



**Embargoed for release till  
5.00pm, 21 October 2003**

## **CAPITAMALL TRUST**

### **2003 THIRD 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, as amended by a First Supplemental Deed dated 26 December 2001, a Second Supplemental Deed dated 28 June 2002, an Amending and Restating Deed dated 29 April 2003 and a Fourth Supplemental Deed dated 18 August 2003.

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

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

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

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**1(a)(i) Income statement (3Q 2003 vs 3Q 2002)**

	3Q 2003	3Q 2002	Increase / (Decrease)
	S\$'000	S\$'000	%
Gross rental income	32,434	20,366	59.3
Car park income	1,098	970	13.2
Other income	1,576	1,045	50.8
<b>Gross revenue</b>	<b>35,108</b>	<b>22,381</b>	<b>56.9</b>
Property management fees	(1,310)	(810)	61.7
Property tax	(1,486)	(932)	59.4
Other property operating expenses <sup>1</sup>	(9,393)	(4,956)	89.5
<b>Property operating expenses</b>	<b>(12,189)</b>	<b>(6,698)</b>	<b>82.0</b>
<b>Net property income</b>	<b>22,919</b>	<b>15,683</b>	<b>46.1</b>
<b>Interest income</b>	<b>11</b>	<b>18</b>	<b>(38.9)</b>
Asset management fees	(2,066)	(1,169)	76.7
Trust expenses	(244)	(324)	(24.7)
<b>Administrative expenses</b>	<b>(2,310)</b>	<b>(1,493)</b>	<b>54.7</b>
<b>Net investment income before interest costs and tax</b>	<b>20,620</b>	<b>14,208</b>	<b>45.1</b>
Interest costs	(2,602)	(1,787)	45.6
<b>Net investment income before tax</b>	<b>18,018</b>	<b>12,421</b>	<b>45.1</b>
Taxation <sup>2</sup>	NA	(442)	NA
<b>Net investment income after tax</b>	<b>18,018</b>	<b>11,979</b>	<b>NA</b>

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:*

	3Q 2003	3Q 2002	Increase / (Decrease)
	S\$'000	S\$'000	%
<i>Depreciation and amortisation</i>	6	-	<i>Nm</i>
<i>Allowance for doubtful debts and bad debts written off</i>	35	-	<i>Nm</i>
<i>Assets written off (primarily the carpark systems)</i>	4	-	<i>Nm</i>

*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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**Income statement (YTD Sep 2003 vs YTD Sep 2002)**

	YTD Sep 2003 S\$'000	YTD Sep 2002 S\$'000	Increase / (Decrease) %
Gross rental income	73,729	60,034	22.8
Car park income	3,307	2,733	21.0
Other income	3,786	2,724	39.0
<b>Gross revenue</b>	<b>80,822</b>	<b>65,491</b>	<b>23.4</b>
Property management fees	(3,090)	(2,544)	21.5
Property tax	(2,437)	(2,977)	(18.1)
Other property operating expenses <sup>1</sup>	(19,735)	(13,158)	50.0
<b>Property operating expenses</b>	<b>(25,262)</b>	<b>(18,679)</b>	<b>35.2</b>
<b>Net property income</b>	<b>55,560</b>	<b>46,812</b>	<b>18.7</b>
<b>Interest income</b>	<b>54</b>	<b>24</b>	<b>125.0</b>
Asset management fees	(4,714)	(3,594)	31.2
Trust expenses	(714)	(1,065)	(33.0)
<b>Administrative expenses</b>	<b>(5,428)</b>	<b>(4,659)</b>	<b>16.5</b>
<b>Net investment income before interest costs and tax</b>	<b>50,186</b>	<b>42,177</b>	<b>19.0</b>
Interest costs	(6,151)	(5,033)	22.2
<b>Net investment income before tax</b>	<b>44,035</b>	<b>37,144</b>	<b>18.6</b>
Taxation <sup>2</sup>	NA	(6,156)	Nm
<b>Net investment income after tax</b>	<b>44,035</b>	<b>30,988</b>	<b>Nm</b>

