



(Constituted in the Republic of Singapore pursuant to a trust deed dated 6 February 2004 (as amended))



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

## ANNOUNCEMENT

### Forecast and Projected Statements of Total Return and Distribution of RCS Trust

CapitaCommercial Trust Management Limited, the manager of CapitaCommercial Trust (“**CCT**”, and the manager of CCT, the “**CCT Manager**”), and CapitaMall Trust Management Limited, the manager of CapitaMall Trust (“**CMT**”, and the manager of CMT, the “**CMT Manager**”), are pleased to provide to their unitholders the forecast and projected statements of total return and distribution of RCS Trust (the joint ownership vehicle in the form of an unlisted special purpose sub-trust, which holds Raffles City and in which CCT and CMT hold interests of 60.0 per cent and 40.0 per cent respectively) for (i) the forecast period from 1 July 2008 to 31 December 2008 (the “**Forecast Period 2008**”) and (ii) the projection year ending 2009 (the “**Projection Year 2009**”) (collectively, the “**RCS Trust Forecast and Projected Statements**”).

The forecast and projected statements as disclosed in the unitholders’ circular issued by CCT on 9 June 2008 has taken into account the pro rata contributions from RCS Trust, which is based on the appended RCS Trust Forecast and Projected Statements.

The RCS Trust Forecast and Projected Statements have been examined by the Independent Accountants, and should be read together with their report contained in the Appendix as well as the assumptions and sensitivity analysis set out therein.

BY ORDER OF THE BOARD  
CapitaCommercial Trust Management Limited  
(Company Registration No. 200309059W)

As manager of CapitaCommercial Trust  
Michelle Koh  
Company Secretary

Singapore  
9 June 2008

BY ORDER OF THE BOARD  
CapitaMall Trust Management Limited  
(Company Registration No. 200106159R)

As manager of CapitaMall Trust  
Kannan Malini  
Company Secretary

**FORECAST AND PROJECTED STATEMENTS OF TOTAL RETURN AND DISTRIBUTION  
OF RCS TRUST**

|                                                      | Forecast for<br>financial<br>year ending<br>2008 <sup>(1)</sup> | Forecast<br>Period 2008               | Projection<br>Year 2009                         |
|------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------|-------------------------------------------------|
|                                                      |                                                                 | 1 July 2008 to<br>31 December<br>2008 | Financial Year<br>Ending 31<br>December<br>2009 |
| <b>S\$'000</b>                                       |                                                                 |                                       |                                                 |
| <b>Gross Revenue</b>                                 |                                                                 |                                       |                                                 |
| Gross Rental Income                                  | 180,687                                                         | 90,521                                | 190,078                                         |
| Car park income                                      | 4,806                                                           | 2,353                                 | 4,896                                           |
| Other income                                         | 3,472                                                           | 1,658                                 | 3,326                                           |
| <b>Total Gross Revenue</b>                           | <b>188,965</b>                                                  | <b>94,532</b>                         | <b>198,300</b>                                  |
| <b>Property Operating Expenses</b>                   |                                                                 |                                       |                                                 |
| Property management fee                              | (7,321)                                                         | (3,652)                               | (7,670)                                         |
| Property tax                                         | (20,420)                                                        | (10,244)                              | (21,137)                                        |
| Other property operating expenses                    | (26,865)                                                        | (13,845)                              | (28,993)                                        |
| <b>Total Property Operating Expenses</b>             | <b>(54,606)</b>                                                 | <b>(27,741)</b>                       | <b>(57,800)</b>                                 |
| <b>Net Property Income</b>                           | <b>134,359</b>                                                  | <b>66,791</b>                         | <b>140,500</b>                                  |
| Interest income                                      | 46                                                              | 4                                     | -                                               |
| Manager's management fees                            | (11,944)                                                        | (5,983)                               | (12,405)                                        |
| Other trust expenses                                 | (962)                                                           | (498)                                 | (996)                                           |
| <b>Net income before borrowing costs<br/>and tax</b> | <b>121,499</b>                                                  | <b>60,314</b>                         | <b>127,099</b>                                  |
| <b>Borrowing costs</b>                               |                                                                 |                                       |                                                 |
| Interest expense                                     | (37,205)                                                        | (18,976)                              | (40,756)                                        |
| Amortisation of transaction costs                    | (981)                                                           | (490)                                 | (980)                                           |
| <b>Total Borrowing Costs</b>                         | <b>(38,186)</b>                                                 | <b>(19,466)</b>                       | <b>(41,736)</b>                                 |
| <b>Total return before tax</b>                       | <b>83,313</b>                                                   | <b>40,848</b>                         | <b>85,363</b>                                   |
|                                                      |                                                                 |                                       |                                                 |
| <b><u>Distribution Statement</u></b>                 |                                                                 |                                       |                                                 |
| Total return before tax                              | 83,313                                                          | 40,848                                | 85,363                                          |
| Net tax adjustments                                  | 13,743                                                          | 6,894                                 | 14,124                                          |
| <b>Distributable income to Unitholders</b>           | <b>97,056</b>                                                   | <b>47,742</b>                         | <b>99,487</b>                                   |

