



CAPITAMALL TRUST

2002 Q3 FINANCIAL STATEMENT ANNOUNCEMENT

Financial statements for the period from 29 Oct 2001 to 30 Sep 2002.

These figures have not been audited.

CapitaMall Trust (CMT) was established under a Trust Deed dated 29 Oct 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 Dec 2001 and a second supplemental trust deed dated 28 Jun 2002. CMT's first financial period is from the date of inception ie. 29 Oct 2001 to 31 Dec 2002.

Although CMT was established on 29 Oct 2001, the acquisition of the properties was only completed on 28 Dec 2001 and hence the income derived from the properties was effectively from **29 Dec 2001** onwards.

		S\$'000		%
		<u>Actual</u> 29/10/01 to 30/9/02 ⁽¹⁾	<u>Pro-forma</u> 1/1/01 to 30/9/01 ⁽²⁾	Increase / (Decrease)
1.(a)	Total gross revenue	66,036	60,556	9.0
1.(b)	Property operating expenses	(18,794)	(17,488)	7.5
1.(c)	Net property income	47,242	43,068	9.7
1.(d)	Investment income	-	-	-
1.(e)	Other income including interest income	24	397	(94.0)
1.(f)	Administrative expenses	(4,741)	(3,148)	50.6
2.(a)	Operating profit before income tax, minority interest, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	42,525	40,317	5.5
2.(b)	Interest on borrowings	(5,074)	(5,779)	(12.2)
2.(b)(i)	Depreciation and amortisation	-	-	-
2.(b)(ii)	Foreign exchange gain/(loss)	-	-	-
2.(c)	Exceptional items	-	-	-

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		S\$'000		%
		<u>Actual</u> 29/10/01 to 30/9/02 ⁽¹⁾	<u>Pro-forma</u> 1/1/01 to 30/9/01 ⁽²⁾	Increase / (Decrease)
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	37,451	34,538	8.4
2.(e)	Income derived from associated companies	-	-	-
2.(f)	Operating profit before income tax	37,451	34,538	8.4
2.(g)	Less income tax	(6,236) ⁽³⁾	-	Nm
2.(g)(i)	Operating profit after tax before deducting minority interests	31,215	34,538	Nm
2.(g)(ii)	Less minority interest	-	-	-
2.(h)	Operating profit after tax attributable to the unitholders	31,215	34,538	Nm
2.(i)	Extraordinary items	-	-	-
2.(j)	Operating profit after tax and extraordinary items attributable to the unitholders	31,215	34,538	Nm
2.(k)	Tax and other adjustments	604	1,726	Nm
2.(l)	Distributable income attributable to the unitholders	31,819 ⁽⁴⁾	36,264	Nm

Footnotes :

- (1) Although CMT was incepted on 29 Oct 2001, the acquisition of the assets was completed on 28 Dec 2001 and hence the income is related to the period of 29 Dec 2001 to 30 Sep 2002, approximately 9 months.
- (2) This is the first financial period of CMT and the comparative numbers for 2001 are extracted from the pro-forma profit & loss account which was stated in the Offering Circular dated 28 Jun 2002 and pro-rated equally for the 9 month period.
- (3) Income tax payable is for the period of 29 Oct 01 to 15 Jul 02 when CMT was held privately. Upon listing of CMT, tax transparency applies and dividends are paid gross with no tax deducted at source to the qualifying tax residents.
- (4) Distributable income has been adjusted to take into account the tax payable of S\$6.2 million which is for the period 29 Oct 01 to 15 Jul 02. On a comparable basis with the pro-forma ie. assuming S\$6.2 million is added to the distributable income of S\$31.8 million, the distributable income should be S\$38.0 million.
- (5) Nm – not meaningful

CMT was originally held privately under private trust until 15 Jul 2002 and subsequently converted to a listed property trust upon the successful listing. The following sets out the income attributable to the private and public trust unitholders.

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		S\$'000		
		<u>Total</u>	<u>Private Trust</u>	<u>Public Trust</u>
		29/10/01	29/10/01	16/7/02
		to	to	to
		30/9/02	15/7/02	30/9/02
1.(a)	Total gross revenue	66,036	47,142	18,894
1.(b)	Property operating expenses	(18,794)	(13,015)	(5,779)
1.(c)	Net property income	47,242	34,127	13,115
1.(d)	Investment income	-	-	-
1.(e)	Other income including interest income	24	6	18
1.(f)	Administrative expenses	(4,741)	(3,527)	(1,214)
2.(a)	Operating profit before income tax, minority interest, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	42,525	30,606	11,919
2.(b)	Interest on borrowings	(5,074)	(3,581)	(1,493)
2.(b)(i)	Depreciation and amortisation	-	-	-
2.(b)(ii)	Foreign exchange gain/(loss)	-	-	-
2.(c)	Exceptional items	-	-	-
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	37,451	27,025	10,426
2.(e)	Income derived from associated companies	-	-	-
2.(f)	Operating profit before income tax	37,451	27,025	10,426
2.(g)	Less income tax	(6,236)	(6,236)	-
2.(g)(i)	Operating profit after tax before deducting minority interests	31,215	20,789	10,426
2.(g)(ii)	Less minority interest	-	-	-
2.(h)	Operating profit after tax attributable to the unitholders	31,215	20,789	10,426
2.(i)	Extraordinary items	-	-	-
2.(j)	Operating profit after tax and extraordinary items attributable to the unitholders	31,215	20,789	10,426
2.(k)	Tax and other adjustments	604	-	604
2.(l)	Distributable income attributable to the unitholders	31,819	20,789	11,030