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:*

	YTD Sep 2003 S\$'000	YTD Sep 2002 S\$'000	Increase / (Decrease) %
<i>Depreciation and amortisation</i>	18	-	Nm
<i>Allowance for doubtful debts and bad debts written off</i>	140	4	3,400
<i>Assets written off (primarily the carpark systems)</i>	412	-	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 (3Q 2003 vs 3Q 2002)**

	3Q 2003	1 Jul 2002 - 15 Jul 2002 <sup>1</sup>	16 Jul 2002 - 30 Sep 2002 <sup>2</sup>	3Q 2002	Increase / (Decrease)
	S\$'000	S\$'000	S\$'000	S\$'000	%
Net investment income after tax	18,018	1,553	10,426	11,979	Nm
Net effect of non-tax deductible / (chargeable) items (Note A)	397	-	604	604	Nm
Others	-	(13)	-	(13)	Nm
<b>Taxable income available for distribution to unitholders</b>	<b>18,415</b>	<b>1,540</b>	<b>11,030</b>	<b>12,570</b>	<b>Nm</b>
<i>Note A</i>					
<i>Non-tax deductible / (chargeable) items</i>					
- Asset management fees (performance component)	959	-	539	539	Nm
- Trustee's fees	98	-	58	58	Nm
- Other items	(660)	-	7	7	Nm
<i>Net effect of non-tax deductible / (chargeable) items</i>	397	-	604	604	Nm

**Distribution statement (YTD Sep 2003 vs YTD Sep 2002)**

	YTD Sep 2003	1 Jan 2002 - 15 Jul 2002 <sup>1</sup>	16 Jul 2002 - 30 Sep 2002 <sup>2</sup>	YTD Sep 2002	Increase / (Decrease)
	S\$'000	S\$'000	S\$'000	S\$'000	%
Net investment income after tax	44,035	20,562	10,426	30,988	Nm
Net effect of non-tax deductible / (chargeable) items (Note A)	2,023	-	604	604	Nm
Others	-	(13)	-	(13)	Nm
<b>Taxable income available for distribution to unitholders</b>	<b>46,058</b>	<b>20,549</b>	<b>11,030</b>	<b>31,579</b>	<b>Nm</b>
<i>Note A</i>					
<i>Non-tax deductible / (chargeable) items</i>					
- Asset management fees (performance component)	2,419	-	539	539	Nm
- Trustee's fees	246	-	58	58	Nm
- Other items	(642)	-	7	7	Nm
<i>Net effect of non-tax deductible / (chargeable) items</i>	2,023	-	604	604	Nm

*Footnote*

1 CMT as a private trust.

2 CMT as a public trust. Tax transparency applies.

Nm – not meaningful

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**1(a)(iii) Income and distribution statement – breakdown of YTD Sep 2003**

	1/1/2003 to 25/6/2003 S\$'000	26/6/2003 to 30/9/2003 S\$'000	YTD Sep 2003 S\$'000
Gross rental income	39,622	34,107	73,729
Car park income	2,150	1,157	3,307
Other income	2,169	1,617	3,786
<b>Gross revenue</b>	<b>43,941</b>	<b>36,881</b>	<b>80,822</b>
Property management fees	(1,720)	(1,370)	(3,090)
Property tax	(881)	(1,556)	(2,437)
Other property operating expenses	(9,722)	(10,013)	(19,735)
<b>Property operating expenses</b>	<b>(12,323)</b>	<b>(12,939)</b>	<b>(25,262)</b>
<b>Net property income</b>	<b>31,618</b>	<b>23,942</b>	<b>55,560</b>
<b>Interest income</b>	<b>42</b>	<b>12</b>	<b>54</b>
Asset management fees	(2,552)	(2,162)	(4,714)
Trust expenses	(462)	(252)	(714)
<b>Administrative expenses</b>	<b>(3,014)</b>	<b>(2,414)</b>	<b>(5,428)</b>
<b>Net investment income before interest costs and tax</b>	<b>28,646</b>	<b>21,540</b>	<b>50,186</b>
Interest costs	(3,405)	(2,746)	(6,151)
<b>Net investment income</b>	<b>25,241</b>	<b>18,794</b>	<b>44,035</b>
Net effect of non-tax deductible / (chargeable) items	1,579	444	2,023
<b>Taxable income available for distribution to unitholders</b>	<b>26,820</b>	<b>19,238</b>	<b>46,058</b>
<b>Distribution per unit</b>	<b>3.62¢<sup>1</sup></b>	<b>2.24¢</b>	

