



17 April 2003

CAPITAMALL TRUST

2003 FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT

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

CMT was originally held privately under a private trust until 15 July 2002 and was subsequently listed on the Singapore Stock Exchange.

For a meaningful analysis/comparison of the actual results against the forecast as stated in the IPO offering circular dated 28 June 2002, please refer to paragraph 9 specifically.

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1(a)(i) Income statement

	Q1 2003 S\$'000	Q1 2002 S\$'000	Increase / (Decrease) %
Gross rental income	21,030	19,343	8.7
Car park income	1,129	865	30.5
Other income	1,222	727	68.1
Gross revenue	23,381	20,935	11.7
Property management fees	(899)	(833)	7.9
Property tax	(1,835)	(1,017)	80.4
Other property operating expenses ¹	(4,598)	(3,354)	37.1
Property operating expenses	(7,332)	(5,204)	40.9
Net property income	16,049	15,731	2.0
Interest income	25	0	Nm
Asset management fees	(1,278)	(1,190)	7.4
Trust expenses	(282)	(354)	(20.3)
Administrative expenses	(1,560)	(1,544)	1.0
Net investment income before interest costs and tax	14,514	14,187	2.3
Interest costs	(1,747)	(1,471)	18.8
Net investment income before tax	12,767	12,716	0.4
Taxation ²	NA	(2,814)	Nm
Net investment income after tax	12,767	9,902	Nm

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

Footnotes :

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

	Q1 2003 S\$'000	Q1 2002 S\$'000	Increase / (Decrease) %
- Depreciation and amortization	6	-	Nm
- Allowance for doubtful debts and bad debts written off	88	-	Nm

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

Nm – not meaningful

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1(a)(ii) Distribution statement

	Q1 2003 S\$'000	Q1 2002 S\$'000	Increase / (Decrease) %
Net investment income after tax	12,767	9,902	28.9
Net effect of non-tax deductible / (chargeable) items (Note A)	803	- ¹	Nm
Taxable income available for distribution to unitholders	13,570	9,902	Nm
<i>Note A</i>			
<i>Non-tax deductible / (Chargeable) items</i>			
- Asset management fees (performance component)	702	-	Nm
- Trustee's fees	73	-	Nm
- Other items	28	-	Nm
Net effect of non-tax deductible / (chargeable) items	803	- ¹	Nm

Footnote:

1 Not meaningful for Q1 2002 as it was under private trust

Nm – not meaningful

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1(b)(i) Balance sheet

As at 31/3/2003 vs 31/12/2002

	31/3/2003 S\$'000	31/12/2002 S\$'000	Increase / (Decrease) %
Non-current assets			
Plant & equipment	107	80	33.8
Investment properties	935,347	935,000	-
Total non-current assets	935,454	935,080	-
Current assets			
Trade & other receivables	6,262	2,173	188.2
Cash & cash equivalents ¹	38,734 ¹	52,969 ²	(26.9)
Total current assets	44,996	55,142	(18.4)
Less current liabilities			
Trade & other payables	19,080	19,183	(0.5)
Provisions for taxation	367	367	-
Total current liabilities	19,447	19,550	(0.5)
Net current assets	25,549	35,592	(28.2)
Less non-current liabilities			
Interest bearing loan	200,000	200,000	-
Other non-current liabilities	11,303	9,452	19.6
Total non-current liabilities	211,303	209,452	0.9
Net assets	749,700	761,220	(1.5)
Unitholders' funds	749,700	761,220	(1.5)

Footnotes:

1 This includes the distributable income for the period of 1 January 2003 to 31 March 2003 (3 months) of S\$13.6 million which will be distributed later in the year.

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

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

	31/3/2003 S\$'000	31/12/2002 S\$'000
Secured borrowings		
Amount repayable in one year or less, or on demand	-	-
Amount repayable after one year	200,000	200,000
	200,000	200,000

Details of any collateral

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

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

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1(c) Cash flows statement

	Q1 2003 S\$'000	Q1 2002 S\$'000
Operating activities		
Net investment income before tax	12,767	12,716
Adjustments for interest income, interest expense, depreciation and asset management fee paid in units	2,430	1,471
Change in working capital	(2,496)	4,298
Tax paid	-	(81)
Cash generated from operating activities	12,701	18,404
Investing activities		
Interest received	30	-
Purchase of plant and equipment and subsequent expenditure	(796)	-
Cash flows from investing activities	(766)	-
Financing activities		
Loan arrangement fee	-	(1,554)
Distribution to unitholders	(24,964)	-
Interest paid	(1,206)	(1,399)
Cash flows from financing activities	(26,170)	(2,953)
Increase/(Decrease) in cash and cash equivalent	(14,235)	15,451
Cash and cash equivalent at beginning of period	52,969	18,477
Cash and cash equivalent at end of period	38,734	33,928

