date after the listing date of the Fund to the Latest Practicable Date; for units which have been traded, give the price range and volume traded for each of those months; for units which have been issued during those months, state the number of units issued at each price; if any units have been issued for services, state the nature and value of the services and give the name and address of the person who received the units;

(i) 119,800,000 Units were issued at an issue price of S$1.07 per Unit on 26 June 2003 to partly finance the acquisition of IMM Building.

Other than as aforesaid, no Units have been issued by CMT for cash within the period commencing on 18 July 2002, being the date immediately after CMT was listed on the SGX-ST, to the Latest Practicable Date.

(ii) The number of Units issued, and the prices at which such Units were issued, other than for cash within the period commencing on 18 July 2002, being the date immediately after CMT was listed on the SGX-ST, to the Latest Practicable Date, are as follows:

(a) 560,948 Units were issued at an issue price of S$0.96 per Unit in October 2002;
(b) 663,614 Units were issued at an issue price of S$0.96 per Unit in January 2003;
(c) 694,109 Units were issued at an issue price of S$0.96 per Unit in April 2003;
(d) 647,588 Units were issued at an issue price of S$0.96 per Unit in July 2003; and
(e) 697,168 Units were issued at an issue price of S$0.96 per Unit in October 2003.

These 3,263,427 Units were issued as payment of the Performance Component of the Asset Management Fee payable to the Manager for the provision of asset management services to CMT as described in paragraph (n)(iii) below.

(iii) A total of 3,263,427 Units were issued at an issue price of S$0.96 per Unit to CapitaMall Trust Management Limited of 39 Robinson Road, #18-01 Robinson Point, Singapore 068911 (in its capacity as the manager of CMT) in payment of the Performance Component of the Asset Management Fee, which is payable to the Manager under the Trust Deed for the provision of asset management services to CMT for the period from 16 July 2002 to 30 September 2003. The value of the services represented by these 3,263,427 Units is S$3,678,493 (based on the closing market price of the Units on the SGX-ST on each occasion where Units were issued in payment of the Performance Component of the Manager's Asset Management Fee).

(iv) The price range for the Units and the volume of Units traded on the SGX-ST (on a monthly basis) within the period commencing on 18 July 2002, being the date immediately after CMT was listed on the SGX-ST, to the Latest Practicable Date are set out in **Appendix 6** of this Information Statement.

(o) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the trustee of the Fund (in its capacity as trustee of the Fund) is a party, for the period commencing after the Fund was listed on Singapore Exchange Securities Trading Limited until the Latest Practicable Date, including the date of, parties to and general nature of the contract, and the amount of any consideration passing to or from the Fund;

Save for the loan and security documents entered into by the Trustee (in its capacity as trustee of CMT) in connection with the borrowings described in paragraph (i)(ii) above, there were no material contracts entered into by the Trustee (in its capacity as trustee of CMT) other than contracts entered into in CMT's ordinary course of business for the period commencing on 18 July 2002, being the date immediately after CMT was listed on the SGX-ST, and ending on the Latest Practicable Date.

It is, however, contemplated that the Trustee (in its capacity as trustee of CMT) will be entering into:

(i) three separate agreements with CapitaRetail Singapore under which the Trustee will be granted a right of first refusal to acquire all the units held by CapitaRetail Singapore Limited in three property trusts, namely CapitaRetail BPP Trust, CapitaRetail Lot One Trust and CapitaRetail Rivervale Trust, which respectively own Bukit Panjang Plaza, Lot One Shoppers' Mall and Rivervale Mall;

(ii) three separate agreements with Bermuda Trust (Singapore) Limited (as trustee of, respectively, CapitaRetail BPP Trust, CapitaRetail Lot One Trust and CapitaRetail Rivervale Trust) under which the Trustee will be granted a right of first refusal to acquire, respectively, Bukit Panjang Plaza, Lot One Shoppers' Mall and Rivervale Mall;

(iii) a subscription agreement with, *inter alia*, CapitaRetail Singapore under which the Trustee will agree to subscribe for S$58.0 million in principal amount of the Class E Bonds (together with the Preference Shares attached thereto) as well as an agreement with, *inter alia*, CapitaRetail Singapore and other prospective investors in the Class E Bonds relating to, *inter alia*, the management of the asset manager in respect of the securitisation arrangement under which the Class E Bonds will be issued; and

(iv) an agreement with JTC under which the current land lease for IMM Building will be varied to take into account the payment of an upfront land premium of S$45.0 million for a period of 30 years commencing from 1 April 2004 or such earlier date on which payment of the upfront land premium is made, in lieu of the annual land rent for IMM Building currently payable by CMT.

(p) the last available audited consolidated balance-sheet of the Fund;

The last audited balance sheet of CMT is set out in **Appendix 7** of this Information Statement.

(q) a table or statement indicating:

(i) the consolidated net tangible asset per unit of the Fund as of the date on which the last audited balance sheet was made up; and

The net tangible asset ("**NTA**") per Unit at 25 June 2003, being the date on which the last audited balance sheet of CMT was made up, was S$1.03. After the distributable income for the period 1 January 2003 to 25 June 2003 had been distributed to Unitholders on 28 July 2003, the NTA per Unit immediately following the distribution was S$1.00.

(ii) the effect of the issue on the net tangible asset per unit.