*1 Advanced distribution was paid to the unitholders in July 2003.*

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1(b)(i) **Balance sheet**

**As at 30/9/2003 vs 31/12/2002**

	30/9/2003 S\$'000	31/12/2002 S\$'000	Increase / (Decrease) %
<b>Non-current assets</b>			
Plant & equipment	113	80	41.3
Investment properties	1,231,841 <sup>1</sup>	935,000	31.8
Total non-current assets	1,231,954	935,080	31.8
<b>Current assets</b>			
Trade & other receivables	4,871 <sup>2</sup>	2,173	124.2
Cash & cash equivalents	43,870	52,969 <sup>3</sup>	(17.2)
Total current assets	48,741	55,142	(11.6)
<b>Less current liabilities</b>			
Trade & other payables	39,881 <sup>4</sup>	19,183	107.9
Provisions for taxation	367	367	-
Total current liabilities	40,248	19,550	105.9
<b>Net current assets</b>	<b>8,493</b>	<b>35,592</b>	<b>(76.1)</b>
<b>Less non-current liabilities</b>			
Interest bearing loan	325,000 <sup>5</sup>	200,000	62.5
Other non-current liabilities	21,536 <sup>6</sup>	9,452	127.9
Total non-current liabilities	346,536	209,452	65.5
<b>Net assets</b>	<b>893,911</b>	<b>761,220</b>	<b>17.4</b>
<b>Unitholders' funds</b>	<b>893,911</b>	<b>761,220</b>	<b>17.4</b>

*Footnotes:*

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

2 The increase is due to the addition of IMM Building to CMT's portfolio, higher trade receivables, prepayment of insurance and amortisation of renovation subsidy.

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

4 The increase is due to the addition of IMM Building to CMT's portfolio and payables for asset enhancement works at Tampines Mall and Junction 8.

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

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

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

	30/9/2003 S\$'000	31/12/2002 S\$'000
<b>Secured borrowings</b>		
Amount repayable in one year or less, or on demand	-	-
Amount repayable after one year	325,000 <sup>1</sup>	200,000
	325,000	200,000

*Footnotes:*

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

**Details of any collateral**

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

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

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1(c) **Cash flows statement (3Q 2003 vs 3Q 2002)**

	3Q 2003 S\$'000	3Q 2002 S\$'000
<b>Operating activities</b>		
Net investment income before tax	18,018	12,421
Adjustments for interest income, interest expense, depreciation and asset management fee paid in units, provision for doubtful debts & write-off of car park system	3,592	2,304
Change in working capital	7,697	(418)
Tax paid	-	(5,788)
<b>Cash generated from operating activities</b>	<b>29,307</b>	<b>8,519</b>
<b>Investing activities</b>		
Interest received	11	18
Purchase of investment property, plant and equipment and subsequent expenditure	(9,671)	(690)
<b>Cash flows from investing activities</b>	<b>(9,660)</b>	<b>(672)</b>
<b>Financing activities</b>		
Proceeds from issue of new units	-	17,280
Establishment, issue and financing expenses	(4,173)	(14,916)
Interest bearing borrowings	-	-
Distribution to unitholders	(26,785)	(1,559)
Interest paid	(2,641)	(1,792)
<b>Cash flows from financing activities</b>	<b>(33,599)</b>	<b>(987)</b>
<b>(Decrease)/Increase in cash and cash equivalent</b>	<b>(13,952)</b>	<b>6,860</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>57,822</b>	<b>28,929</b>
<b>Cash and cash equivalent at end of period</b>	<b>43,870</b>	<b>35,789</b>



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**Cash flows statement (YTD Sep 2003 vs YTD Sep 2002)**