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

As at 31/3/2003 vs 31/3/2002

	Q1 2003 S\$'000	Q1 2002 S\$'000
Balance as at beginning of period	761,220	720,000
Operations		
Net investment income after tax	12,767	9,902
Net increase in net assets resulting from operations	773,987	729,902
Unitholders' transactions		
Creation of units		
- management fee paid in units	677	-
Establishment & IPO expenses	-	(3,449)
Distribution to unitholders	(24,964) ¹	-
Net increase in net assets resulting from unitholders' transactions	(24,287)	(3,449)
Balance as at end of period	749,700	726,453

Footnote:

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

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

	Q1 2003 Units	Q1 2002 Units
Balance as at beginning of period	738,560,948	720,000,000
As payment of asset management fees ¹	663,614	-
Balance as at end of period	739,224,562	720,000,000

Footnote:

1 Asset management fees for Q4 2002 which was issued in January 2003. This is not applicable for Q1 2002 as the payment by units is only effective from listing date on 17 Jul 2002.

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

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

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

Not applicable.

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

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

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

Nil

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

In computing the EPU and DPU below, the weighted average number of units in issue is 739,003,357 (2002 : 720,000,000) during the financial period in review.

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

	Q1 2003	Q1 2002
Earnings per unit ("EPU")		
Based on the weighted average number of units in issue	1.73¢	1.38¢ ¹
Based on fully diluted basis	1.73¢	1.38¢ ¹
Distribution per unit ("DPU")		
Based on the weighted average number of units in issue	1.84¢	1.38¢ ¹
Based on fully diluted basis	1.84¢	1.38¢ ¹

Footnote:

1 The EPU and DPU are based on net investment income after tax.

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

	31/3/2003	31/12/2002
NAV per unit	\$1.01	\$1.03
Adjusted NAV per unit (excluding the distributable income)	\$1.00	\$1.00

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8 **Review of the performance**

	Q1 2003 S\$'000	Q4 2002 S\$'000	Q1 2002 S\$'000
<u>Income statement</u>			
Gross revenue	23,381	22,353	20,935
Property operating expenses	(7,332)	(5,218)	(5,204)
Net property income	16,049	17,135	15,731
Other income	25	42	-
Administrative expenses	(1,560)	(1,359)	(1,544)
Interest costs	(1,747)	(1,812)	(1,471)
Net investment income before tax	12,767	14,006	12,716

	Q1 2003 S\$'000	Q4 2002 S\$'000	Q1 2002 S\$'000
<u>Distribution statement</u>			
Net investment income before tax	12,767	14,006	12,716
Net effect of non-tax deductible / (chargeable) items	803	360	-
Taxation ¹	-	-	(2,814)
Taxable income available for distribution to unitholders	13,570	14,366	9,902
Distribution per unit (in cents)			
For the period	1.84¢	1.95¢	1.38¢
Annualised	7.34¢	7.78¢	5.50¢

Footnote:

¹ As Q1 2002 was under the private trust, tax transparency did not apply.

Q1 2003 vs Q4 2002

Gross revenue for the period was S\$23.4 million, an increase of S\$1.0 million from Q4 2002. The higher revenue was mainly due to the higher rental income arising from the higher rental rates which had been achieved by all the properties on new and renewal leases. Car park income and other income initiatives contributed to the additional increase.

Property operating expenses for the period is S\$7.3 million, an increase of S\$2.1 million from Q4 2002. The higher operating expenses were mainly due to the higher property tax and higher advertising and promotion expenses incurred for creating awareness and campaign to secure new tenants.

Interest costs are marginally lower due to the lower floating rates experienced in Q1 2003.

Q1 2003 vs Q1 2002

Gross revenue for the period was S\$23.4 million, an increase of S\$2.4 million from Q1 2002. The higher revenue was mainly due to the higher rental income arising from the higher rental rates which had been achieved by all the properties on new and renewal leases. Car park income and the other income initiatives contributed to the increase with the introduction of new kiosks, kiddy rides, advertising, signage licence fees and lightboxes.

Property operating expenses for the period was S\$7.3 million, an increase of S\$2.1 million from Q1 2002. The higher operating expenses were mainly due to the higher property tax higher advertising and promotion expenses and higher maintenance costs and consultancy

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fees.

Interest costs were S\$1.7 million for the period, S\$0.3 million higher than Q1 2002. CMT refinanced its bridging loan (which was on short term basis at an average rate of less than 2% p.a.) at end of February 2002. Subsequently, the loan portfolio of CMT was 86% fixed at an interest rate of 3.91% p.a. giving rise to a blended interest rate of about 3.6% p.a.