The pro forma financial effects of the Proposed Issue and the Investment on the NTA per Unit as at 25 June 2003 (on the basis that the purpose of the Proposed Issue is to finance the Investment), as if CMT had subscribed for the Class E Bonds and the attached Preference Shares on 1 January 2003, and held the Class E Bonds and Preference Shares through to 25 June 2003, are as follows:

	Completion of the Proposed Issue and the Investment	
	Before(1)	**After**(2)
NTA (S$'000)	736,119	794,672
Issued Units ('000)	739,919	784,919
NTA per Unit (S$)	1.00	1.01

Notes:

(1) After distribution of 100.0% of the distributable income for the period from 1 January 2003 to 25 June 2003.

(2) After distribution of 100.0% of the distributable income for the period from 1 January 2003 to 25 June 2003 and distribution of 100.0% of the pro forma distributable income from the Investment for the same period.

(r) particulars of all other material information relating to the units being offered and not disclosed pursuant to sub-paragraphs (a) to (q).

Save as disclosed in this Information Statement, including the Appendices to this Information Statement, the Manager is not aware of any other material facts relating to the Placement.

Dated 9 December 2003

- Sgd -	- Sgd -
Kee Teck Koon	Pua Seck Guan
Director	Director

GLOSSARY

In this Information Statement, the following definitions apply throughout unless otherwise stated:

"Asset Management Fee"	:	The Manager's asset management fee, comprising the base component and the performance component (as provided for in the Trust Deed)
"ATM"	:	Automated teller machine
"ATM Offering"	:	The proposed offering of 23,000,000 New Units by DBS Bank to the public in Singapore only through its ATMs (including POSB ATMs) on a "first-come first-served" basis
"Authority"	:	The Monetary Authority of Singapore
"Bonds"	:	The bonds, including the Class E Bonds, to be issued by CapitaRetail Singapore pursuant to an asset securitisation arrangement
"CapitaLand"	:	CapitaLand Limited
"CapitaRetail Properties"	:	Bukit Panjang Plaza, Lot One Shoppers' Mall and Rivervale Mall
"CapitaRetail Singapore"	:	CapitaRetail Singapore Limited
"Class E Bonds"	:	Secured fixed rate Class E Bonds to be issued by CapitaRetail Singapore
"CMT" or the "Fund"	:	CapitaMall Trust
"CMT Properties"	:	Tampines Mall, Junction 8, Funan and IMM Building
"CPF"	:	Central Provident Fund
"DBS Bank"	:	DBS Bank Ltd
"Deposited Property"	:	The value of all the gross assets of CMT, including all its authorised investments held or deemed to be held upon the trusts under the Trust Deed
"DPU"	:	Distribution per Unit

"Funan"	:	Funan The IT Mall
"Gross Rental Income"	:	The total amount payable by all tenants/licensees pursuant to a tenancy or licence, comprising base rents, service charges, turnover rents and, in the case of Junction 8, advertising and promotion levy
"Gross Revenue"	:	In relation to any financial year or part thereof means the gross revenue before expenses of CMT for the relevant period
"IMM Circular"	:	The offering circular dated 11 June 2003 issued by CMT in connection with the acquisition of IMM Building
"Investment"	:	The proposed subscription by CMT of S$58.0 million in principal amount of the Class E Bonds (together with the Preference Shares attached thereto)
"IPO Offering Circular"	:	The offering circular dated 28 June 2002 issued by CMT in connection with the initial public offering of Units in July 2002
"Junction 8"	:	Junction 8 Shopping Centre
"Issue Price"	:	S$1.33, being the issue price of each New Unit under the Placement
"JTC"	:	Jurong Town Corporation
"Latest Practicable Date"	:	5 December 2003, being the latest practicable date prior to the lodgement of this Information Statement
"Manager"	:	CapitaMall Trust Management Limited, as manager of CMT
"New Units"	:	The 45,000,000 new Units to be issued by CMT for placement by DBS Bank by way of the Placement
"NTA"	:	Net tangible assts
"Original DPU Projection"	:	CMT's projected DPU of 8.14 cents for the year ending 31 December 2004, as stated in the IMM Circular
"Performance Component"	:	The performance component of the Asset Management Fee, which is 2.85% of CMT's total Gross Revenue

"Placement"	:	The proposed placement of the 45,000,000 New Units by DBS Bank by way of the ATM Offering and the Private Placement
"Preference Shares"	:	Redeemable preference shares of S$0.10 each in the capital of CapitaRetail Singapore
"Private Placement"	:	The proposed private placement of 22,000,000 New Units to institutional and certain other investors
"Property Management Fee"	:	The Property Manager's property management fees, as provided for in the agreements, each dated 26 February 2002, between the Trustee, the Manager and the Property Manager for the management of Tampines Mall, Junction 8 and Funan and the agreement dated 26 June 2003 between the Trustee, the Manager and the Property Manager for the management of IMM Building
"Property Manager"	:	CapitaLand Retail Management Pte Ltd, as the property manager of the CMT Properties
"Property Value"	:	The value of the properties or relevant property held by CMT, with the initial value of each property being its initial acquisition cost (including any applicable stamp duty, tax and other related acquisition costs) and subsequently its valuation by an approved valuer obtained on an annual basis
"Proposed Issue"	:	The proposed issue of 45,000,000 New Units by CMT to finance the Investment
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Silver Maple"	:	Silver Maple Investment Corporation Ltd
"Substantial Unitholder"	:	A person with an interest in one or more Units constituting not less than 5.0% of all outstanding Units
"Tax Ruling"	:	The tax ruling issued by the Inland Revenue Authority of Singapore on 25 June 2001 relating to the taxation of CMT and the Unitholders (as supplemented)
"Trust Deed"	:	The trust deed dated 29 October 2001 (as amended)

		entered into between the Trustee and the Manager constituting CMT
"Trustee"	:	Bermuda Trust (Singapore) Limited, as trustee of CMT
"Unit"	:	A unit representing an undivided interest in CMT
"Unitholder"	:	A holder of Units
"S$" and "cents"	:	Singapore dollars and cents
"%"	:	Per centum or percentage