Note:

(1) Based on RCS Trust's actual results from 1 January 2008 to 31 March 2008, and the CCT Manager's together with the CMT Manager's forecast of RCS Trust's results from 1 April 2008 to 31 December 2008.

## 1 Assumptions

The major assumptions made in preparing the RCS Trust Forecast and Projected Statements are set out below. The CCT Manager, together with the CMT Manager, considers these assumptions to be appropriate and reasonable at the date of this Announcement.

### 1.1 Raffles City Singapore Gross Revenue

The gross revenue of Raffles City Singapore ("**RC Gross Revenue**") is the aggregate of gross rental income earned from the leasing of offices in Raffles City Tower ("**RC Office Gross Rental Income**"), the leasing of shops in Raffles City Shopping Centre ("**RC Retail Gross Rental Income**"), and the leasing of the two hotels in Raffles City Singapore and the Raffles City Singapore Convention Centre (the "**RC Hotels and Convention Centre**", and the gross rental income earned from the leasing of the Hotels and Convention Centre, "**RC Hotels Gross Rental Income**"), as well as the car park income ("**RC Car Park Income**") and other income ("**RC Other Income**") earned from Raffles City Singapore. The assumptions used in calculating RC Gross Revenue are set out below:

#### 1.1.1 RC Office Gross Rental Income

In order to forecast and project the RC Office Gross Rental Income, the CCT Manager, together with the CMT Manager, has, in the first instance, used rent payable under the committed leases of Raffles City Tower as at 29 February 2008.

For a committed lease expiring during the period from 1 March 2008 to 31 December 2008, the CCT Manager, together with the CMT Manager, has used the following process to forecast and project the RC Office Gross Rental Income for the period following such expiry:

- The CCT Manager, together with the CMT Manager, has assessed the market rent for the leases due for renewal. The market rent is the rent which the CCT Manager, together with the CMT Manager, believes could be achieved if each lease were renegotiated as at 29 February 2008 and is estimated with reference to the rent payable pursuant to comparable leases that have recently been negotiated, the achievable rents of comparable office buildings, likely market conditions, inflation rates and tenant demand levels.
- The CCT Manager, together with the CMT Manager, has assessed each of the expiring leases and the likelihood of renewals for committed leases expiring in the period from 1 March 2008 to 31 December 2008. During this period, leases of 2,705 square metres ("**sq m**") or 7.7% of the office NLA will be due for renewal. It has been assumed that 30.0% of these expiring leases of 812 sq m have been renewed or will be renewed, taking into account the actual committed renewals and tenants who have expressed an intention to renew their leases as at 29 February 2008.

If a committed lease expires in Projection Year 2009, the CCT Manager, together with the CMT Manager, has assumed that the rental rates payable under the lease renewal will be the market rent of comparable properties, increased by the projected growth rate of an average 5.0% per annum from

the prevailing market rental rates as at 29 February 2008. For Projection Year 2009, leases of 15,581 sq m or 44.1% of the office NLA will be due for renewal. The CCT Manager, together with the CMT Manager, has assumed that 71.7% of these expiring leases or 11,191 sq m have been renewed or will be renewed.