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

	Actual Q1 2003 S\$'000	Forecast ¹ Q1 2003 S\$'000	Increase / (Decrease) %
9(i) <u>Income statement</u>			
Gross rental income	21,030	20,558	2.3
Car park income	1,129	1,006	12.2
Other income	1,222	564	116.7
Gross revenue	23,381	22,128	5.7
Property management fees	(899)	(840)	7.0
Property tax	(1,835)	(1,696)	8.2
Other property operating expenses	(4,598)	(4,106)	12.0
Property operating expenses	(7,332)	(6,642)	10.4
Net property income	16,049	15,486	3.6
Interest income	25	71	(64.8)
Asset management fees	(1,278)	(1,226)	4.2
Trust expenses	(282)	(395)	(28.6)
Administrative expenses	(1,560)	(1,621)	(3.8)
Net investment income before interest costs and tax	14,514	13,936	4.2
Interest costs	(1,747)	(1,857)	(5.9)
Net investment income before tax	12,767	12,079	5.7

Footnote:

1 The forecast is based on management's quarterly forecast. This, together with the next 9 months' forecast, is the forecast shown in the offering circular dated 28 June 2002.

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9(ii) **Distribution statement**

Net investment income before tax

Net effect of non-tax deductible / (chargeable) items

Taxable income available for distribution to unitholders

Distribution per unit (in cents)

For the period

Annualised

Annualised distribution yield

- based on IPO price of S\$0.96 per unit

- based on current market price of S\$1.04 per unit as at 16 Apr 2003

Actual Q1 2003 S\$'000	Forecast ¹ Q1 2003 S\$'000	Increase / (Decrease) %
12,767	12,079	5.7
803	840	(4.4)
13,570	12,919	5.0
1.84¢	1.74¢	5.5
7.34¢	6.96¢	5.5
7.65%	7.25%	5.5
7.06%	6.69%	5.5

Footnote:

1 The forecast is based on management's quarterly forecast. This, together with the next 9 months' forecast, is the forecast shown in the offering circular dated 28 June 2002.

9(iii) **Breakdown of gross revenue**

Tampines Mall

Junction 8

Funan The IT Mall

Gross revenue

Actual Q1 2003 S\$'000	Forecast ¹ Q1 2003 S\$'000	Increase / (Decrease) %
11,003	10,600	3.8
7,124	6,401	11.3
5,254	5,127	2.5
23,381	22,128	5.7

Footnote:

1 The forecast is based on management's quarterly forecast. This, together with the next 9 months' forecast, is the forecast shown in the offering circular dated 28 June 2002.

9(iv) **Breakdown of net property income**

Tampines Mall

Junction 8

Funan The IT Mall

Net property income

Actual Q1 2003 S\$'000	Forecast ¹ Q1 2003 S\$'000	Increase / (Decrease) %
8,036	7,817	2.8
4,709	4,453	5.8
3,304	3,216	2.7
16,049	15,486	3.6

Footnote:

1 The forecast is based on management's quarterly forecast. This, together with the next 9 months' forecast, is the forecast shown in the offering circular dated 28 June 2002.

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9(v) **Review of the performance**

Actual gross revenue for the period was S\$23.4 million, an increase of S\$1.3 million from the forecast stated in the offering circular dated 28 June 2002. The higher revenue was mainly due to higher rental rates which had been achieved by all the properties on new and renewal leases and the lower vacancy periods versus forecast. Additional income was derived from higher gross turnover rental in addition to base rental for new leases signed. Also, as a result of the various income-generating initiatives undertaken, additional income was derived from more casual leasing eg. kiosks, advertising, signage licence fees, lightboxes etc.

The property operating expenses had increased by S\$0.7 million due to higher property tax, higher advertising and promotion expenses and offset by the lower utilities for this period. Although there was property tax rebate granted by the government in this period, it had not been recognised as there are plans to grant some rebates to isolated tenants, use the funds to reposition the centres and create additional awareness to the centres.

The administrative expenses were marginally lower in this quarter. Interest costs was lower by S\$0.1 million due to the lower interest rates achieved versus the forecast.

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

In general, retail sales remain relatively flat in Singapore amidst the weak local economic conditions. In addition, the recent onset of Severe Acute Respiratory Syndrome (SARS) has resulted in a weaker retail spending in general. For the CMT malls, SARS has a slight impact on the shopper traffic. With more than 98% of CMT's rental revenue generated from the base rent component in leases (which are underpinned by committed leases) and less than 2% received from gross turnover rent, we do not expect the performance of CMT to be significantly affected unless the effects of SARS is prolonged.

Outlook for 2003

Given the actual performance for the first quarter of 2003, the Manager of CMT is confident to deliver the 2003 distribution per unit forecast of 6.96 cents as stated in the offering circular dated 28 June 2002 with potential upside.

11 **Distributions**

11(a) Current financial period

Any distributions declared for the current financial period? : No

11(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? : No

11(c) Date payable : Not applicable

11(d) Book closure date : Not applicable

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

No distribution has been declared/recommendeded for the current financial period

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

BY ORDER OF THE BOARD
CAPITAMALL TRUST MANAGEMENT LIMITED

Winnie Tan
Company Secretary
17 April 2003