	YTD Sep 2003 S\$'000	YTD Sep 2002 S\$'000
<b>Operating activities</b>		
Net investment income before tax	44,035	37,144
Adjustments for interest income, interest expense, depreciation and asset management fee paid in units, provision for doubtful debts & write-off of car park system	9,083	5,547
Change in working capital	20,251	6,861
Tax paid	-	(5,869)
<b>Cash generated from operating activities</b>	<b>73,369</b>	<b>43,683</b>
<b>Investing activities</b>		
Interest received	55	24
Purchase of investment property, plant and equipment and subsequent expenditure	(268,364)	(1,662)
<b>Cash flows from investing activities</b>	<b>(268,309)</b>	<b>(1,638)</b>
<b>Financing activities</b>		
Proceeds from issue of new units	128,186	17,280
Establishment, issue and financing expenses	(9,437)	(17,092)
Interest bearing borrowings	125,000	-
Distribution to unitholders	(51,748)	(20,549)
Interest paid	(6,160)	(4,372)
<b>Cash flows from financing activities</b>	<b>185,841</b>	<b>(24,733)</b>
<b>(Decrease)/Increase in cash and cash equivalent</b>	<b>(9,099)</b>	<b>17,312</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>52,969</b>	<b>18,477</b>
<b>Cash and cash equivalent at end of period</b>	<b>43,870</b>	<b>35,789</b>

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1(d)(i) **Statement of changes in unitholders' funds (3Q 2003 vs 3Q 2002)**

**As at 30/9/2003 vs 30/9/2002**

	3Q 2003 S\$'000	3Q 2002 S\$'000
<b>Balance as at beginning of period</b>	<b>901,489</b>	<b>715,933</b>
<b>Operations</b>		
Net investment income after tax	18,018	11,979
Net appreciation on revaluation of investment property	-	-
<b>Net increase in net assets resulting from operations</b>	<b>18,018</b>	<b>11,979</b>
<b>Unitholders' transactions</b>		
Creation of units		
- proceeds from initial public offering	-	17,280
- management fee paid in units	789	-
Establishment, issue and financing expenses	400 <sup>1</sup>	(15,128)
Distribution to unitholders	(26,785)	(1,332)
<b>Net (decrease)/increase in net assets resulting from unitholders' transactions</b>	<b>(25,596)</b>	<b>820</b>
<b>Balance as at end of period</b>	<b>893,911</b>	<b>728,732</b>

*Footnote:*

*1 This relates to the reversal of professional fees which are not required.*

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**Statement of changes in unitholders' funds (YTD Sep 2003 vs YTD Sep 2002)**

**As at 30/9/2003 vs 30/9/2002**

	YTD Sep 2003 S\$'000	YTD Sep 2002 S\$'000
<b>Balance as at beginning of period</b>	<b>761,220</b>	<b>720,000</b>
<b>Operations</b>		
Net investment income after tax	44,035	30,988
Net appreciation on revaluation of investment property	15,583	-
<b>Net increase in net assets resulting from operations</b>	<b>59,618</b>	<b>30,988</b>
<b>Unitholders' transactions</b>		
Creation of units		
- proceeds from placement/initial public offering	128,186 <sup>1</sup>	17,280 <sup>2</sup>
- management fee paid in units	2,195	-
Establishment, issue and financing expenses	(5,560) <sup>3</sup>	(18,987)
Distribution to unitholders	(51,748) <sup>4</sup>	(20,549)
<b>Net increase/(decrease) in net assets resulting from unitholders' transactions</b>	<b>73,073</b>	<b>(22,256)</b>
<b>Balance as at end of period</b>	<b>893,911</b>	<b>728,732</b>

*Footnote:*

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

2 Proceeds from the initial public offering of 18 million units on 16 July 2002.

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

4 This comprises distribution income for the period of 16 July 2002 to 31 December 2002 paid in February 2003 and distribution income for the period of January 2003 to 25 June 2003 paid in July 2003.

**1(d)(ii) Details of any change in the units (3Q 2003 vs 3Q 2002)**

	3Q 2003 Units	3Q 2002 Units
<b>Balance as at beginning of period</b>	<b>859,718,671</b>	<b>720,000,000</b>
Issue of new units :		
- As payment of asset management fees <sup>1</sup>	647,588	-
- Initial Public Offering	-	18,000,000
<b>Balance as at end of period</b>	<b>860,366,259</b>	<b>738,000,000</b>

*Footnote:*

1 These are the performance component of the asset management fees for 2Q 2003 which was issued in July 2003. As the payment of asset management fee in units for the performance component of the asset management fee is effective from listing date of 17 July 2002, no units were issued for 2Q 2002.