For the office leases which are not renewed during the period from 1 March 2008 to 31 December 2009, a vacancy allowance of three to four months is assumed. The rental rates payable upon the lease of such vacant spaces are assumed to be the market rent of comparable properties for the period from 1 March 2008 to 31 December 2008. For the Projection Year 2009, the rental rates are assumed to be increased by the projected growth rate of an average of 5.0% from the prevailing market rental rates as at 29 February 2008.

#### **1.1.2 RC Retail Gross Rental Income**

##### ***RC Retail Gross Rental Income (Excluding Turnover Rent)***

In order to forecast and project the RC Retail Gross Rental Income (excluding turnover rent), the CCT Manager, together with the CMT Manager, has, in the first instance, used rent payable under the committed leases (including letters of offer which are to be followed up with lease agreements to be signed by the parties) for Raffles City Shopping Centre as at 29 February 2008.

Following the expiry of a committed lease during the period from 1 March 2008 to 31 December 2009, the CCT Manager, together with the CMT Manager, has used the following process to forecast and project the RC Retail Gross Rental Income (excluding turnover rent) for the period following such expiry:

- The CCT Manager, together with the CMT Manager, has assessed the market rent for each portion of lettable area as at 29 February 2008. The market rent is the rent which the CCT Manager, together with the CMT Manager, believes could be achieved if each lease were renegotiated as at 29 February 2008 and is estimated with reference to (i) the rent payable pursuant to comparable leases that have recently been negotiated, (ii) the effect of comparable shopping centres, (iii) assumed tenant retention rates on lease expiry, (iv) likely market conditions, (v) inflation levels, and (vi) tenant demand levels.
- If a committed lease expires in the period from 1 March 2008 to 31 December 2009, the CCT Manager, together with the CMT Manager, has assumed that the rental rates for a new lease (or a lease renewal) which commences in the period from 1 March 2008 to 31 December 2009 is the market rent, increased by the forecast growth rate of 3.0% per annum, or the actual rent committed (if the lease agreement or letter of offer has been entered into).
- The growth rate of 3.0% per annum is assumed after having regard to (i) the estimated rate of consumer price inflation in Singapore, (ii) the outlook for the general economy including gross domestic product growth rates, (iii) the demand level of tenancies in Raffles City Shopping Centre, and (iv) the outlook for retail sales in

Singapore. The 3.0% growth rate is an annual figure but has been assumed to apply to the relevant figures compounded on a monthly basis.

- For the leases expiring during the period 1 March 2008 to 31 December 2008 and the Projection Year 2009, it has been assumed that leases representing 50.0% of the RC Retail Gross Rental Income (excluding turnover rent) derived from such leases will be renewed and will not experience any vacancy period. It has been assumed that leases representing the remaining 50.0% of the RC Retail Gross Rental Income (excluding turnover rent) derived from the other leases expiring during the period 1 March 2008 to 31 December 2008 and the Projection Year 2009 will experience a one month vacancy period before rent becomes payable under a new lease. For those leases, where the actual vacancy periods are already known pursuant to commitments to lease which are in place as at 29 February 2008, the actual vacancy periods have been used in the forecast and projection.

#### ***RC Retail Gross Rental Income from Asset Enhancement Works***

For Raffles City Shopping Centre, asset enhancement works involving reconfiguration of lettable areas and tenant re-mixing are expected to be carried out during the period 1 March 2008 to 31 December 2008 and the Projection Year 2009.

The forecast and projection have taken into account the potential revenue loss during the period when further asset enhancement works are being carried out as well as the additional revenue arising from the completion of the asset enhancement works.

#### ***Turnover Rent***

For Raffles City Shopping Centre, approximately 93.9% of all committed leases (by number of leases) contained provisions for payment of turnover rent. The typical turnover rent provision in these leases is based on payment of either (i) gross rental income or (ii) a percentage of their gross turnover, whichever yields the higher amount.