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Offer Information Statement shall be a reference to Singapore time unless otherwise stated.

APPENDIX 1

NAMES AND ADDRESSES OF THE DIRECTORS OF THE MANAGER

The names and addresses of the directors of the Manager are as follows:

Name	**Address**
Mr Hsuan Owyang	7 Ardmore Park #15-02 Pin Tjoe Court Singapore 259954
Mr Liew Mun Leong	49 Chancery Lane Singapore 309578
Mr James Glen Service	55 Dominion Circuit Forrest ACT 2600 Australia
Mr David Wong Chin Huat	38 Goldhill Avenue #14-42 Goldhill Towers Singapore 309021
Mr Pua Seck Guan	9 Jalan Yasin Singapore 417982
Mr Kee Teck Koon	61 Jalan Limau Purut Singapore 468235
Mr Hiew Yoon Khong	7 Eastwood Way Singapore 486404
Mr Lui Chong Chee	117 Mimosa Crescent Singapore 808065
Mr S. Chandra Das	28 Cassia Drive Singapore 289721
Mr Chay Wai Chuen (Alternate Director to Mr. S. Chandra Das)	71 Medway Drive Singapore 556571

APPENDIX 2

ASSUMPTIONS INCLUDED IN THE IMM CIRCULAR

The major assumptions which were included in the IMM Circular and used in preparing the projected DPU for the year ending 31 December 2004, updated (where applicable) to apply as at or, as the case may be, commencing from 30 September 2003 (being the last day of CMT's most recently completed financial quarter-year) instead of 31 January 2003 (the date originally used in the IMM Circular) and also to reflect significant changes which have taken place since the date of the IMM Circular, are set out below. The Manager is of the view that such updates have no material effect on the projected DPU of 8.14 cents for the year ending 31 December 2004 (as set out in the IMM Circular).

(i) **Gross Revenue**

Gross Revenue is the aggregate of Gross Rental Income, car park income and other income earned from the CMT Properties. A summary of the assumptions used in calculating the Gross Revenue is set out below.

(a) **Gross Rental Income**

The Gross Rental Income comprises base rents, service charges, turnover rents and, for Junction 8 and IMM Building, advertising & promotion levy. It was assumed that 81.2% of projected Gross Rental Income (excluding turnover rents) for the year ending 31 December 2004 is attributable to tenancies (including letters of offer which are to be followed up with tenancy agreements to be signed by the parties) at the CMT Properties as at 30 September 2003.

Base rent and service charges

In order to project the Gross Rental Income, the Manager had, in the first instance, used rents payable under the tenancies.

For tenancies which expire during the period from 30 September 2003 to 31 December 2004, the Manager used the following process to project the Gross Rental Income for the period following such expiry:

- The Manager assessed the market rent for each lettable area as at 30 September 2003. The market rent is the rent which the Manager believes could be achieved if each tenancy was renegotiated as at 30 September 2003 and was estimated with reference to the rental payable pursuant to comparable tenancies that were recently negotiated, the effect of competing shopping centres, assumed tenant retention rates on expiry of tenancy, likely market conditions, inflation levels and tenant demand levels.

- For tenancies which expire during the period between 30 September 2003 and 31 December 2003, the Manager assumed that the rental rate for a new tenancy (or a tenancy renewal) which commences in the period between 30 September 2003 and 31 December 2003 is the market rent, increased by the projected growth rate in accordance with the methodology set out in paragraph (c) below or the actual rent (if the tenancy agreement has been entered into).

- For tenancies which expire in the year ending 31 December 2004, the Manager assumed that the rental rates payable under the tenancy (or tenancy renewal) will be the market rent, increased by the projected growth rate in accordance with the methodology set out in paragraph (c) below.

Gross Rental Income from asset enhancement works

Asset enhancement works were expected to be carried out at Tampines Mall and Junction 8 during 2003 and 2004. The projection took into account the additional revenue to be derived after the completion of the asset enhancement works.

For Tampines Mall, the asset enhancement works were completed in end-November 2003 and CMT is currently enjoying the resultant additional income.

For Junction 8, phase 1 of the asset enhancement works (involving basement 1 and level 1) was expected to be completed by end-December 2003 and additional income was expected to accrue to CMT thereafter. Phase 2 of the enhancement works was expected to be completed by end-2004. The Manager believes that during 2004, the additional income from phase 1 will be sufficient to cushion the income loss due to the reconfiguration works and disruptions during the construction period. The Manager believes that phase 1 of the enhancement works is on course for completion in December 2003.

