

**CAPITALAND COMMERCIAL TRUST
2017 FULL YEAR UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT**

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SUMMARY OF CCT GROUP RESULTS

	4Q 2017	4Q 2016	Change %	2H 2017	2H 2016	Change %	FY 2017	FY 2016	Change %
Gross Revenue (S\$'000) ⁽¹⁾	86,292	89,726	(3.8)	160,437	164,148	(2.3)	337,457	298,577	13.0
Net Property Income (S\$'000) ⁽¹⁾	67,955	70,770	(4.0)	126,510	127,798	(1.0)	265,468	231,277	14.8
Distributable Income (S\$'000) ⁽²⁾	75,031	70,808	6.0	148,140	139,104	6.5	288,899	269,037	7.4
Distribution Per Unit ("DPU") (cents) ⁽³⁾	2.08	2.39	(13.0)	4.10	4.69	(12.6)	8.66	9.08	(4.6)
DPU (cents) (Restated for Rights Issue) ⁽⁴⁾	2.08	2.33	(10.7)	4.10	4.57	(10.3)	8.66	8.85	(2.1)
<i>For Information Only</i>									
DPU (cents) adjusted for Rights Issue ⁽⁵⁾	2.08	1.96	6.1	4.10	3.86	6.2	8.66	8.25	5.0

Notes:

- 1) Gross revenue and net property income in 4Q 2017 and 2H 2017 were lower than the corresponding periods last year due to divestments of One George Street (50.0% interest) on 19 June 2017, Golden Shoe Car Park on 12 July 2017 and Wilkie Edge on 11 September 2017. The impact was mitigated by higher gross revenue and net property income from CapitaGreen and contribution from newly acquired Asia Square Tower 2 ("AST2") on 1 November 2017 (held under Asia Square Tower 2 Pte. Ltd. ("AST2 Co.")).

Gross revenue and net property income for FY 2017 were higher than the same period last year largely due to higher gross revenue and net property income from CapitaGreen (full 12 months in FY 2017 versus 4 months in FY 2016) and contribution from AST2 (2 months from 1 November 2017).

- 2) AST2 Co. did not pay dividend this quarter. Distributable income in 4Q 2017 included a top-up of S\$1.1 million for the loss of distributable income arising from the divestments of One George Street (50.0% interest) and Wilkie Edge and S\$8.0 million of tax-exempt income. Distributable income in 2H 2017 included a top-up of S\$4.4 million for the loss of distributable income arising from the divestments and S\$8.0 million of tax-exempt income.
- 3) DPU for 4Q 2017 of 2.08 cents and 2H 2017 of 4.10 cents were computed based on 3,608.1 million of CCT units ("Units") issued as at 31 December 2017. DPU in FY 2017 of 8.66 cents was the aggregate of DPU in 1H 2017 of 4.56 cents announced on 27 July 2017 and DPU in 2H 2017 of 4.10 cents.
- 4) DPU for 4Q 2016, 2H 2016 and FY 2016 were restated for the rights issue ("Rights Issue") announced on 21 September 2017 to raise gross proceeds of about S\$700.0 million, through which 513.5 million CCT units were issued on 26 October 2017. This is in accordance with paragraph 46 of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".
- 5) DPU for 4Q 2016 and 2H 2016 were adjusted for the enlarged 3,608.1 million Units arising from new units issued for equity raised, conversion of convertible bonds and issuance of units for management fees in FY2017. DPU for FY 2016 comprised of DPU in 1H 2016 of 4.39 cents announced on 26 July 2016 and the adjusted 2H 2016 DPU of 3.86 cents.

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DISTRIBUTION AND BOOKS CLOSURE DATE

Distribution	For 1 July 2017 to 31 December 2017
Distribution Type	i) Taxable income; ii) Tax-exempt income; and iii) Other gains.
Distribution Rate	4.10 cents comprising: i) Taxable income distribution 3.76 cents per unit; ii) Tax-exempt income distribution of 0.22 cents per unit; and iii) Other gains distribution 0.12 cents per unit.
Books Closure Date	Friday, 2 February 2018
Payment Date	Wednesday, 28 February 2018

INTRODUCTION

CapitaLand Commercial Trust (“CCT”) was established pursuant to a trust deed dated 6 February 2004 (as amended) executed between CapitaLand Commercial Trust Management Limited as manager of CCT (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited as trustee of CCT (the “CCT Trustee”).

As of 31 December 2017, CCT’s portfolio consists of Capital Tower, Six Battery Road, HSBC Building, Bugis Village and Twenty Anson. CCT also owns CapitaGreen through wholly owned MSO Trust and Asia Square Tower 2 (“AST2”) through Asia Square Tower 2 Pte. Ltd (“AST2 Co.”). AST2 Co. is in turn held by MVKimi BVI Limited, which is wholly owned by CCT.

CCT’s portfolio also consists of Raffles City Singapore held through RCS Trust, in which CCT has a 60.0% interest, One George Street held through One George Street LLP (“OGS LLP”) in which CCT has a 50.0% interest and Golden Shoe Car Park, held through Glory Office Trust (“GOT”) and Glory SR Trust (“GSRT”) in which CCT has a 45.0% interest in both GOT and GSRT. In addition, CCT owns 11.0% of MRCB-Quill REIT (“MQREIT”), a commercial REIT listed in Malaysia.

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1(a)(i) Statement of Total Return & Distribution Statement (4Q 2017 vs 4Q 2016)