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**1(d)(ii) Details of any change in the units (YTD 2003 vs YTD 2002)**

	YTD Sep 2003 Units	YTD Sep 2002 Units
<b>Balance as at beginning of period</b>	<b>738,560,948</b>	<b>720,000,000</b>
Issue of new units :		
- As payment of asset management fees <sup>1</sup>	2,005,311	-
- Initial Public Offering	-	18,000,000
- For placement of units <sup>2</sup>	119,800,000	-
<b>Balance as at end of period</b>	<b>860,366,259</b>	<b>738,000,000</b>

*Footnote:*

*1 These are the performance component of the asset management fees for 4Q 2002, 1Q 2003 and 2Q 2003 which were issued in January 2003, April 2003 and July 2003 respectively. As the payment of asset management fee in units for the performance component of the asset management fee is effective from listing date of 17 July 2002, no units were issued for YTD September 2002.*

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

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

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

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

Not applicable.

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

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

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

Nil

**6 Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period (3Q 2003 vs 3Q 2002)**

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

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

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	3Q 2003	1 Jan 2002 - 15 Jul 2002 <sup>1</sup>	16 Jul 2002 - 30 Sep 2002 <sup>2</sup>	3Q 2002
Weighted average number of units in issue	860,169,167	720,000,000	738,000,000	735,065,217
Number of units in issue at end of period	860,366,259	720,000,000	738,000,000	738,000,000

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

	3Q 2003	1 Jan 2002 - 15 Jul 2002 <sup>1</sup>	16 Jul 2002 - 30 Sep 2002 <sup>2</sup>	3Q 2002
<b>Earnings per unit (“EPU”) <sup>1</sup></b>				
Based on weighted average number of units in issue	2.09¢	2.85¢	1.41¢	1.63¢
Based on fully diluted basis	2.09¢	2.85¢	1.41¢	1.63¢
<b>Distribution per unit (“DPU”) <sup>1</sup></b>				
Based on the number of units in issue at end of period	2.14¢	2.85¢	1.49¢	1.70¢
Based on fully diluted basis	2.14¢	2.85¢	1.49¢	1.70¢

*Footnote:*

1 CMT as a private trust. EPU and DPU are based on net investment income after tax.

2 CMT as a public trust. Tax transparency applies.

	1 Jan 2003 – 25 Jun 2003	26 Jun 2003 - 30 Sep 2003
Weighted average number of units in issue	739,367,447	860,145,946
Number of units in issue at end of period	739,918,671	860,366,259

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

	1 Jan 2003 – 25 Jun 2003	26 Jun 2003 - 30 Sep 2003
<b>Earnings per unit (“EPU”)</b>		
Based on weighted average number of units in issue	3.41¢	2.18¢
Based on fully diluted basis	3.41¢	2.18¢
<b>Distribution per unit (“DPU”)</b>		
Based on the number of units in issue at end of period	3.62¢ <sup>1</sup>	2.24¢
Based on fully diluted basis	3.62¢	2.24¢

*Footnote:*

1 Advanced distribution was paid to the unitholders in July 2003.

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

	30/9/2003	31/12/2002
<b>NAV per unit</b>	\$1.04	\$1.03
<b>Adjusted NAV per unit (excluding the distributable income)</b>	\$1.02	\$1.00

**8 Review of the performance**

	3Q 2003	3Q 2002	2Q 2003	YTD Sep 2003	YTD Sep 2002
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Income statement</u></b>					
Gross revenue	35,108	22,381	22,333	80,822	65,491
Property operating expenses	(12,189)	(6,698)	(5,741)	(25,262)	(18,679)
Net property income	22,919	15,683	16,592	55,560	46,812
Other income	11	18	18	54	24
Administrative expenses	(2,310)	(1,493)	(1,558)	(5,428)	(4,659)
Interest costs	(2,602)	(1,787)	(1,802)	(6,151)	(5,033)
<b>Net investment income before tax</b>	<b>18,018</b>	<b>12,421</b>	<b>13,250</b>	<b>44,035</b>	<b>37,144</b>