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	<u>Total</u> 29/10/01 to 30/9/02	<u>Private trust</u> 29/10/01 to 15/7/02	<u>Public trust</u> 16/7/02 to 30/9/02
3.(a) Operating profit [2.(g)(i) above] as a % of total gross revenue [1(a) above]	47.3%	44.1%	55.2%
3.(b) Operating profit [2.(g)(i) above] as a % of unitholders' equity at end of the period	4.3%	Nm	1.4%

Note : Nm – not meaningful

3.(c) **Earnings per unit and distribution per unit for the period :-**

	<u>Private trust</u> 29/10/01 to 15/7/02 ⁽¹⁾	<u>Public trust</u> 16/7/02 to 30/9/02 ⁽²⁾
Earnings per unit ("EPU") for the period based on 2.(j) above: Based on the weighted average number of units in issue	2.89¢	1.41¢
Distribution per unit ("DPU") for the period based on 2.(l) above: Based on the weighted average number of units in issue	2.89¢	1.49¢

Footnotes:

(1) For this period during the private trust, the weighted number of units in issue is 720 million.

(2) For this period after the listing of CMT, the weighted number of units in issue is 738 million.

3.(d) **Net tangible assets backing per unit based on existing units in issue as at the end of the period reported on**

	30/9/02
NTA per unit	98.7¢

NTA per unit, upon listing (16 Jul 2002) was forecasted in the offering circular dated 28 Jun 2002 to be 97.3¢ . The increase to 98.7¢ (as of 30 Sep 2002) is due to the income generated from the operations which will only be distributed at the end of the year.

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3.(e) **Analysis of expenses based on their nature within the group**

	S\$'000
	29/10/01 to 30/9/02
<u>Property operating expenses</u>	
Property tax	3,007
Property management fees	2,545
Other property operating expenses	13,242
Total property operating expenses	18,794
<u>Administrative expenses</u>	
Asset management fees	3,632
Trustee fees	217
Other trust expenses	892
Total administrative expenses	4,741

4. **Sales & operating profit for first half year and second half year**

Not applicable to interim result reporting. To disclose only at year-end reporting.

5.(a) **Amount of any adjustment for under or overprovision of tax in respect of prior years**

Nil

5.(b) **Amount of any pre-acquisition profits**

Nil

5.(c) **Amount of profits on any sale of investments and/or properties**

Nil

5.(d) **Any other comments relating to Paragraph 5.(a) to 5.(c)**

Not applicable

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6. Segmental Results

	S\$'000		%
	<u>Actual</u> 29/10/01 to 30/9/02 ⁽¹⁾	<u>Pro-forma</u> 1/1/01 to 30/9/01 ⁽²⁾	Increase/ (Decrease)
<u>Total gross revenue</u>			
Tampines Mall	30,759	26,521	16.0
Junction 8	20,350	19,429	4.7
Funan The IT Mall	14,927	14,606	2.2
Total gross revenue	66,036	60,556	9.0
<u>Net property income</u>			
Tampines Mall	23,311	19,026	22.5
Junction 8	14,451	14,318	0.9
Funan The IT Mall	9,480	9,724	(2.5)
Total net property income	47,242	43,068	9.7

Footnotes :

- (1) Although CMT was incepted on 29 Oct 01, the acquisition of the assets was completed on 28 Dec 2001 and hence the income is related to the period of 29 Dec 2001 to 30 Sep 2002.
- (2) This is the first financial period of CMT and the comparative numbers for 2001 are extracted from the pro-forma profit & loss account which was stated in the Offering Circular dated 28 Jun 2002 and pro-rated equally for the 9 month period.