<u>Statement of Total Return</u>	Note	Group			Trust		
		4Q 2017	4Q 2016	Change	4Q 2017	4Q 2016	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross rental income	1	81,944	82,892	(1.1)	44,976	61,836	(27.3)
Car park income	2	1,497	2,992	(50.0)	941	2,767	(66.0)
Other income	3	2,851	3,842	(25.8)	1,785	3,488	(48.8)
Gross revenue		86,292	89,726	(3.8)	47,702	68,091	(29.9)
Property management fees	4	(1,987)	(2,049)	(3.0)	(1,026)	(1,489)	(31.1)
Property tax	5	(5,583)	(7,115)	(21.5)	(2,785)	(5,271)	(47.2)
Other property operating expenses	6	(10,767)	(9,792)	10.0	(6,090)	(8,562)	(28.9)
Property operating expenses		(18,337)	(18,956)	(3.3)	(9,901)	(15,322)	(35.4)
Net property income	7	67,955	70,770	(4.0)	37,801	52,769	(28.4)
Interest income	8	1,469	235	NM	8,064	3,686	NM
Investment income	9	-	1,551	NM	33,542	32,205	4.2
Amortisation of intangible asset	10	-	(561)	NM	-	(561)	NM
Costs associated with acquisition of subsidiary	11	-	234	NM	-	234	NM
Asset management fees:							
- Base fees	12	(1,951)	(1,762)	10.7	(1,539)	(1,352)	13.8
- Performance fees	12	(2,108)	(2,883)	(26.9)	(1,787)	(2,423)	(26.2)
Trust expenses	13	(788)	(602)	30.9	(703)	(503)	39.8
Finance costs	14	(18,639)	(18,579)	0.3	(11,082)	(11,024)	0.5
Net income before share of profit of joint ventures		45,938	48,403	(5.1)	64,296	73,031	(12.0)
Share of profit (net of tax) of:							
- Joint ventures	15	15,564	7,403	NM	-	-	-
Net income		61,502	55,806	10.2	64,296	73,031	(12.0)
Gain on acquisition of subsidiary - net	16	-	116	NM	-	-	NM
Net loss on disposal of investment properties	17	(90)	-	NM	(90)	-	NM
Net (loss) / gain in fair value of investment properties	18	(24,376)	18,412	NM	(1,554)	15,509	NM
Total return for the period before tax		37,036	74,334	(50.2)	62,652	88,540	(29.2)
Tax expense	19	(3,176)	(832)	NM	(23)	(248)	(90.7)
Total return for the period after tax		33,860	73,502	(53.9)	62,629	88,292	(29.1)
<u>Distribution Statement</u>							
Net income before share of profit of joint ventures		45,938	48,403	(5.1)	64,296	73,031	(12.0)
Net tax and other adjustments	20	(6,568)	(547)	NM	1,635	(2,223)	NM
Tax-exempt income distribution	21	8,000	-	NM	8,000	-	NM
Distribution from joint ventures	22	26,561	22,952	15.7	-	-	-
Other gains distribution	23	1,100	-	NM	1,100	-	NM
Distributable income to unitholders		75,031	70,808	6.0	75,031	70,808	6.0

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Notes:

- (1) At the Trust level, gross rental income of S\$45.0 million for 4Q 2017 fell S\$16.9 million from 4Q 2016 following the divestments of One George Street, Golden Shoe Car Park and Wilkie Edge on 19 June 2017, 12 July 2017 and 11 September 2017 respectively. At the Group level, higher gross rental contribution from CapitaGreen as well as contribution from AST2 (with effect from 1 November 2017) mitigated the impact on the loss of gross rental income due to divestments.
- (2) Car park income was lower primarily due to the cessation of car park operations at Golden Shoe Car Park.
- (3) Other income for 4Q 2017 decreased due to lower tenant recoveries and licence income as a result of divestment of the properties. The cessation of yield stabilisation income from Twenty Anson (4Q 2016: S\$0.6 million) also contributed to the decline. At the Group level, the decrease was mitigated by other income from CapitaGreen as well as AST2 (with effect from 1 November 2017).
- (4) Property management fees for 4Q 2017 were lower vis-à-vis 4Q 2016 due to the lower net property income.
- (5) The drop in property tax was due to the divestments as well as lower annual values assessed by the Inland Revenue Authority of Singapore. At the Group level, consolidation of AST2's property tax (with effect from 1 November 2017) partially offset the decrease.
- (6) At the Trust level, lower other property operating expenses in 4Q 2017 versus 4Q 2016 was mainly due to divestments of the properties. At the Group level, other property operating expenses were higher in 4Q 2017 from last year due to consolidation of other property expenses of AST2.

- (7) The following was included as part of the net property income:

	Group			Trust		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %
Depreciation and amortisation of lease incentives ^(7a)	1,278	663	92.8	285	349	(18.3)

- (7a) At the Trust level, lower depreciation and amortization of lease incentives was due to divestments. However, at the Group level, higher depreciation and amortisation of lease incentives in 4Q 2017 versus 4Q 2016 was attributable to CapitaGreen.

- (8) Interest income includes the following:

	Group			Trust		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %
Interest income from cash balance ^(8a)	1,075	235	NM	1,037	192	NM
Interest income from unitholder's loan ^(8b)	394	-	NM	7,027	3,494	NM
Total	1,469	235	NM	8,064	3,686	NM

- (8a) Interest income from cash balance was higher in 4Q 2017 primarily due to higher average cash balance held.
- (8b) At the Trust level, the increase in interest income in 4Q 2017 vis-à-vis 4Q 2016 was due to unitholder's loans granted to AST2 Co. with effect from 1 November 2017. At the Group level, it relates to CCT's 45.0% share in interest income from unitholder's loan to GOT and GSRT that hold the development of Golden Shoe Car Park.
- (9) At the Trust level, the increase in 4Q 2017 versus 4Q 2016 was due mainly to distributions from OGS LLP (CCT's 50.0% interest). At the Group level, the investment income in 4Q 2016 relates to an advance distribution from MQREIT for the period 1 July to 16 December 2016.
- (10) In 4Q 2016, it relates to the amortisation of yield stabilization sum of Twenty Anson. The yield stabilisation sum had been fully utilised as at 30 September 2017, and hence there was no amortisation of intangible asset in 4Q 2017.
- (11) This relates to the adjustment of acquisition cost in 4Q 2016 in relation to the purchase of remaining 60.0% interest in MSO Trust that holds CapitaGreen.

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- (12) Base management fees were higher in 4Q 2017 versus 4Q 2016 due to higher deposited property values. Performance management fees were lower in 4Q 2017 vis-à-vis 4Q 2016 due to the loss of net investment income arising from the divestments of properties.
- (13) Trust expenses were higher for 4Q 2017 as compared with 4Q 2016 due mainly to higher professional fees incurred.
- (14) Finance costs include the following:

	Group			Trust		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %
Interest cost	17,434	17,394	0.2	10,154	10,116	0.4
Amortisation and transaction costs	1,205	1,185	1.7	928	908	2.2
Total	18,639	18,579	0.3	11,082	11,024	0.5

- (15) In 4Q 2017, the share of profit of joint ventures relates to profits for RCS Trust (CCT's 60.0% interest), OGS LLP (CCT's 50.0% interest with effect from 20 June 2017), GOT (CCT's 45.0% interest) and GSRT (CCT's 45.0% interest) (with effect from 13 July 2017 for both GOT and GSRT). For 4Q 2016, it relates to profits of RCS Trust (CCT's 60.0% interest). Summary of the share of results of joint ventures, based on CCT's respective share of interest in the joint ventures, are as follows:

	For information only		
	Group		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %
Gross revenue ^(15a)	41,067	35,074	17.1
Property operating expenses ^(15b)	(9,993)	(9,494)	5.3
Net property income	31,074	25,580	21.5
Finance costs ^(15c)	(5,334)	(3,724)	43.2
Net change in fair value of investment properties ^(15d)	(7,290)	(12,140)	(40.0)
Trust and other expenses ^(15e)	(2,886)	(2,313)	24.8
Net profit of joint ventures (after tax)	15,564	7,403	NM

- (15a) In 4Q 2017, it relates mainly to CCT's share of gross revenue from RCS Trust (S\$34.7 million) and OGS LLP (S\$6.3 million). In 4Q 2016, it relates to CCT's share of gross revenue from RCS Trust (S\$35.1 million).
- (15b) In 4Q 2017, it relates mainly to CCT's share of property operating expenses of RCS Trust and OGS LLP. Whereas, in 4Q 2016, it relates to CCT's share of property operating expenses of RCS Trust.
- (15c) The increase in share of finance costs in 4Q 2017 vis-à-vis 4Q 2016 was mainly due to OGS LLP's finance costs.
- (15d) The net change in fair value of investment properties relates to CCT's share of RCS Trust's loss in fair value of investment property for both 4Q 2017 and 4Q 2016.
- (15e) This amount includes asset management fees.
- (16) In 4Q 2016, this relates to the adjustment of net loss in relation to the acquisition of the remaining 60.0% interest in MSO Trust.
- (17) This relates mainly to the adjustment of transaction costs incurred in relation to the divestments of properties.
- (18) This relates to the net change in the property values as at 31 December 2017 based on valuations over its carrying values.
- (19) For 4Q 2017, at the Trust level, this relates to the provision of income tax on interest income earned from unitholder's loan and at the Group level, it had also included income tax for AST2 Co. For 4Q 2016, at the Trust level, it relates to tax on distribution from MQREIT and yield stabilization income for Twenty Anson and at the Group level, it had also included income tax of MSO Trust.

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(20) Included in net tax and other adjustments are the following:

	Group			Trust		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %	4Q 2017 S\$'000	4Q 2016 S\$'000	Change %
Asset management fee payable in Units ^(20a)	32	934	(96.6)	32	934	(96.6)
Trustee's fees	256	199	28.6	203	178	14.0
Amortisation and transaction costs (Finance)	1,205	1,185	1.7	928	908	2.2
Costs associated with acquisition of subsidiary	-	(234)	NM	-	(234)	NM
Net profits from subsidiaries ^(20b)	(8,185)	(27)	NM	-	-	-
Temporary differences and other items ^(20c)	124	(2,604)	NM	472	(4,009)	NM
Total	(6,568)	(547)	NM	1,635	(2,223)	NM

(20a) The lower asset management fee payable in Units in 4Q 2017 compared with that of 4Q 2016 was due to divestments of One George Street and Wilkie Edge whereby the asset management fees were paid in Units.

(20b) For 4Q 2017, this relates mainly to profits from AST2 Co. which holds AST2 with effect from 1 November 2017.

(20c) Included in temporary differences and other items were tax-exempt income retained by CCT. The amount was retained for anticipated capital expenditure and/or distribution to unitholders. In 4Q 2016, it included Twenty Anson's yield stabilization sum of S\$0.5 million and MSO Trust's tax-exempt income of S\$2.6 million retained by the Group.

(21) This relates to the release of S\$8.0 million tax-exempt income.

(22) For 4Q 2017, it relates to distribution from RCS Trust (CCT's 60.0% interest) and OGS LLP (CCT's 50.0% interest). For 4Q 2016, it relates to distribution from RCS Trust (CCT's 60.0% interest).

(23) Other gains distribution relates to a top-up for the loss of distributable income arising from the divestments of One George Street (50.0% interest) and Wilkie Edge.

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1(a)(ii) Statement of Total Return & Distribution Statement (FY 2017 vs FY 2016)

	Note	Group			Trust		
		FY 2017 S\$'000	FY 2016 S\$'000	Change %	FY 2017 S\$'000	FY 2016 S\$'000	Change %
<u>Statement of Total Return</u>							
Gross rental income	1	314,376	273,837	14.8	213,532	246,116	(13.2)
Car park income	2	8,767	11,618	(24.5)	7,135	11,282	(36.8)
Other income	3	14,314	13,122	9.1	11,083	12,551	(11.7)
Gross revenue		337,457	298,577	13.0	231,750	269,949	(14.2)
Property management fees	4	(7,662)	(6,580)	16.4	(5,064)	(5,854)	(13.5)
Property tax	5	(24,048)	(25,143)	(4.4)	(15,770)	(22,651)	(30.4)
Other property operating expenses	6	(40,279)	(35,577)	13.2	(28,511)	(33,517)	(14.9)
Property operating expenses		(71,989)	(67,300)	7.0	(49,345)	(62,022)	(20.4)
Net property income	7	265,468	231,277	14.8	182,405	207,927	(12.3)
Interest income	8	3,007	3,911	(23.1)	19,867	8,416	NM
Investment income	9	1,575	4,920	(68.0)	143,482	107,980	32.9
Amortisation of intangible asset	10	(2,086)	(1,330)	56.8	(2,086)	(1,330)	56.8
Costs associated with acquisition of subsidiary	11	-	(10,701)	NM	-	(10,701)	NM
Asset management fees:							
- Base fees	12	(6,934)	(5,854)	18.4	(5,296)	(5,310)	(0.3)
- Performance fees	12	(9,487)	(9,288)	2.1	(8,111)	(8,754)	(7.3)
Trust expenses		(2,588)	(2,431)	6.5	(2,286)	(2,302)	(0.7)
Finance costs	13	(68,977)	(50,064)	37.8	(39,123)	(40,198)	(2.7)
Net income before share of profit of joint ventures		179,978	160,440	12.2	288,852	255,728	13.0
Share of profit (net of tax) of:							
- Joint ventures	14	84,883	85,713	(1.0)	-	-	-
Net income		264,861	246,153	7.6	288,852	255,728	13.0
Impairment of available-for-sale investment	15	-	(8,916)	NM	-	(8,916)	NM
Loss on acquisition of subsidiary - net	16	-	(2,446)	NM	-	-	-
Net gain on disposal of investment properties	17	69,256	-	NM	69,256	-	NM
Net gain in fair value of investment properties	18	248,398	27,055	NM	256,375	24,152	NM
Total return for the period before tax		582,515	261,846	NM	614,483	270,964	NM
Tax expense	19	(3,688)	(1,223)	NM	(533)	(709)	(24.8)
Total return for the period after tax		578,827	260,623	NM	613,950	270,255	NM
<u>Distribution Statement</u>							
Net income before share of profit of joint ventures		179,978	160,440	12.2	288,852	255,728	13
Net tax and other adjustments	20	(1,245)	15,142	NM	(12,353)	13,309	NM
Tax-exempt income distribution	21	8,000	-	NM	8,000	-	NM
Distribution from joint ventures	22	97,766	93,455	4.6	-	-	-
Other gains distribution	23	4,400	-	NM	4,400	-	NM
Distributable income to unitholders		288,899	269,037	7.4	288,899	269,037	7.4