In order to forecast turnover rent for Raffles City Shopping Centre for the period from 1 March 2008 to 31 December 2009, the CCT Manager, together with the CMT Manager, has reviewed average historical turnover rent figures for each tenant that pays turnover rent. Where historical turnover rent figures are not available, the CCT Manager, together with the CMT Manager, has 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. Based on this assessment, the CCT Manager, together with the CMT Manager, makes a forecast of the turnover rent for the period 1 March 2008 to 31 December 2008 and the Projection Year 2009.

Turnover rent of Raffles City Shopping Centre is forecast and projected to account for less than 1.0% of RC Retail Gross Rental Income for both the period 1 March 2008 to 31 December 2008 and the Projection Year 2009.

### **1.1.3 RC Hotels Gross Rental Income**

The RC Hotels and Convention Centre are leased to RC Hotels (Pte) Ltd. Under the lease, RC Hotels (Pte) Ltd pays a gross rental income which includes a step-up minimum rent structure, a service charge component and a variable rent component based on a percentage of gross operating revenue earned from the RC Hotels and Convention Centre.

For the unexpired remaining annual rental periods from 7 November 2007 to 6 November 2011, the minimum rent will be on a yearly step-up structure, increasing from S\$38.0 million to S\$44.0 million.

For each annual rental period up to and including the annual rental period ending 6 November 2011, the variable rent will be 8.5% of gross operating revenue up to S\$250.0 million and 13.0% of gross operating revenue over S\$250.0 million.

The CCT Manager, together with the CMT Manager, has forecast and projected the minimum rent revenue based on the committed lease structure. To derive the variable rent revenue for both the Forecast Period 2008 and the Projection Year 2009, the percentage of gross operating revenue earned from the RC Hotels and Convention Centre adopted is based on the committed lease structure. In order to forecast the variable rent, the CCT Manager, together with the CMT Manager, has reviewed the historical gross operating revenue figures earned from the RC Hotels and Convention Centre and assessed the outlook for the Singapore hotel sector. Based on this assessment, the CCT Manager, together with the CMT Manager, has assumed that the gross operating revenue earned from the RC Hotels and Convention Centre for the Forecast Period 2008 is based on the current outlook for the Singapore hotel sector and that there is no growth for the Projection Year 2009.

### **1.1.4 RC Car Park Income**

RC Car Park Income includes income earned from the operations of the car park. The CCT Manager, together with the CMT Manager, has assumed that the RC Car Park Income will grow at 5.9% from the financial year ended 2007 for the Forecast Period 2008 and at 1.9% from the financial year ending 2008 ("**FY2008**") for the Projection Year 2009.

### **1.1.5 RC Other Income**

RC Other Income includes signage licence fees, casual leasing and other miscellaneous income from Raffles City Shopping Centre, as well as tenant recoveries earned from both Raffles City Shopping Centre and the Raffles City Tower.

The RC Other Income for the Forecast Period 2008 and the Projection Year 2009 is forecast and projected based on historical income and license agreements committed as at 29 February 2008, as well as the outlook for casual leasing at Raffles City Shopping Centre.

## **1.2 Property Operating Expenses**

### **1.2.1 Property Tax**

Property tax is assessed based on 10.0% of annual value. The annual values of Raffles City Singapore for the Forecast Period 2008 and the Projection Year 2009 are assumed as follows:

- For Raffles City Tower, it is assumed to be 118.9% and 86.0% higher than the RC Office Gross Rental Income for the Forecast Period 2008 and the Projection Year 2009 respectively.
- For Raffles City Shopping Centre, it is assumed to be the RC Retail Gross Rental Income after deducting an assumed service charge rate and advertising and promotion levy (where applicable).
- For the Hotels and Convention Centre, it is assumed to be the RC Hotels Gross Rental Income less service charge for the Forecast Period 2008 and the Projection Year 2009.
- For the car parks, it is assumed to be the RC Car Park Income after allowing for assumed deductible car park operating expenses; and for the other income, it is assumed to be the RC Other Income less tenant recoveries.

### **1.2.2 RCS Trust Property Management Fee**

The property management fee is based on 2.0% of gross revenue plus 2.5% of net property income of Raffles City Singapore (inclusive of leasing and/or marketing commissions).