	S\$'000		
	<u>Total</u> 29/10/01 to 30/9/02	<u>Private Trust</u> 29/10/01 to 15/7/02	<u>Public Trust</u> 16/7/02 to 30/9/02
<u>Total gross revenue</u>			
Tampines Mall	30,759	21,750	9,009
Junction 8	20,350	14,653	5,697
Funan The IT Mall	14,927	10,739	4,188
Total gross revenue	66,036	47,142	18,894

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	S\$'000		
	<u>Total</u> 29/10/01 to 30/9/02	<u>Private Trust</u> 29/10/01 to 15/7/02	<u>Public Trust</u> 16/7/02 to 30/9/02
<u>Net property income</u>			
Tampines Mall	23,311	16,667	6,644
Junction 8	14,451	10,561	3,890
Funan The IT Mall	9,480	6,899	2,581
Total net property income	47,242	34,127	13,115

7. **Review of the performance**

7.(a) **Variance between the forecast or prospect statement (if disclosed previously) and the actual results**

	S\$'000		%
	Actual	Forecast ⁽¹⁾	Increase/ (Decrease)
<u>(i) Income statement</u>			
Total gross revenue	66,036	64,470	2.4
Property operating expenses	(18,794)	(18,005)	4.4
Net property income	47,242	46,465	1.7
Other income	24	154	(84.4)
Administrative expenses	(4,741)	(4,565)	3.9
Interest expense	(5,074)	(5,211)	(2.6)
Net income	37,451	36,843	1.7
Tax and other adjustments	604	675	(10.5)
Distributable income	38,055 ⁽²⁾	37,518	1.4
Distributable income to post-listing unitholders	11,030	10,505	5.0
Distribution per unit	1.49¢	1.42¢	5.0
Annualised distribution yield (based on price of \$0.96 per unit)	7.41%	7.06%	5.0

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(ii) Breakdown of total gross revenue

	S\$'000		%
	Actual	Forecast ⁽¹⁾	Increase/ (Decrease)
Tampines Mall	30,759	29,936	2.7
Junction 8	20,350	19,787	2.8
Funan The IT Mall	14,927	14,747	1.2
Total gross revenue	66,036	64,470	2.4
(iii) Breakdown of net property income			
Tampines Mall	23,311	22,643	3.0
Junction 8	14,451	14,394	0.4
Funan The IT Mall	9,480	9,428	0.6
Total net property income	47,242	46,465	1.7

Footnotes:

- (1) *The forecast is extracted from the offering circular dated 28 Jun 2002. As the forecast stated in the offering circular was for the full year 2002, the Manager has used its best estimates to present the extrapolated forecast for the period of 1 Jan 2002 to 30 Sep 2002. Also, S\$308,000, being the actual distributable income for 29 Dec 2001 to 31 Dec 2001, is added to the forecast to give a fair comparison against the actual results which is for the period 29 Dec 2001 to 30 Sep 2002. Of the actual distributable income, S\$81,000 was provided for as tax payable to the Inland Revenue Authority of Singapore.*
- (2) *Out of the distributable income, S\$6.2 million was provided for as tax payable to the Inland Revenue Authority of Singapore.*

Actual gross revenue for the 9 months is S\$66.0 million, an increase of S\$1.6 million from the forecast stated in the offering circular. The higher revenue is a result of the higher rental rates achieved in the renewals and the lower vacancy periods versus forecast which have been experienced by the properties. Also, additional income was derived from higher gross turnover rental, casual leasing, signage licence fees and other miscellaneous income as a result of the various income-generating initiatives such as the introduction of "kiddy rides", lightboxes, advertising signs etc.

Property operating expenses have increased by S\$0.8 million partly due to the higher property management fee payable as a result of higher revenue as it is pegged to a percentage of gross revenue. Another reason for the increase is due to the additional costs which were incurred/committed to maximise the tenancy mix, reposition the properties to generate higher retail sales.

Administrative expenses for the 9 months are S\$4.7 million, higher than the forecast by S\$0.2 million partly due to the higher asset management fee (which is pegged to a percentage of gross revenue) and higher professional fees.

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Other income comprises interest income and this is below forecast as the projected fixed deposit rate was 1% p.a. versus the average rate obtained of less than 0.5% p.a. for the period concerned. However, interest on borrowings is lower as the projected short term interest rate was 2% p.a. versus the actual achieved of 1.4% p.a..

7.(b) Outlook for 2002 forecast

Given the actual performance for Q3, the manager of CMT expects the full year 2002 performance to exceed the forecast stated in the offering circular, barring any unforeseen circumstances.

7.(c) Statement by the Directors whether any item or event of a material or unusual nature, which would have affected the results of operations of the Trust

In the opinion of the directors of CapitaMall Trust Management Limited, no item or event of a material or unusual nature has occurred between 30 Sep 2002 and the date of this report which would materially affect the results of the operations of CMT for the period ended 30 Sep 2002.

8. 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

In general, retail sales remain relatively flat in Singapore amidst cautious local economic conditions. Competitive centres such as newly opened Compass Point, HDB Headquarters in Toa Payoh Central and the refurbished Parkway Parade may pose some competition to CMT's secondary trade areas. However, outstanding leases for 2002 in the 3 properties in CMT have mostly been renewed or leased. Hence, we do not expect the performance of CMT to be affected in the next reporting period ending 31 Dec 2002, barring any unforeseen circumstances.