NM – Not Meaningful

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Notes:

- (1) At the Trust level, gross rental revenue for FY 2017 was S\$213.5 million, a decrease of S\$32.6 million or 13.2% from FY 2016 due to the divestments of One George Street, Golden Shoe Car Park and Wilkie Edge as well as lower gross rental revenue from other properties except for Capital Tower. However, at the Group level, the consolidation of CapitaGreen's gross rental revenue (S\$85.5 million for full 12 months in FY 2017 versus S\$27.7 million of 4 months from 1 September 2016 to 31 December 2016 in FY 2016) as well as contribution from AST2 (acquired from 1 November 2017) mitigated the decrease in gross rental revenue in FY 2017 vis-à-vis FY 2016.
- (2) Car park income for both the Trust and the Group in FY 2017 were lower as compared with FY 2016 mainly due to the cessation of car park operations at Golden Shoe Car Park in preparation for the redevelopment of the property.
- (3) Other income includes the following:
- (a) Yield stabilization income from Twenty Anson of S\$2.1 million in FY 2017 (FY 2016: S\$1.3 million).
- (b) At the Group level, recovery from tenants, licence and other income was higher in FY 2017 versus FY 2016 mainly due to consolidation of tenant recoveries from CapitaGreen (12 months in FY 2017 versus 4 months in FY 2016) and tenant recoveries from AST2 (2 months in FY 2017 versus nil in FY 2016). At the Trust level, FY 2017 was lower due to the divestments of properties.
- (4) Lower property management fees at the Trust level was due mainly to lower net property income arising from the divestments. At the Group level, consolidation of full 12 months property management fees of MSO Trust's (FY 2016: four months with effect from 1 September 2016) as well as AST2's property management fees (with effect from 1 November 2017) had contributed to the increase in property management fees for FY 2017 vis-à-vis FY 2016.
- (5) Lower property tax at the Trust level was due mainly to the divestments as well as lower annual values assessed by the Inland Revenue Authority of Singapore. At the Group level, consolidation of full 12 months property tax of MSO Trust's (FY 2016: four months with effect from 1 September 2016) as well as AST2's property tax (with effect from 1 November 2017) partially offset the decrease.
- (6) At the Group level, the increase in other property operating expenses for FY 2017 vis-à-vis FY 2016 was mainly due to the consolidation of CapitaGreen's 12 months property operating expenses (FY 2016: four months with effect from 1 September 2016). At the Trust, the decrease in property operating expenses for FY 2017 was due to the divestments of properties.
- (7) The following items have been included in arriving at net property income:

	Group			Trust		
	FY 2017 S\$'000	FY 2016 S\$'000	Change %	FY 2017 S\$'000	FY 2016 S\$'000	Change %
Depreciation and amortisation of lease incentives ^(7a)	5,501	1,891	NM	1,532	1,475	3.9

- (7a) Higher depreciation and amortisation of lease incentives in FY 2017 for the Group was due to consolidation of CapitaGreen for the full year while FY 2016 had included only four months of CapitaGreen's expenses.
- (8) Interest income includes the following:

	Group			Trust		
	FY 2017 S\$'000	FY 2016 S\$'000	Change %	FY 2017 S\$'000	FY 2016 S\$'000	Change %
Interest income from cash balance ^(8a)	2,581	632	NM	2,441	504	NM
Interest income from unitholder's loan ^(8b)	426	3,279	(87.0)	17,426	7,912	NM
Total	3,007	3,911	(23.1)	19,867	8,416	NM

- (8a) The increase in interest income from cash balance was due to higher average cash balance held during FY 2017 compared with FY 2016.
- (8b) At the Trust level, the increase in interest income in FY 2017 from FY 2016 was due to more unitholder's loans extended to MSO Trust, AST2 Co., GOT and GSRT. At the Group level, interest income from unitholder's loans to MSO Trust was eliminated when MSO Trust became a wholly owned subsidiary of CCT from 1 September 2016, which explained the drop in interest income from unitholders' loans in FY 2017 from FY 2016.

NM – Not Meaningful

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- (9) At the Trust level, the increase in investment income was primarily due to S\$13.8 million dividends received from FirstOffice Pte. Ltd. ("FOPL") which previously held Twenty Anson, higher distribution from MSO Trust (FY 2017: S\$30.3 million versus FY 2016: S\$11.6 million), distribution income (19 June 2017 to 31 December 2017) from CCT's 50.0% interest in OGS LLP of S\$6.8 million (FY 2016: Nil) and distribution from CCT's 60.0% interest in RCS Trust. At the Group level, it relates to distribution received from MQREIT. FY 2016 investment income was higher due to an advance distribution from MQREIT.
- (10) This relates to the amortisation of yield stabilization sum in relation to Twenty Anson.
- (11) In FY 2016, this relates mainly to the acquisition fees incurred for the purchase of 60.0% interest in MSO Trust.
- (12) At the Trust level, lower asset management fees in FY 2017 versus FY 2016 was due to divestments of properties. At the Group level, higher asset management fees for FY 2017 compared to FY 2016 was due to consolidation of full twelve months of MSO Trust's asset management fees in FY 2017 (FY 2016: four months from 1 September 2016).