### **1.2.3 Other Property Operating Expenses**

To forecast the other property operating expenses for the Forecast Period 2008, the CCT Manager, together with the CMT Manager, has made an assessment of the actual historical operating costs and the service contracts which were committed as at 29 February 2008. The other property operating expenses for the Projection Year 2009 are assumed to increase by 7.9% per annum from FY2008.

### **1.2.4 Marketing Expenses**

The CCT Manager, together with the CMT Manager, has assumed that approximately S\$2.2 million per annum will be incurred as marketing expenses for the Forecast Period 2008 and the Projection Year 2009, after taking into consideration the actual historical marketing expenses and marketing expenses which were committed as at 29 February 2008.

## **1.3 RCS Management Fee**

The base component of the management fee is 0.25% per annum of the value of the deposited property of RCS Trust. In addition, there is also a performance component of the management fee, being 4.0% of the net property income of RCS Trust.

It is assumed that the management fee is paid in units in RCS Trust, and each of the CCT Manager and the CMT Manager will issue and receive for their own account such number of units in CCT or units in CMT (as the case may be) as may be

purchased with the respective amount of the management fee received by each of the CCT Trustee and the CMT Trustee respectively.

#### **1.4 Trust Expenses**

Trust expenses of RCS Trust include recurring operating expenses such as the RCS Trust trustee-manager's trustee's fees, annual valuation fees, legal fees, registry and depository charges, accounting, audit and tax adviser's fees, postage, printing and stationery costs, investor communication costs and other miscellaneous expenses.

#### **1.5 Borrowing Costs**

RCS Trust has S\$1,030.0 million loan facilities granted by Silver Oak Ltd., a special purpose vehicle, which comprise a five-year fixed rate term loan of S\$866.0 million and a revolving credit facility of S\$164.0 million. The term loan has been fully drawn down on 13 September 2006 in three tranches. The three tranches comprise (i) a five-year term loan of S\$670.0 million; (ii) a five-year term loan of S\$60.0 million; and (iii) a five-year fixed rate term loan of S\$ 136.0 million.

The CCT Manager, together with the CMT Manager, has assumed that S\$46.7 million and S\$107.5 million will be drawn down from the revolving credit facility in the Forecast Period 2008 and the Projection Year 2009 respectively to fund the asset enhancement works, capital expenditure at Raffles City Singapore and the working capital of the RCS Trust.

The CCT Manager, together with the CMT Manager, has assumed an average interest rate of approximately 4.1% and 4.0% per annum (including margins and excluding the amortisation of debt issuance expenses) for the Forecast Period 2008 and the Projection Year 2009 respectively.

The amortisation of debt issuance expenses is assumed to be S\$0.5 million and S\$1.0 million for the Forecast Period 2008 and the Projection Year 2009 respectively. As the amortisation is a non-cash item, it is added back to the distributable income through net tax adjustment.

#### **1.6 Capital Expenditure**

A provision of cash flow payments for the projected capital expenditure has been included in the Forecast Period 2008 and the Projection Year 2009. This is projected by the CCT Manager, together with the CMT Manager based on the proposed asset enhancement works relating to Raffles City Singapore.

Capital expenditure incurred is capitalised as part of the deposited property of RCS Trust and has no impact on the Statement of Total Return and distribution other than affecting the borrowing costs and depreciation expense.

While there is no material deferred capital maintenance obligation outstanding, the cash flow payment for the projected capital expenditure with respect to improvement works at Raffles City Singapore is forecast as follows:

|                                  | <b>Forecast Period 2008<br/>(1 July 2008 to<br/>31 December 2008)<br/>(S\$ Million)</b> | <b>Projection Year 2009<br/>(Financial year ending<br/>31 December 2009)<br/>(S\$ Million)</b> |
|----------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Asset enhancement works          | 25.1                                                                                    | 54.0                                                                                           |
| Renovation and improvement works | 7.9                                                                                     | 29.2                                                                                           |
| Regular capital expenditure      | 6.5                                                                                     | 9.4                                                                                            |
| <b>Total</b>                     | <b>39.5</b>                                                                             | <b>92.6</b>                                                                                    |

### **1.7 Investment Property**

The CCT Manager, together with the CMT Manager, has assumed that the carrying value for Raffles City Singapore is S\$2,586.0 million (based on market valuation dated 1 December 2007 conducted by an independent valuer, CBRE). It has been assumed that the property value of Raffles City Singapore will only increase by the amount of capital expenditure projected as described in paragraph 1.6 above for the Forecast Period 2008 and the Projection Year 2009.