	3Q 2003	3Q 2002	2Q 2003	YTD Sep 2003	YTD Sep 2002 <sup>1</sup>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Distribution statement</u></b>					
Net investment income before tax	18,018	12,421	13,250	44,035	37,144
Net effect of non-tax deductible / (chargeable) items	397	604	823	2,023	604 <sup>1</sup>
Others	-	(13)	-	-	(13)
Taxation	-	(442)	-	-	(6,156) <sup>1</sup>
<b>Taxable income available for distribution to unitholders</b>	<b>18,415</b>	<b>12,570</b>	<b>14,073</b>	<b>46,058</b>	<b>31,579</b>

*Footnote:*

*1 Not meaningful to compare YTD September 2003 figures to YTD September 2002 figures as the public trust commenced only on 16 July 2002. Prior to 16 July 2002, tax transparency did not apply.*

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#### **3Q 2003 vs 3Q 2002**

Gross revenue for 3Q 2003 was S\$35.1 million, net of SARs rebates of S\$0.3 million given to the tenants. This is an increase of S\$12.7 million from 3Q 2002. Gross revenue of S\$11.6 million from IMM Building contributed to the big increase in revenue. The higher revenue was also due to the higher average rental rates achieved by all the properties on new and renewal leases, higher car park income and other income initiatives such as advertising panels, new kiosks, kiddy rides, etc. Property operating expenses for 3Q 2003 was S\$12.2 million, an increase of S\$5.5 million from 3Q 2002. This increase is due to expenses incurred by IMM Building (S\$5.3m), higher tenancy and advertising and promotion expenses (S\$0.8m) and insurance expenses (S\$0.1m), offset by lower car park maintenance expenses (S\$0.4m), property tax (S\$0.1m) and lower consultancy services (S\$0.2m).

Interest cost for 3Q 2003 was S\$2.6 million, S\$0.8 million higher than the corresponding quarter in 2002. This was due to the additional loan taken in June 2003 to part finance the acquisition of IMM Building.

#### **3Q 2003 vs 2Q 2003**

Gross revenue for 3Q 2003 was S\$35.1 million, or S\$12.8 million higher than 2Q 2003. This is mainly attributable to revenue from IMM Building (S\$11.1m), SARs rebates given to tenants in 2Q 2003 (S\$0.8m), higher rental income and other income initiatives. Property operating expenses for 3Q 2003 is S\$12.2 million, an increase of S\$6.4 million from 2Q 2003. The higher operating expenses were mainly due to expenses incurred by IMM Building (S\$5.1m), higher property tax as higher property tax rebates were received in 2Q 2003 (S\$1.7m), offset by the write-off of the old car park system in 2Q 2003 (S\$0.4m).

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

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

	Actual S\$'000	Forecast <sup>1</sup> S\$'000	Increase / (Decrease) %
Gross rental income	34,107	34,181	(0.2)
Car park income	1,157	1,026	12.8
Other income	1,617	822	96.7
<b>Gross revenue</b>	<b>36,881</b>	<b>36,029</b>	<b>2.4</b>
Property management fees	(1,370)	(1,325)	3.4
Property tax	(1,556)	(2,159)	(27.9)
Other property operating expenses	(10,013)	(9,409)	6.4
<b>Property operating expenses</b>	<b>(12,939)</b>	<b>(12,893)</b>	<b>0.4</b>
<b>Net property income</b>	<b>23,942</b>	<b>23,136</b>	<b>3.5</b>
<b>Interest income</b>	<b>12</b>	<b>67</b>	<b>(82.1)</b>
Asset management fees	(2,162)	(1,773)	21.9
Trust expenses	(252)	(587)	(57.1)
<b>Administrative expenses</b>	<b>(2,414)</b>	<b>(2,360)</b>	<b>2.29</b>
<b>Net investment income before interest costs and tax</b>	<b>21,540</b>	<b>20,843</b>	<b>3.3</b>
Interest costs	(2,746)	(3,164)	(13.2)
<b>Net investment income before tax</b>	<b>18,794</b>	<b>17,679</b>	<b>6.3</b>
Net effect of non-tax deductible / (chargeable) items	444	697	(36.3)
<b>Taxable income available for distribution to unitholders</b>	<b>19,238</b>	<b>18,376</b>	<b>4.7</b>
<b>Distribution per unit (in cents)</b>			
<b>For the period</b>	2.24	2.14	4.7
<b>Annualised</b>	8.41	8.04	4.7