- (13) Finance costs include the following:

	Group			Trust		
	FY 2017 S\$'000	FY 2016 S\$'000	Change %	FY 2017 S\$'000	FY 2016 S\$'000	Change %
Interest cost ^(13a)	65,127	45,070	44.5	36,248	35,571	1.9
Amortisation and transaction costs	3,850	4,994	(22.9)	2,875	4,627	(37.9)
Total	68,977	50,064	37.8	39,123	40,198	(2.7)

- (13a) The increase in interest costs at the Group level was due to consolidation of MSO Trust's interest cost (full twelve months in FY 2017 as compared with four months in FY 2016). Amortization and transaction costs were lower due to lower transactions costs incurred for the borrowings.
- (14) In FY 2017, the share of profit of joint ventures relates to profits for RCS Trust (CCT's 60.0% interest), OGS LLP (CCT's 50.0% interest with effect from 19 June 2017), GOT (CCT's 45.0% interest) and GSRT (CCT's 45.0% interest) (with effect from 13 July 2017 for both GOT and GSRT). In FY 2016, it relates to share of profits of RCS Trust (CCT's 60.0% interest) and MSO Trust (CCT's 40.0% interest up to 31 August 2016). Summary of the share of results of joint ventures, based on CCT's respective share of interest in the joint ventures, are as follows:

	For Information only		
	Group		
	FY 2017 S\$'000	FY 2016 S\$'000	Change %
Gross revenue	151,356	160,686	(5.8)
Property operating expenses	(36,020)	(39,900)	(9.7)
Net property income	115,336	120,786	(4.5)
Finance costs	(17,703)	(28,350)	(37.6)
Net change in fair value of investment properties	(2,373)	3,333	NM
Trust and other expenses	(10,377)	(10,056)	3.2
Net profit of joint ventures (after tax) ^(14a)	84,883	85,713	(1.0)

- (14a) Lower net profits of joint ventures was primarily due to consolidation of MSO Trust to CCT Group for FY 2017 while in FY 2016, 40.0% of MSO Trust was accounted under share of profits of joint ventures, albeit the impact was mitigated by CCT's 50.0% share of profits of OGS LLP.

NM – Not Meaningful

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- (15) This relates to the impairment loss of MQREIT accounted in FY 2016.
- (16) This relates to the net loss recognised in FY 2016 in relation to the acquisition of 60.0% interest in MSO Trust.
- (17) This relates mainly to the divestment gain of Wilkie Edge.
- (18) This relates to the net increase in property values as at 31 December 2017 based on valuations over its carrying values as well as fair value gain in Golden Shoe Car Park recognised prior to the divestment of the property to GOT and GSRT.
- (19) For FY 2017, at the Trust level, this relates to the provision of income tax on interest income earned from unitholder's loan and yield stabilization income for Twenty Anson. At the Group level, it had included income tax for AST2 Co.. For FY 2016, at the Trust level, it relates to tax on distribution from MQREIT and yield stabilization income for Twenty Anson and at the Group level, it had included income tax of MSO Trust.
- (20) Included in net tax and other adjustments are the following:

	Group			Trust		
	FY 2017 S\$'000	FY 2016 S\$'000	Change %	FY 2017 S\$'000	FY 2016 S\$'000	Change %
Asset management fee paid and payable in Units	2,070	3,713	(44.2)	2,070	3,713	(44.2)
Trustee's fees	890	708	25.7	683	687	(0.6)
Amortisation and transaction costs (Finance) ^(20a)	3,850	4,994	(22.9)	2,875	4,627	(37.9)
Costs associated with acquisition of subsidiary	-	10,701	NM	-	10,701	NM
Net profits from subsidiaries ^(20b)	(8,224)	(89)	NM	-	-	NM
Temporary differences and other items ^(20c)	169	(4,885)	NM	(17,981)	(6,419)	NM
Total	(1,245)	15,142	NM	(12,353)	13,309	NM

- (20a) This relates to amortisation of upfront fees and transaction costs incurred on bank borrowings. The fees was lower in FY 2017 due to lower amortisation and transaction costs incurred.
- (20b) For FY 2017, this relates mainly to profits from AST2 Co. which holds AST2 with effect from 1 November 2017.
- (20c) Included in temporary differences and other items were tax-exempt income retained by CCT. In FY 2017, it included dividend from FOPL, Twenty Anson's yield stabilization sum and MQREIT's net tax-exempt income (FY 2016: net tax-exempt income from MQREIT and Twenty Anson's yield stabilization sum). The amount was retained for anticipated capital expenditure and/or distribution to unitholders.
- (21) This relates to the release of S\$8.0 million tax-exempt income.
- (22) For FY 2017 it relates to distribution income from RCS Trust (CCT's 60.0% interest) and OGS LLP (CCT's 50.0% interest). For FY 2016, it relates to distribution income from RCS Trust (CCT's 60.0% interest) and MSO Trust (CCT's 40.0% interest until 31 August 2016).
- (23) Other gains distribution relates to a top-up for the loss of distributable income arising from the divestments of One George Street (50.0% interest) and Wilkie Edge.

NM – Not Meaningful

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1(b)(i) Statement of Financial Position as at 31 Decemberr 2017 vs 31 December 2016

	Note	Group			Trust		
		31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Change %	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Change %
Non-current assets							
Plant and equipment		1,002	1,439	(30.4)	980	1,384	(29.2)
Investment properties	1	7,408,000	6,590,500	12.4	3,698,000	4,987,500	(25.9)
Interest in subsidiaries	2	-	-	-	2,827,171	718,043	NM
Available-for-sale investment	3	47,533	44,834	6.0	47,533	44,834	6.0
Interest in joint ventures	4	1,732,140	1,189,793	45.6	1,420,289	864,393	64.3
Intangible asset	5	-	2,086	NM	-	2,086	NM
Financial derivatives	6	-	20,624	NM	-	17,405	NM
Total non-current assets		9,188,675	7,849,276	17.1	7,993,973	6,635,645	20.5
Current assets							
Trade and other receivables		42,746	41,636	2.7	49,011	48,574	0.9
Cash and cash equivalents		122,581	159,962	(23.4)	72,346	131,537	(45.0)
Financial derivatives	6	-	257	NM	-	257	NM
Total current assets		165,327	201,855	(18.1)	121,357	180,368	(32.7)
Total assets	7	9,354,002	8,051,131	16.2	8,115,330	6,816,013	19.1
Current liabilities							
Trade and other payables		90,293	52,786	71.1	226,571	202,800	11.7
Current portion of security deposits		4,002	8,413	(52.4)	2,545	8,413	(69.7)
Convertible bonds	8	-	173,450	NM	-	173,450	NM
Financial derivatives	6	81	-	NM	81	-	NM
Current tax payable		3,187	1,506	NM	379	226	67.7
Total current liabilities		97,563	236,155	(58.7)	229,576	384,889	(40.4)
Non-current liabilities							
Non-current portion of security deposits		66,404	52,397	26.7	21,694	32,627	(33.5)
Interest-bearing liabilities	9	2,720,208	2,457,182	10.7	1,832,818	1,570,692	16.7
Financial derivatives	6	52,904	26,855	97.0	37,476	21,262	76.3
Total non-current liabilities		2,839,516	2,536,434	11.9	1,891,988	1,624,581	16.5
Total liabilities		2,937,079	2,772,589	5.9	2,121,564	2,009,470	5.6
Net assets		6,416,923	5,278,542	21.6	5,993,766	4,806,543	24.7
Unitholders' funds		6,416,923	5,278,542	21.6	5,993,766	4,806,543	24.7