Turnover rents

Certain tenants have provisions in their tenancies for the payment of turnover rent, in addition to the base rent and service charges.

In order to project turnover rent, the Manager made an assessment of the turnover rent which it expected to be payable for the month ended 30 September 2003. In order to make this assessment, the Manager reviewed average historical turnover rent figures for each tenant that pays turnover rent. Where historical turnover rent figures were not available, the Manager made an estimate of the tenant's expected turnover, based on information provided by the tenant and other factors such as the outlook for retail sales.

In order to project the turnover rent payable in the year ending 31 December 2004, the Manager assumed that turnover rent for the month ended 30 September 2003 will increase by the projected growth rate in accordance with the methodology set out in paragraph (c) below.

As at 30 September 2003, approximately 27.8% of tenancies (by number) of the CMT Properties contain provisions for the payment of turnover rents. While it was anticipated that this proportion will increase over time as new tenancies are signed, only those tenancies and renewals of tenancies which contain turnover rent provisions and new tenancies/renewals entered into for units which previously contained turnover rent provisions were included when preparing the financial projection. Turnover rent was projected to account for less than 2.0% of Gross Revenue for the year ending 31 December 2004.

(b) **Car park and other income**

Car park and other income include income earned from the operations of the car parks, signage licence fee, casual leasing and other miscellaneous income from the CMT Properties. Expected car park and other income for the year ending 31 December 2004 was based on existing licence agreements and current income collections as at 30 September 2003.

No car park charges are levied for the IMM Building and the Manager assumed that the same policy of free parking would be maintained and hence there would not be any car park income generated by IMM Building.

(c) **Property income growth rates**

The table below summarises the income growth rates assumed for the projection. These reflected the Manager's assessment of income growth rates having regard to the estimated rate of consumer price inflation in Singapore, the outlook for the general economy including gross domestic product growth rates, the demand level for tenancies at the CMT Properties and the outlook for retail sales in Singapore.

The Gross Rental Income growth rates set out below are annual figures but were assumed to apply to the relevant figures compounded on a monthly basis.

	2003	**2004**
Retail (including turnover rents)	3.0%	3.0%
Office	0.0%	0.0%
Warehouse	0.0%	0.0%

(d) **Tenancy renewals and vacancy allowances**

Tampines Mall, Junction 8 and Funan

For tenancies expiring in 2003, where the actual vacancy periods were already known pursuant to tenancy commitments to lease in place as at 30 September 2003, the actual vacancy periods were used in the projection. For the other tenancies expiring in 2003, the Manager, based on its best assessment, incorporated the projected vacancy for each individual tenancy.

For tenancies expiring in 2004, it was assumed that tenancies representing 50.0% of the Gross Rental Income derived from the tenancies expiring in 2004 would be renewed and would not experience any vacancy period. It was assumed that tenancies representing the remaining 50.0% of the Gross Rental Income derived from the tenancies expiring in 2004 would each experience a one month vacancy period before rent becomes payable under a new tenancy.

IMM Building

For the retail tenancies, it was assumed that tenancies representing 50.0% of the Gross Rental Income derived from such tenancies would be renewed and would not experience any vacancy period. It was assumed that tenancies representing the remaining 50.0% of the Gross Rental Income would each experience a one-month vacancy period before rents become payable under a new tenancy for 2003 and 2004.

For the office tenancies, it was assumed that all tenancies expiring in 2003 and 2004 would experience a one month vacancy period before renewal or before a new tenancy commences. Also, all existing vacant spaces as at 30 September 2003 were assumed to continue to be vacant.

For the warehouse tenancies, it was assumed that all tenancies expiring in 2003 and 2004 would each experience a three month vacancy period before renewal or before a new tenancy commences. Also, all existing vacant spaces as at 30 September 2003 were assumed to continue to be vacant.

(ii) **Property operating expenses**

(a) **Property tax**

For the year ending 31 December 2004, the Manager assumed that property tax would be 10.0% of the base rental income and car park income for each of the properties and no rebates are granted by the Singapore Government.

(b) **Property Management Fee**

The Property Management Fee is based on 2.0% of Gross Revenue of each of the CMT Properties plus 2.0% of net property income of each of the CMT Properties and 0.5% of net property income of each of the CMT Properties in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

(c) **Land rent**

Under the lease with JTC, land rent is payable annually for IMM Building. The annual land rent payable is based on the market rent applicable in the respective year but any increase shall not exceed 5.5% of the annual land rent for each immediately preceding year. In order to project the land rent for the year ending 31 December 2004, the annual land rent payable was assumed to increase by 5.5% over the land rent payable for the year ending 31 December 2003.[1]

(d) **Other property operating expenses (utilities, repairs and maintenance, salary and wages)**

An individual assessment was made of the expenses for the CMT Properties for the year ending 31 December 2003 on the basis of actual historical operating costs. In order to project the property operating expenses for the year ending 31 December 2004, the 2003 expenses were increased by the projected growth rate of 2.5% per annum.

(e) **Advertising and promotion expenses**

An individual assessment was made of the advertising and promotion expenses for each of the CMT Properties for the year ending 31 December 2003 on the basis of actual historical operating costs. In order to project the advertising and promotion expenses for the year ending 31 December 2004, the 2003 expense were increased by the projected growth of 2.5% per annum.

(f) **Bad and doubtful debts**

The property operating expenses for the CMT Properties include an allowance of bad and doubtful debts of S$0.6 million for the year ending 31 December 2004.