*Footnote:*

*1 The forecast is based on the forecast shown in the circular to unitholders dated 11 June 2003 for all the properties for June to December 2003 pro-rated for 26 June 2003 to 30 September 2003.*



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	Actual 26 Jun 2003 - 30 Sep 2003 S\$'000	Forecast <sup>1</sup> 26 Jun 2003 -30 Sep 2003 S\$'000	Increase / (Decrease) %
9(iii) <b><u>Breakdown of gross revenue</u></b>			
Tampines Mall	11,665	11,526	1.2
Junction 8	8,002	7,514	6.5
Funan The IT Mall	5,139	5,428	(5.3)
IMM Building	12,339	11,561	6.7
<b>Gross revenue</b>	<b>37,145</b>	<b>36,029</b>	<b>3.1</b>
Less : Rebate to tenants	(264)	-	NA
<b>Gross revenue</b>	<b>36,881</b>	<b>36,029</b>	<b>2.4</b>

*Footnote:*

*1 The forecast is based on the forecast shown in the circular to unitholders dated 11 June 2003 for all the properties for June to December 2003, pro-rated for 26 June 2003 to 30 September 2003.*

	Actual 26 Jun 2003 - 30 Sep 2003 S\$'000	Forecast <sup>1</sup> 26 Jun 2003 -30 Sep 2003 S\$'000	Increase / (Decrease) %
9(iv) <b><u>Breakdown of net property income</u></b>			
Tampines Mall	8,675	8,643	0.4
Junction 8	5,483	5,358	2.3
Funan The IT Mall	3,281	3,606	(9.0)
IMM Building	6,503	5,529	17.6
<b>Net property income</b>	<b>23,942</b>	<b>23,136</b>	<b>3.5</b>

*Footnote:*

*1 The forecast is based on the forecast shown in the circular to unitholders dated 11 June 2003 for all the properties for June to December 2003, pro-rated for 26 June 2003 to 30 September 2003.*

9(v) **Review of the performance (26 June 2003 to 30 September 2003)**

Actual gross revenue for the period was S\$36.9 million, net of the SARs rebates of S\$0.3 million granted to the tenants mainly for IMM Building. Regardless of this, the actual gross revenue, on a portfolio basis, is 2.4% higher than the forecasted gross revenue. At the property level, other than Funan The IT Mall, the other three properties have performed better than forecast. The lower performance by Funan The IT Mall is due to the repositioning of the centre for better tenancy mix and long term sustainability. With this, there are vacancy voids, fitting out periods which have been granted to the tenants.

On the whole, property operating expenses were in line with the forecast. The savings of S\$0.6 million from the property tax rebates granted by the government is offset by the higher expenditure incurred to reposition Funan The IT Mall and additional advertising and promotional expenses to create awareness of the centres and the new tenants.

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Interest costs were lower by S\$0.4 million due to the lower interest rates achieved versus the forecast.

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

In general, retail sales in Singapore dipped marginally in 3Q 2003. For CMT malls, shopper traffic and retail sales have remained stable. Fashion trade registered slower sales while other basic retail trades eg. food and groceries remain stable despite the weak economy. Given the positive outlook for better economy and the festive season in coming months, retail sales are expected to pick up across all sectors.

**Outlook for 2003**

Given the actual performance for the nine months ended 30 September 2003, the manager of CMT is optimistic to deliver more than the 2003 annualised distribution per unit forecast of 8.04 cents (as stated in the circular to unitholders dated 11 June 2003) for the period after the acquisition of IMM Building, barring any unforeseen circumstances.

**11 Distributions**

11(a) Current financial period

Any distributions declared for the current financial period?

Name of distribution : Nil  
Distribution type : NA  
Distribution rate : NA  
Par value of units : NA  
Tax rate : NA  
Remarks : NA

11(b) Corresponding period of the preceding financial period

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

Nil

11(c) Date payable

NA

11(d) Book closure date

NA

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

No distribution has been declared/recommended.

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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  
(as Manager of CapitaMall Trust)

Winnie Tan  
Company Secretary  
21 October 2003