NM – Not Meaningful

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Notes:

- (1) At the Group level, investment properties as at 31 December 2017 increased as compared to 31 December 2016 due to the acquisition of AST2 property, albeit the increase was partially offset by divestments as follows:
- (a) Divestment of One George Street on 19 June 2017 to OGS LLP, in which CCT has a 50.0% interest;
 - (b) Divestment of Golden Shoe Car Park on 12 July 2017 to sub-trusts GOT and GSRT in which CCT has 45.0% interest; and
 - (c) Divestment of Wilkie Edge on 11 September 2017.

At the Trust level, investment properties dropped due to the divestments.

- (2) Interest in subsidiaries as at 31 December 2017 relates to cost of investments in CCT MTN Pte. Ltd., FOPL, MSO Trust and MVKimi (BVI) Limited, the holding company of Asia Square Tower 2 Pte. Ltd. ("AST2 Co.") which in turn holds AST2. (31 December 2016: CCT MTN Pte. Ltd., FOPL and MSO Trust). It also included unitholder's loan granted by the Trust to MSO Trust and AST2 Co..
- (3) This relates to CCT's 11.0% stake in MQREIT. The increase was due to higher trading price of MQREIT as well as strengthening of the Malaysian Ringgit against the Singapore Dollar.
- (4) This relates to CCT's 60.0% interest in RCS Trust, CCT's 50.0% interest in OGS LLP (which holds One George Street) as well as CCT's 45.0% interest in GOT and GSRT (including unitholder's loan), as at 31 December 2017 (31 December 2016: relates to CCT's 60.0% interest in RCS Trust).
- (5) This relates to the yield stabilization sum for Twenty Anson as at 31 December 2016. The yield stabilization sum was fully amortised as at 31 December 2017.
- (6) This relates to the fair values of cross currency swaps and/or interest rate swaps.
- (7) Total assets were S\$9,354.0 million as at 31 December 2017 (31 December 2016: S\$8,051.1 million). Total deposited property value, including RCS Trust (CCT's 60.0% interest) and OGS LLP (CCT's 50.0% interest) as well as GOT and GSRT (CCT's 45.0% interest) as at 31 December 2017 were S\$10,761.0 million (31 December 2016: S\$8,766.4 million).
- (8) Balance as at 31 December 2016 relates to liability component of convertible bonds due in 2017, with notional principal amount S\$175.0 million. The S\$175.0 million convertible bonds were fully converted to 122.7 million Units at the conversion price of S\$1.4265 as at 30 September 2017.
- (9) The interest-bearing liabilities as at 31 December 2017 comprised:
 - (a) Unsecured fixed rate notes totaling S\$225.0 million; JPY24.9 billion and HKD585.0 million (hedged via cross currency swaps to S\$425.8 million);
 - (b) Unsecured bank borrowings of S\$1,207.2 million; and
 - (c) Secured MSO Trust's bank borrowings of S\$890.0 million.

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

	Group			Trust		
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Change %	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Change %
Secured borrowings						
Amount repayable after one year ⁽¹⁾	890,000	890,000	-	-	-	-
Less: Unamortised portion of transactions costs ⁽¹⁾	(2,610)	(3,510)	(25.6)	-	-	-
Net secured borrowings after one year	887,390	886,490	0.1	-	-	-
Unsecured borrowings						
Amount repayable after one year	1,834,975	1,572,655	16.7	1,834,975	1,572,655	16.7
Less: Unamortised portion of transactions costs	(2,157)	(1,963)	9.9	(2,157)	(1,963)	9.9
Net unsecured borrowings after one year	1,832,818	1,570,692	16.7	1,832,818	1,570,692	16.7
Amount repayable within one year	-	173,886	NM	-	173,886	NM
Less: Unamortised portion of transactions costs	-	(436)	NM	-	(436)	NM
Net unsecured borrowings within one year	-	173,450	NM	-	173,450	NM
Total unsecured borrowings	1,832,818	1,744,142	5.1	1,832,818	1,744,142	5.1
Total secured and unsecured borrowings	2,720,208	2,630,632	3.4	1,832,818	1,744,142	5.1

Note :

(1) This relates to MSO Trust's borrowings and transactions costs as at 31 December 2017 and 31 December 2016.

For information only

This relates to CCT's interest in the aggregate external borrowings of its joint ventures, namely RCS Trust (CCT's 60.0% interest), OGS LLP (CCT's 50.0% interest), GOT and GSRT (CCT's 45.0%), which are not included under total borrowings in the statement of financial position of the Group.

	For information only		
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	Change %
<u>Secured borrowings</u> ⁽¹⁾			
Amount repayable after one year	582,500	-	NM
Less: Unamortised portion of transactions costs	(3,619)	-	NM
Net secured borrowings	578,881	-	NM
<u>Unsecured borrowings</u> ⁽²⁾			
Amount repayable after one year	528,600	660,000	(19.9)
Less: Unamortised portion of transactions costs	(1,033)	(1,489)	(30.6)
Net repayable after one year	527,567	658,511	(19.9)
Amount repayable within one year	150,000	-	NM
Less: Unamortised portion of transactions costs	(78)	-	NM
Net repayable within one year	149,922	-	NM
Net unsecured borrowings	677,489	658,511	2.9
Total secured and unsecured borrowings	1,256,370	658,511	90.8

Notes :

(1) Secured borrowings relate to CCT's 50.0% of OGS LLP's and CCT's 45.0% of GOT's and GSRT's borrowings and transactions costs as at 31 December 2017.