[1] The Manager has, on 26 November 2003, secured an offer from JTC which allows CMT to pay an upfront land premium for IMM Building of S$45.0 million for a period of 30 years commencing from 1 April 2004 or such earlier date on which payment of the upfront land premium is made, in lieu of the annual land rent currently payable by CMT. The financial effects of such an upfront payment are illustrated on pages 10 – 12 of this Offer Information Statement.

(iii) **Asset Management Fee**

The base component of the Asset Management Fee is 0.25% per annum of Property Value. There is a further Performance Component of 2.85% of the Gross Revenue, and is accrued daily. Both fees are paid quarterly in accordance with the Trust Deed.

The Performance Component payable by CMT in respect of Tampines Mall, Junction 8 and Funan is paid in Units only for the 60-month period commencing from 17 July 2002 (being the date the Units were listed on the SGX-ST), after which payment of the same will be in the form of cash. The number of Units issued to the Manager will be determined based on the price of S$0.96 per Unit, which was the price at which Units were issued under the initial public offering of Units in July 2002. However, the Performance Component payable by CMT in respect of IMM Building is paid in cash.

(iv) **Trustee's fee**

The Trustee's fee is 0.03% per annum of the Deposited Property and is accrued daily and paid quarterly, and is projected based on the projected Deposited Property at the end of each quarter in accordance with the Trust Deed.

(v) **Other expenses**

Other expenses of CMT include recurring operating expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, accounting, audit and tax adviser's fees, postage, printing and stationery costs, costs associated with the preparation of annual reports, investor communications costs and other miscellaneous expenses.

(vi) **Interest income**

It was assumed that the amount of interest earned on CMT's cash and other short term investments will be 0.5% per annum.

(vii) **Interest expense**

As at the date of the IMM Circular, CMT had a S$222.0 million loan facility from Silver Maple, of which S$200.0 million had been drawn down. To acquire IMM Building, the Manager intended to borrow from Silver Maple up to an additional S$125.0 million in the form of a seven-year term loan and up to S$22.0 million under a revolving credit arrangement. The Manager assumed that interest on the term loan of up to S$125.0 million would be at an interest rate of 3.5% per annum (including margin) and that the revolving loan arrangement would be at an average floating interest rate of 1.5% per annum (including margin).

Since then, CMT’s borrowings have been reorganised and, as the date of this Offer Information Statement, CMT has S$349.0 million loan facility granted by Silver Maple. S$325.0 million has been drawn down from this facility in three tranches, comprising a term loan of S$172.0 million, another term loan of S$125.0 million and a revolving credit loan of S$28.0 million.

The S$172.0 million term loan carries a fixed interest rate of 3.91% per annum for a period of five years till February 2007 and the S$125.0 million term loan carries a fixed interest rate of 2.764% per annum for a period of seven years till June 2010. The interest rate for the revolving credit facility is pegged to the relevant swap offer rate plus a margin of 0.43%.

The Manager is of the view that CMT's reorganised borrowings do not materially affect the projected DPU of 8.14 cents for the year ending 31 December 2004 (as stated in the earlier IMM Circular).

(vii) **Properties**

For the year ending 31 December 2004, the Manager has made a hypothetical assumption that the value of Tampines Mall, Junction 8 and Funan remain at the carrying value as at 31 December 2002 and for IMM Building, the carrying value is assumed to be S$280.0 million. It has been assumed that the Property Values of the CMT Properties will only increase by the amount of capital expenditure projected and described below for the period ending 31 December 2003 and year ending 31 December 2004. The assumption is applied when estimating the Property Value and the value of the Deposited Property for the purposes of projecting the base component of the Asset Management Fee and the Trustee's fee, respectively.

	Full year 2003 (S$'000)	**Full year 2004 (S$'000)**
Expansion and renovations*	23,533	11,500
Regular capital expenditure	8,543	6,000
Total capital expenditure	32,076	17,500

*For asset enhancement works in Tampines Mall and Junction 8.

APPENDIX 3

INDEPENDENT ACCOUNTANTS' REPORT ON THE INCREMENTAL AND REVISED PROJECTION OF CAPITAMALL TRUST'S DISTRIBUTION PER UNIT

The Board of Directors
CapitaMall Trust Management Limited
as manager of CapitaMall Trust
39 Robinson Road
#18-01 Robinson Point
Singapore 068911

Bermuda Trust (Singapore) Limited
as trustee of CapitaMall Trust
20 Raffles Place
#13-01/05 Ocean Towers
Singapore 048620

9 December 2003

Dear Sirs

Letter from the Reporting Accountants on the Incremental and Revised Distribution Per Unit Projection for the Financial Year ending 31 December 2004

This letter has been prepared for inclusion in the Offer Information Statement dated 9 December 2003 (the "**Offer Information Statement**") to be issued by CapitaMall Trust Management Limited in relation to, *inter alia*, the proposed investment in Class E Bonds issued by CapitaRetail Singapore Limited ("**CapitaRetail Singapore**"), the proposed upfront payment of land premium for IMM Building as well as the issue of new units in and additional borrowings by CapitaMall Trust ("**CM**T") to fund the aforementioned activities.