The assumption is applied when estimating the property value and the value of the deposited property of RCS Trust for the purposes of forecasting and projecting the base fee component of the management fee and the RCS Trust trustee-manager's trustee's fee.

### **1.8 Accounting Standards**

It has been assumed that there has been no change in the applicable accounting policies or other financial reporting requirements that may have a material effect on RCS Trust's forecast distributable income. RCS Trust's significant accounting policies are consistent with those of CCT and its subsidiaries (the "**CCT Group**") and CMT and its subsidiaries (the "**CMT Group**") and a summary of the significant accounting policies of the CCT Group and CMT Group may be found in the CCT Group's and the CMT Group's annual report for the financial year ended 31 December 2007.

### **1.9 Other Assumptions**

The following additional assumptions have been made in preparing the RCS Trust Forecast and Projected Statements:

- (i) there will be no material change to the tax legislation or other legislation;
- (ii) there will be no material change to the existing tax rulings of RCS Trust, CCT and CMT;
- (iii) all leases and licences are enforceable and will be performed in accordance with their terms; and
- (iv) 100.0% of the distributable income is distributed from RCS Trust in accordance with CCT's 60.0% interest and CMT's 40.0% interest for the Forecast Period 2008 and the Projection Year 2009.

## 2 Sensitivity Analysis on Distributable Income

The profit forecast and profit projection is based on a number of key assumptions that have been outlined earlier in this Announcement.

Unitholders of CCT and CMT (collectively, the “**Unitholders**”) should be aware that future events cannot be predicted with any certainty and deviations from the figures in the Announcement are to be expected. To assist unitholders in assessing the impact of these assumptions on the RCS Trust Forecast and Projected Statements, the sensitivity of distributable income to changes in the key assumptions is set out below.

The sensitivity analysis below is intended as 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 variable beyond the extent shown.

The sensitivity analysis has been prepared using the same assumptions as those set out earlier in this Announcement.

### 2.1 Gross Rental Income

Changes in the gross rental income of uncommitted leases as at 29 February 2008 will impact the net property income of RCS Trust and, consequently, the distributable income. The assumptions for gross rental income have been set out earlier in this Announcement. The effect of variations in such gross rental income on the distributable income is set out below:

#### Impact on Distributable Income Pursuant to Changes in Gross Rental Income

|                                | Distributable income |                 |
|--------------------------------|----------------------|-----------------|
|                                | Forecast Period      | Projection Year |
|                                | (S\$'000)            | (S\$'000)       |
| 5.0 per cent. below base case  | 47,621               | 98,005          |
| <b>Base case<sup>(1)</sup></b> | <b>47,742</b>        | <b>99,487</b>   |
| 5.0 per cent. above base case  | 47,863               | 100,969         |

**Note:**

(1) Distributable income as shown in the RCS Trust Forecast and Projected Statements.

## 2.2 Property Operating Expenses

Changes in the property operating expenses (excluding property tax and the property management fee) will impact the net property income of RCS Trust and, consequently, the distributable income. The assumptions for property operating expenses have been set out earlier in this Announcement. The effect of variations in the property operating expenses on the distribution income is set out below:

### Impact on Distributable Income Pursuant to Changes in Property Operating Expenses

|                                              | Distributable income |                 |
|----------------------------------------------|----------------------|-----------------|
|                                              | Forecast Period      | Projection Year |
|                                              | (S\$'000)            | (S\$'000)       |
| 2.5 per cent. below base case <sup>(1)</sup> | 48,064               | 100,162         |
| <b>Base case<sup>(2)</sup></b>               | <b>47,742</b>        | <b>99,487</b>   |
| 2.5 per cent. above base case <sup>(3)</sup> | 47,420               | 98,812          |

**Notes:**

- (1) Implies a decrease of 2.5% in the property operating expenses (excluding property tax and the property management fee).
- (2) Distribution income as shown in the RCS Trust Forecast and Projected Statements.
- (3) Implies an increase of 2.5% in the property operating expenses (excluding property tax and the property management fee).