(2) Unsecured borrowings relate to CCT's 60.0% of RCS Trust's borrowings and transactions costs as at 31 December 2017 and 31 December 2016.

NM: Not meaningful

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1(c)(i) Statement of Cash Flow (4Q 2017 vs 4Q 2016)

	Group	
	4Q 2017	4Q 2016
Note	S\$'000	S\$'000
Operating activities		
Total return for the period before tax	37,036	74,334
Adjustments for :		
Share of profit of joint ventures	(15,564)	(7,403)
Amortisation of lease incentives	1,226	569
Amortisation of intangible asset	-	561
Depreciation of plant and equipment	52	94
Finance costs	18,639	18,579
Interest income	(1,469)	(235)
Loss on disposal of plant and equipment	-	1
Asset management fees paid and payable in Units	32	934
Net loss / (gain) in fair value of investment properties	24,376	(18,412)
Net loss on disposal of investment properties	90	-
Distribution from available-for-sale investment	-	(1,551)
Gain on acquisition of subsidiary - net	-	(116)
Costs associated with acquisition of subsidiary	-	(234)
Operating income before working capital changes	64,418	67,121
Changes in working capital		
Trade and other receivables	39,795	(4,740)
Trade and other payables	6,563	27,321
Security deposits	693	1,653
Cash generated from operating activities	111,469	91,355
Tax expenses paid	(3)	-
Net cash from operating activities	111,466	91,355
Investing activities		
Capital expenditure on investment properties	(877)	(14,874)
Purchase of plant and equipment	(2)	(2)
Acquisition of subsidiary, net of cash acquired	(2,067,192)	-
Divestment of investment properties	(46)	-
Distribution received from available-for-sale investment	-	1,551
Distributions received from joint ventures	26,591	22,809
Interest income received	1,469	116
Acquisition of subsidiary	-	(14,626)
Loan to joint ventures	(147,600)	-
Net cash used in investing activities	(2,187,657)	(5,026)
Financing activities		
Interest paid	(21,412)	(43,870)
Payment of transaction costs related to borrowings	(1,598)	-
Distribution to unitholders	(7,332)	(6,425)
Proceeds from rights issue	689,454	-
Proceeds from interest-bearing liabilities	1,207,187	14,600
Repayment of interest-bearing liabilities	(525,000)	-
Net cash from / (used in) financing activities	1,341,299	(35,695)
Net (decrease) / increase in cash and cash equivalents	(734,892)	50,634
Cash and cash equivalents at beginning of period	857,473	109,328
Cash and cash equivalents at end of period	122,581	159,962

Notes:

- 1) This relates to acquisition of Asia Square Tower 2.
- 2) This relates to the proceeds from the equity issuance exercise whereby 513.5 million CCT Units were issued at the price of S\$1.363 on 26 October 2017 ("Rights issue").

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- 3) This relates to the proceeds from CCT's bank borrowings.
4) This relates to the repayment of CCT's bank borrowings.

1(c)(ii) Statement of Cash Flow (FY 2017 vs FY 2016)

Note	Group	
	FY 2017 S\$'000	FY 2016 S\$'000
Operating activities		
Total return for the period before tax	582,515	261,846
Adjustments for :		
Share of profit of joint ventures	(84,883)	(85,713)
Amortisation of lease incentives	5,213	1,552
Amortisation of intangible asset	2,086	1,330
Depreciation of plant and equipment	288	339
Finance costs	68,977	50,064
Loss on disposal of plant and equipment	168	1
Interest income	(3,007)	(3,911)
Impairment on available-for-sale investment	-	8,916
Asset management fees paid and payable in Units	2,070	3,713
Net gain in fair value of investment properties	(248,398)	(27,055)
Net gain on disposal of investment properties	(69,255)	-
Distribution from available-for-sale investment	(1,575)	(4,920)
Loss on acquisition of subsidiary - net	-	2,446
Costs associated with acquisition of subsidiary	-	10,701
Operating income before working capital changes	254,199	219,309
Changes in working capital		
Trade and other receivables	1,748	(6,219)
Trade and other payables	8,663	(11,817)
Security deposits	(12,948)	2,111
Cash generated from operations	251,662	203,384
Tax expenses paid	(872)	(308)
Net cash generated from operating activities	250,790	203,076
Investing activities		
Capital expenditure on investment properties	(5,017)	(17,108)
Purchase of plant and equipment	(263)	(199)
Acquisition of subsidiary, net of cash acquired	1	(2,067,192)
Proceeds from divestment of investment properties	2	1,230,436
Distribution received from available-for-sale investment	1,575	4,920
Distributions received from joint ventures	94,158	90,729
Interest income received	3,156	19,156
Acquisition of subsidiary	-	(356,884)
Loan to joint ventures	(158,850)	-
Net cash used in investing activities	(901,997)	(259,386)
Financing activities		
Interest paid	(64,848)	(71,536)
Payment of transaction costs related to borrowings	(2,088)	-
Distribution to unitholders	(279,679)	(257,054)
Proceeds from rights issue	3	689,454
Proceeds from interest-bearing liabilities	4	1,207,187
Repayment of interest-bearing liabilities	5	(936,200)
Net cash from financing activities	613,826	135,060
Net (decrease) / increase in cash and cash equivalents	(37,381)	78,750
Cash and cash equivalents at beginning of the year	159,962	81,212
Cash and cash equivalents at end of the year	122,581	159,962

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Notes:

- 1) This relates to acquisition of Asia Square Tower 2.
- 2) This relates to the proceeds from the divestment of One George Street (50.0%), Golden Shoe Car Park and Wilkie Edge.
- 3) This relates to the proceeds from the Rights issue.
- 4) This relates to the proceeds from CCT's bank borrowings.
- 5) This relates to the repayment of CCT's bank borrowings

1(d)(i) Statement of movement in unitholders' funds (4Q 2017 vs 4Q 2016)

	Note	Group		Trust	
		4Q 2017 S\$'000	4Q 2016 S\$'000	4Q 2017 S\$'000	4Q 2016 S\$'000
Net assets as at beginning of period		5,692,688	5,176,634	5,242,826	4,711,322
Operations					
Total return for the period		33,860	73,502	62,629	88,292
Unitholders' transactions					
Creation of units:					
- Units issued in respect of RCS Trust's asset management fees		1,243	1,205	1,243	1,205
- Asset management fee paid and payable in Units		32	1,240	32	1,240
- Divestment fees paid in Units		362	-	362	-
- Rights issue		699,955	-	699,955	-
Net increase in net assets resulting from unitholders' transactions		701,592	2,445	701,592	2,445
Movement in reserves					
- Available-for-sale reserves	1	(122)	(4,253)	(122)	(4,253)
- Capital reserves	2	(10,502)	-	(10,502)	-
- Hedging reserves	3	(593)	30,214	(2,657)	8,737
Net (decrease) / increase in net assets resulting from movement in reserves		(11,217)	25,961	(13,281)	4,484
Net increase in net assets		724,235	101,908	750,940	95,221
Net assets as at end of the period		6,416,923	5,278,542	5,993,766	4,806,543