9. Distributions

Distributions of \$20,776,000 had been made to the private unitholders for the income accruing from 29 Oct 01 to 15 Jul 02 before the initial public offering of CMT. As disclosed in the Offering Circular, it was agreed with the private unitholders that the distribution amount paid would constitute full and final settlement of their respective distribution entitlements.

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10.(a) **Balance Sheet**

	S\$'000		%
	30 Sep 2002	30 Apr 2002 (1)	Increase/ (Decrease)
<u>Non-current assets</u>			
Investment properties	918,078 (2)	916,416	0.2
<u>Current assets</u>			
Trade & other receivables	5,907	4,761	24.1
Cash & cash equivalents	36,193	38,264	(5.4)
Other current assets	7	9	(22.2)
Total current assets	42,107	43,034	(2.2)
Less current liabilities			
Trade & other payables	21,623	17,265	25.2
Other current liabilities	367	4,250	(91.4)
Total current liabilities	21,990	21,515	2.2
Net current assets	20,117	21,519	(6.5)
Less non-current liabilities			
Long term borrowings	200,000	200,000	-
Other non-current liabilities	9,463	8,330	13.6
	728,732	729,605	(0.1)
Unitholders' funds	728,732	729,605	(0.1)

Footnote :

(1) *This is the first financial period of CMT and the comparative figures is based on the latest balance sheet as of 30 Apr 2002, which was disclosed in the offering circular dated 28 Jun 2002.*

(2) *Investment properties were stated at the purchase price of S\$895 million (valuation as at 1 Oct 2001) and inclusive of additional capital expenditures, stamp duties and other acquisition costs amounting to S\$23.1 million.*

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10.(b) **Cash flow statement for period of 29 Oct 2001 to 30 Sep 2002**

	S\$'000
Operating activities	36,632
Changes in working capital	24,470
Cash generated from operations	61,102
Investing activities	(918,054)
Financing activities	893,145
Net increase in cash and cash equivalents	36,193
Cash and cash equivalents at the date of inception	-
Cash and cash equivalents at end of period	36,193

Footnote : There is no comparative prior period figures as this is the first financial period.

10.(c) **Statement of changes in unitholders' funds**

	S\$'000
Unitholders' contributions/(withdrawals)	
Issue of units (initial)	720,000
Issue of new units (IPO)	17,280
Establishment and other issue expenses	(18,987)
Operations	
Net increase in net assets resulting from operations	31,215
Distribution to unit holders	
Distribution to private unitholders	(20,776)
Unitholders' funds as at 30 Sep 2002	728,732 ⁽¹⁾

Footnote :

(1) The unitholders' funds upon listing (16 Jul 2002) were forecasted in the offering circular dated 28 Jun 2002 to be S\$718.1 million.

(2) There is no comparative prior period figures as this is the first financial period.

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10.(d) Explanatory notes that are material to an understanding of the information provided in 10.(a), (b) and (c) above

CapitaMall Trust (CMT) was established under a Trust Deed dated 29 Oct 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 Dec 2001 and a second supplemental trust deed dated 28 Jun 2002. CMT's first financial period is from the date of inception ie. 29 Oct 2001 to 31 Dec 2002.

Although CMT was established on 29 Oct 2001, the acquisition of the properties was completed on 28 Dec 2001 and hence the actual income derived from the properties was effectively from 29 Dec 2001 onwards.

CMT was originally held privately under a private trust until 15 Jul 2002 and was subsequently listed on the Singapore Stock Exchange with the successful listing of the CMT units.

It was agreed and provided in the offering circular dated 28 Jun 2002 that the private trust unitholders would be entitled to the income derived from the properties up to 15 Jul 2002. Hence the income from 16 Jul 2002 will accrue to the public trust unitholders.

11. Details of any changes in the unitholders' funds

Same as 10.(c) above

12. Borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the most recently announced financial statements

	S\$'000
12.(a) Amount repayable in one year or less, or on demand	-
12.(b) Amount repayable after one year	200,000
	200,000

Footnote : There is no comparative prior period figures as this is the first financial period.

13. Statement that the same accounting policies and methods of computation are followed in the financial statements as compared with the most recent audited annual financial statements.

The same accounting policies and methods of computation are followed in the financial statements as compared with those stated in the offering circular dated 28 Jun 2002.

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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 under reliance on these forward looking statements, which are based on current view of management on future events. The company undertakes no obligations to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

**BY ORDER OF THE BOARD
CAPITAMALL TRUST MANAGEMENT LIMITED**

Winnie Tan
Company Secretary
25 October 2002