## 2.3 Borrowing Costs

Changes in interest rates will impact net income of RCS Trust and, consequently, the distributable income. The interest rate assumptions have been set out earlier in this Announcement. The effect of the variation in RCS Trust's borrowing costs on the distributable income is set out below:

### Impact on Distributable Income Pursuant to Changes in Borrowing Costs

|                                                        | Distributable income |                 |
|--------------------------------------------------------|----------------------|-----------------|
|                                                        | Forecast Period      | Projection Year |
|                                                        | (S\$'000)            | (S\$'000)       |
| Actual interest rate is 25 basis points below estimate | 47,795               | 99,873          |
| <b>Base case<sup>(1)</sup></b>                         | <b>47,742</b>        | <b>99,487</b>   |
| Actual interest rate is 25 basis points above estimate | 47,689               | 99,101          |

**Note:**

- (1) Distribution income as shown in the RCS Trust Forecast and Projected Statements.



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9 June 2008

Dear Sirs

**Letter from the Reporting Accountants on the Profit Forecast for the period from 1 July 2008 to 31 December 2008 and the Profit Projection for the year ending 31 December 2009 of RCS Trust**

This letter has been prepared for inclusion in the announcement (the "Announcement") by CapitaCommercial Trust Management Limited ("CCTML") and CapitaMall Trust Management Limited ("CMTML") relating to the profit forecast and profit projection of RCS Trust ("RCS").

The directors of CCTML and CMTML (the "Directors") are responsible for the preparation and presentation of the forecast and projected Statements of Total Return and Distribution for the period from 1 July 2008 to 31 December 2008 (the "Profit Forecast") and the year ending 31 December 2009 (the "Profit Projection") as set out on page 2 of the Announcement, which has been prepared on the basis of the assumptions as set out on pages 3 to 9 of the Announcement (the "Assumptions").

We have examined the Profit Forecast of RCS for the period from 1 July 2008 to 31 December 2008 and the Profit Projection for the year ending 31 December 2009 as set out on page 2 of the Announcement in accordance with Singapore Standard on Assurance Engagements applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast and Profit Projection including the Assumptions on which they are based.

### **Profit Forecast**

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 Profit Forecast. Further, in our opinion the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the Assumptions, is consistent with the accounting policies normally adopted by RCS and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 *"Reporting Framework for Unit Trusts"* (but not all the required disclosures for the purposes of this letter) issued by the Institute of Certified Public Accountants of Singapore ("ICPAS"), which is the framework adopted by RCS in the preparation of its financial statements.

### **Profit Projection**

The Profit Projection is intended to show a possible outcome based on the Assumptions. Because the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the Assumptions used in the Profit Projection (which included hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for a profit forecast. The Profit Projection does not therefore constitute a profit forecast.

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 Profit Projection. Further, in our opinion the Profit Projection, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the Assumptions, is consistent with the accounting policies normally adopted by RCS and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 *"Reporting Framework for Unit Trusts"* (but not all the required disclosures for the purposes of this letter) issued by the Institute of Public Accountants of Singapore ("ICPAS"), which is the framework adopted by RCS in the preparation of its financial statements.

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 Profit Forecast and Profit Projection since other anticipated events frequently do not occur as expected and the variations may be material. The actual results may therefore differ materially from the Profit Forecast and Profit Projection. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn, in particular, to the sensitivity analysis of the Directors' Profit Forecast and Profit Projection as set out on pages 10 to 11 of the Announcement.



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

### Important Notice

This Announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for units or new units in CCT and/or CMT (collectively, the “**Units**”).

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the CCT Manager and the CMT Manager (collectively, the “**Managers**”), or any of the Managers’ affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Managers to redeem their Units while the Units are listed. It is intended that unitholders of the Units may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The information in this Announcement must not be published outside the Republic of Singapore and in particular, but without limitation, must not be published in any United States edition of any publication.

This Announcement 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.