The directors of CapitaMall Trust Management Limited (the "**Directors**") are responsible for the preparation and presentation of the incremental distribution per unit projection and the revised distribution per unit projection for the financial year ending 31 December 2004 (respectively, the "**Incremental DPU Projection**" and the "**Revised DPU Projection**") as set out on pages 10 to 12 of the Offer Information Statement, which have been prepared on the basis of their assumptions (the "**Assumptions**") as set out below:

- As to the Revised DPU Projection, assumptions included in the offering circular dated 11 June 2003 issued by CMT in connection with the acquisition of IMM Building, as listed in Appendix 2 on pages 29 to 35 of the Offer Information Statement and set out on page 12 of the Offer Information Statement; and

- As to the Incremental DPU Projection, assumptions set out on page 12 of the Offer Information Statement.

We have examined, as reporting accountants, the Incremental DPU Projection and the Revised DPU Projection as set out on pages 10 to 12 of the Offer Information Statement in accordance with Singapore Standards on Auditing applicable to the examination of prospective financial information. The Directors are solely responsible for the Incremental DPU Projection and the Revised DPU

Projection including the Assumptions set out on pages 12 and 29 to 35 of the Offer Information Statement on which they are based.

The Incremental DPU Projection and the Revised DPU Projection are intended to show possible outcomes based on the stated Assumptions. As the Assumptions included hypothetical assumptions about future events which may not necessarily occur, they are more subjective than would be appropriate for a profit forecast. The Incremental DPU Projection and the Revised DPU Projection do not therefore constitute profit forecasts.

In our capacity as reporting accountants and based on our examination of the evidence supporting the Assumptions, nothing has come to our attention which causes us to believe that the Assumptions do not provide a reasonable basis for the Incremental DPU Projection and the Revised DPU Projection. Further, in our opinion the Incremental DPU Projection and the Revised DPU Projection, so far as the accounting policies and calculations are concerned, are properly prepared on the basis of the Assumptions and are consistent with the accounting policies normally adopted by CMT as set out on pages 44 to 48 of the Offer Information Statement.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the Incremental DPU Projection and the Revised DPU Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Incremental DPU Projection and the Revised DPU Projection.

Attention is drawn, in particular, to the special business factors or risks set out on pages 13 to 17 of the Offer Information Statement which describe the principal risks associated with the issue of new units in CMT, to which the Incremental DPU Projection and the Revised DPU Projection relate, and the sensitivity analysis of the Revised DPU Projection as set out on page 13 of the Offer Information Statement.

Yours faithfully

- Sgd -

KPMG
Certified Public Accountants
(Partner-in-charge: Leong Kok Keong)
Singapore

APPENDIX 4

KPMG CORPORATE FINANCE PTE LTD'S REPORT ON THE ASSUMPTIONS FOR THE INCREMENTAL AND REVISED PROJECTION OF CAPITAMALL TRUST'S DISTRIBUTION PER UNIT

The Board of Directors
CapitaMall Trust Management Limited
as manager of CapitaMall Trust
39 Robinson Road
#18-01 Robinson Point
Singapore 068911

Bermuda Trust (Singapore) Limited
as trustee of CapitaMall Trust
20 Raffles Place
#13-01/05 Ocean Towers
Singapore 048620

9 December 2003

Dear Sirs

Expert's Report on Assumptions underlying Incremental Distribution Per Unit Projection and Revised Distribution Per Unit Projection

Introduction

This expert report has been prepared at the request of CapitaMall Trust Management Limited and Bermuda Trust (Singapore) Limited for inclusion in the Offer Information Statement to be issued by CapitaMall Trust ("**CMT**") in relation to, *inter alia*, the proposed subscription of Class E Bonds to be issued by CapitaRetail Singapore Limited, the proposed upfront payment of land premium to Jurong Town Corporation in lieu of annual land rent payment for IMM Building as well as the issue of new units in and additional borrowings by CMT to fund the aforementioned activities (the "**Transactions**").

CMT issued an offering circular dated 11 June 2003 (the "**IMM Circular**"), which contained, *inter alia*, the assumptions underlying the distribution per unit projection for the year ending 31 December 2004 (the "**Original DPU Projection**"). There are changes to the Original DPU Projection in view of the Transactions (the "**Incremental DPU Projection**") resulting in a distribution per unit that is different from the Original DPU Projection (the "**Revised DPU Projection**").

We are licensed under a capital markets services licence to provide corporate finance advisory services, and have been engaged as an expert (as defined in the Companies Act (Cap. 50) of Singapore) to review the assumptions listed in the Offer Information Statement and consider whether there are any factors which might cause us to believe that they do not provide reasonable grounds for the Incremental DPU Projection and the Revised DPU Projection contained in the Offer Information Statement.

The expressions defined in the Offer Information Statement have the same meaning in this report.

Scope

The Directors of CapitaMall Trust Management Limited (the "**Directors**") are solely responsible for the preparation of the Incremental DPU Projection and the Revised DPU Projection, which are set out on pages 10 to 12 of the Offer Information Statement. This includes ensuring that the assumptions used, which are the subject of our review, are stated in the Offer Information Statement.

We have reviewed the assumptions on which the Incremental DPU Projection and the Revised DPU Projection are based. The assumptions which they have applied in preparing the Incremental DPU Projection and the Revised DPU Projection are set out below:

- As to the Revised DPU Projection, relevant assumptions included in the IMM Circular, as listed in Appendix 2 on pages 29 to 35 of the Offer Information Statement and updated (where applicable) (the "**Updated Assumptions**") to apply as at or, as the case may be, commencing from 30 September 2003 (being the last day of CMT's most recently completed financial quarter-year) instead of 31 January 2003 (the date originally used in the IMM Circular), and assumptions as set out on page 12 of the Offer Information Statement; and

- As to the Incremental DPU Projection, assumptions as set out on page 12 of the Offer Information Statement.

We applied our professional judgement in determining the nature, timing and extent of review procedures, having regard to (i) the likelihood of material misstatement, (ii) management's competence regarding the preparation of the Incremental DPU Projection and the Revised DPU Projection, (iii) the extent to which the Incremental DPU Projection and the Revised DPU Projection are affected by management's judgement, and (iv) the adequacy and reliability of the underlying data.

We assessed the source and reliability of the evidence supporting management's best-estimate assumptions. We considered evidence from internal and external sources, including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within CMT's capacity.

We considered whether, when hypothetical assumptions are used in the preparation of the Incremental DPU Projection and the Revised DPU Projection, all material implications of such assumptions have been taken into consideration. By their nature, hypothetical assumptions cannot be supported by evidence and future events which they relate to may not necessarily occur. However, we considered whether the assumptions made are consistent with the purpose of the Incremental DPU Projection and the Revised DPU Projection, and whether there is any reason to believe that they are clearly unrealistic.

In carrying out our review, we also focused on the extent to which those assumptions that are particularly sensitive to variation have a material effect on the results shown in the Incremental DPU Projection and the Revised DPU Projection. The extent of such sensitivity was one of the factors which influenced the extent of the evidence which we sought to obtain. We also considered the inter-relationship between the stated assumptions.

To the extent practicable, we considered historical performance information and whether the stated assumptions are clearly unrealistic in the light of historical performance patterns.

We are not responsible for checking the data entry, arithmetical logic or internal consistency of the workings and spreadsheets. We note that some of the assumptions underlying the Original DPU Projection have been updated in the Offer Information Statement by CapitaMall Trust Management Limited (as manager of CMT). Accordingly, we express our statement by reference to the Updated Assumptions and not to the assumptions underlying the Original DPU Projection.

The scope of the work which we have carried out is not inconsistent with that set out in Singapore Standard on Auditing 27: The Examination of Prospective Financial Information, insofar as it relates to the examination of evidence relating to assumptions used in the preparation of the Incremental DPU Projection and the Revised DPU Projection.

Statement

Based on our review of the assumptions and our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide reasonable grounds for the Incremental DPU Projection and the Revised DPU Projection.

The Revised DPU Projection has been prepared using assumptions which include hypothetical assumptions about future events which may not necessarily occur. The Revised DPU Projection does not therefore constitute a forecast.

Our report should be read with the special business factors or risks set out on pages 13 to 17 of the Offer Information Statement which describe the principal risks associated with investing in the new units to be issued by CMT, to which the Incremental DPU Projection and the Revised DPU Projection relate, and the sensitivity analysis of the Directors' Incremental DPU Projection and Revised DPU Projection set out on page 13 of the Offer Information Statement.

We do not accept responsibility for the realisation of the Incremental DPU Projection and the Revised DPU Projection. Nor do we express or imply any opinion as to the possibility of the achievement of the assumed 8.2% per annum interest on the Class E Bonds, which is based on certain representations made to CapitaRetail Singapore Limited by the asset manager for the securitisation arrangement under which the bonds are issued, in respect of the likely minimum interest payable on the Class E Bond. In addition, we emphasise that since the Incremental DPU Projection and the Revised DPU Projection relate to the future, actual results are likely to be different from the projected results because events and circumstances frequently do not occur as expected, and the differences may be material.

Yours faithfully
For and on behalf of
KPMG Corporate Finance Pte Ltd

- Sgd -	- Sgd -
Tham Sai Choy	Vishal Sharma
Director	*Director*

APPENDIX 5

NUMBER OF UNITS OWNED BY EACH SUBSTANTIAL UNITHOLDER

Based on the Register of Substantial Unitholders maintained by the Manager, the Substantial Unitholders and their respective interests (direct and deemed) in the Units as at the Latest Practicable Date are as follows:

Substantial Unitholder	Direct Interest	% of issued and outstanding Units	Deemed Interest	% of issued and outstanding Units
Pyramex Investments Pte Ltd	180,346,867	20.95%	-	-
CapitaLand Investments Pte Ltd	78,000,000	9.06%	180,346,867	20.95%
CapitaLand Commercial Limited	-	-	288,346,867	33.49%
CapitaLand Limited	-	-	291,610,294	33.87%
NTUC FairPrice Co-operative Limited	65,000,000	7.55%	25,000,000	2.90%
Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen	50,000,000	5.81%	-	-

APPENDIX 6

PRICE RANGE OF THE UNITS AND TRADING VOLUME ON THE SGX-ST

The price range for the Units and the volume of Units traded on the SGX-ST during the period commencing on 18 July 2002, the day after CMT was listed on the SGX-ST, to the Latest Practicable Date are as follows:

Month	**Price Range (S$ per Unit)**		**Volume Traded ('000 Units)**
	Maximum price	**Minimum price**	
July 2002	1.00	0.96	40,041
August 2002	1.02	0.985	16,223
September 2002	1.04	1.02	8,284
October 2002	1.04	1.02	14,976
November 2002	1.06	1.02	11,787
December 2002	1.06	1.01	6,150
January 2003	1.07	1.00	9,394
February 2003	1.03	1.01	8,982
March 2003	1.05	1.02	9,003
April 2003	1.06	1.03	15,880
May 2003	1.12	1.04	17,150
June 2003	1.18	1.10	79,943
July 2003	1.22	1.15	23,736
August 2003	1.20	1.15	9,362
September 2003	1.33	1.18	24,286
October 2003	1.31	1.26	29,373
November 2003	1.38	1.27	14,931
1 – 5 December 2003	1.40	1.35	10,015

Source: Bloomberg

APPENDIX 7

LAST AUDITED BALANCE SHEET OF CMT

Balance sheet as at 25 June 2003

	S$'000
Non-current assets	
Plant and equipment	104
Investment properties	944,156
	944,260
Current assets	
Trade and other receivables	2,913
Cash and cash equivalents	52,980
	55,893
Less: current liabilities	
Trade and other payables	19,862
Current portion of security deposits	4,116
Provision for taxation	367
	24,345
Net current assets	31,548
Non-current liabilities	
Interest-bearing loan	(200,000)
Non-current portion of security deposits	(12,904)
	(212,904)
Net assets	762,904
Represented by	
Unitholders' funds	762,904
Units in issue ('000)	739,919
Net asset value per unit	S$1.03

APPENDIX 8

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF CMT

1. Statement of Compliance

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

2. Basis of Financial Statements Preparation

The financial statements, which are expressed in Singapore dollars and rounded to the nearest thousand, are prepared on the historical cost basis unless otherwise stated in the following accounting policies.

3. Administration Fund

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

4. 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

Gain 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.

5. 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 as follows:

- in such manner and frequency required under the Code on Collective Investment Schemes issued by the Authority; and

- at least once in each period of 12 months following the acquisition of each parcel of real estate property.

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

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

6. Depreciation

Consistent with Financial Reporting Standard 25 “Accounting for Investments", investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out in paragraph 5 above. For taxation purposes, CMT may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act, Chapter 134 of Singapore.

7. Trade and Other Receivables

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

8. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

9. Trade and Other Payables

Trade and other payables are stated at cost.

10. Impairment

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

An impairment loss is recognised in the Statement of Total Return whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of investment property carried at revalued amount is recognised in the same way as a revaluation decrease on the basis set out in paragraph 5 above.

10.1 Calculation of recoverable amount

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

10.2 Reversal of impairment loss

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

11. Interest-Bearing Loan and Borrowing

Interest-bearing loan and borrowing is recognised at cost.

12. Taxation

Taxation on the returns for the period 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 period, using tax rates enacted or substantively enacted at the balance sheet date.

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

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

The Inland Revenue Authority of Singapore has issued the Tax Ruling relating to the taxation of CMT for income earned and expenditure incurred after its public listing. The Trustee will not be taxed on the portion of taxable income of CMT that are distributed to Unitholders on the condition that the Trustee and the Manager will distribute at least 90.0% of the entire taxable income of CMT to the Unitholders. Provided that at least 90.0% of the entire taxable income of CMT is distributed, the Trustee will be taxed only on the remaining undistributed taxable income. However, the Trustee and the Manager are required to deduct income tax at the applicable corporate tax rate from distributions of taxable income of CMT (which has not been taxed in the hands of the Trustee) to certain Unitholders. To the extent that the beneficial Unitholder is a Singapore citizen and tax resident in Singapore or is a company incorporated and tax resident in Singapore or is a Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from CMT, the Trustee and the Manager will make the distributions without deducting any income tax. This waiver from tax deduction at source on distribution is termed as "tax transparency".

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

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

Establishment expenses represent expenses incurred in establishing CMT. IPO expenses represent expenses incurred in listing CMT on the SGX-ST and issue expenses relate to expenses incurred in the issuance and placement of additional Units in CMT. The expenses are deducted directly against Unitholders' funds, as stipulated in the Trust Deed.

14. Revenue Recognition

14.1 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.

14.2 Interest income

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

15. Expenses

15.1 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 CMT.

Included in the property expenses is the Property Management Fee.

15.2 Asset Management Fee

The Asset Management Fee is recognised in the Administration Fund Account on an accrual basis using the applicable formula, stipulated as follows:

15.2.1 Base component of 0.25% per annum of Property Value; and

15.2.2 Performance component of 2.85% of Gross Revenue of CMT.

The Base Component shall be paid out of the Deposited Property in cash. The Performance Component shall for the first 60-month period from the listing date be paid in the form of Units to be issued to the Manager and thereafter, the Performance Component shall be paid in cash to the Manager.

The actual number of Units to be issued in respect of the performance component of the Asset Management Fees are determined based on the issue price of 96 cents per Unit under the IPO of Units in July 2002. Upon issuance of the Units relating to the performance component of the Asset Management Fee, the Asset Management Fee is adjusted based on the market value of the actual number of Units issued at date of issuance of the Units to the Manager.

15.3 Trustee's fee

The Trustee's fee is recognised in the Administration Fund Account on an accrual basis.

15.4 Interest expenses

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

16. Segment Reporting

A segment is a distinguishable component of CMT 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.