Notes:

- (1) This relates to marked to market movement of MQREIT.
- (2) The movement in capital reserves relates to the related transaction cost incurred for the Rights issue.
- (3) The movement in hedging reserves for the Trust relates to the fair value changes of the cross currency and interest rate swaps and the revaluation of JPY and HKD notes. Included in movement for the Group was the subsidiary's (MSO Trust) and the Group's share of movement in hedging reserves of the joint ventures (RCS Trust, GOT and GSRT).

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1(d)(ii) Statement of movement in unitholders' funds (FY 2017 vs FY 2016)

	Note	Group		Trust	
		FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000
Net assets as at beginning of the year		5,278,542	5,234,136	4,806,543	4,770,343
Operations					
Total return for the period		578,827	260,623	613,950	270,255
Unitholders' transactions					
Creation of new units:					
- Units issued in respect of RCS Trust's asset management fees		9,068	5,813	9,068	5,813
- Asset management fee paid and payable in Units		2,070	4,680	2,070	4,680
- Divestment / acquisition fees paid in Units		362	8,003	362	8,003
- Conversion of convertible bonds		181,938	-	181,938	-
- Rights issue		699,955	-	699,955	-
Distributions to unitholders		(279,679)	(257,054)	(279,679)	(257,054)
Net increase / (decrease) in net assets resulting from unitholders' transactions		613,714	(238,558)	613,714	(238,558)
Movement in reserves					
- Available-for-sale reserves	1	2,699	12,129	2,699	12,129
- Capital reserves	2	(17,851)	-	(17,851)	-
- Hedging reserves	3	(39,008)	10,212	(25,289)	(7,626)
Net (decrease) / increase in net assets resulting from movement in reserves		(54,160)	22,341	(40,441)	4,503
Net increase in net assets		1,138,381	44,406	1,187,223	36,200
Net assets as at end of the year		6,416,923	5,278,542	5,993,766	4,806,543

Notes:

- 1) This relates to marked to market movement of MQREIT.
- 2) The movement in capital reserves relates the option value of total principal amount of S\$175.0 million CB 2017 that were converted into 122.7 million Units in FY 2017 as well as the related transaction costs incurred for the Rights issue.
- 3) The movement in hedging reserves for the Trust relates to the fair value changes of the cross currency and interest rate swaps and the revaluation of JPY and HKD notes. Included in movement for the Group was the subsidiary's (MSO Trust) and the Group's share of movement in hedging reserves of the joint ventures (RCS Trust, GOT and GSRT).

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1(e)(i) Details of any change in the units (4Q 2017 vs 4Q 2016)

	Group and Trust	
	4Q 2017 Units	4Q 2016 Units
Units in issue as at beginning of period	3,093,615,837	2,962,543,658
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (CCT's 60.0% interest)	740,255	755,895
- As payment of asset management fees in relation to Wilkie Edge	33,421	191,748
- Divestment fees paid in Units ⁽¹⁾	215,848	-
- Rights issue ⁽²⁾	513,540,228	-
Total Units issued as at end of period	3,608,145,589	2,963,491,301
Estimated new Units to be issued:		
- for settlement of the asset management fees in relation to Wilkie Edge and One George Street ⁽³⁾	733,088	1,892,225
Total Units issued and estimated new Units to be issued	3,608,878,677	2,965,383,526

Notes

- (1) This relates to the divestment of Golden Shoe Car Park to GOT and GSRT, which CCT has a 45.0% interest.
- (2) The relates to the renounceable underwritten Rights Units issued on 26 October 2017.
- (3) This relates to Units to be issued in 1Q 2018 for the payment of FY 2017 performance component of the asset management fees.

1(e)(ii) Details of any change in the units (FY 2017 vs FY 2016)

	Group and Trust	
	FY 2017 Units	FY 2016 Units
Units in issue as at beginning of year	2,963,491,301	2,952,931,319
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (CCT's 60.0% interest) ⁽¹⁾	5,910,744	4,062,434
- As payment of asset management fees in relation to Wilkie Edge and One George Street ⁽¹⁾	2,309,602	1,331,312
- Divestment / acquisition fees paid in Units ⁽²⁾	215,848	5,166,236
- Conversion of convertible bonds ⁽³⁾	122,677,866	-
- Rights issue ⁽⁴⁾	513,540,228	-
Total Units issued as at end of the period	3,608,145,589	2,963,491,301
Estimated new Units to be issued:		
- in settlement of the asset management fees in relation to Wilkie Edge and One George Street ⁽⁵⁾	733,088	1,892,225
Total Units issued and estimated new Units to be issued:	3,608,878,677	2,965,383,526

Notes

- (1) In FY 2017, it relates to payment of base component of asset management fee for 4Q 2016, 1Q 2017, 2Q 2017 and 3Q 2017 and performance component of asset management fee for FY 2016. In FY 2016, it relates to payment of both base and performance components of asset management fees for 4Q 2015 and base component of asset management fee for 1Q 2016, 2Q 2016 and 3Q 2016.
- (2) In FY 2017, it relates to the divestment of Golden Shoe Car Park to GOT and GSRT. In FY 2016, it relates to the acquisition of 60.0% units in MSO Trust.
- (3) This relates to the conversion of the full principal amount of S\$175.0 million of CB due 2017 at the conversion price of \$1.4265 per unit into Units in FY 2017.
- (4) This relates to the renounceable underwritten Rights Units issued on 26 October 2017.

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(5) This relates to Units to be issued in 1Q 2018 for the payment of FY 2017 performance component of asset management fees.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

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

3 Where the figures have been audited or reviewed, the auditors' 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 applied

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 year ended 31 December 2016.

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

EPU (4Q 2017 vs 4Q 2016)

	Note	Group		Trust	
		4Q 2017	4Q 2016	4Q 2017	4Q 2016
<u>Basic EPU</u>					
Weighted average number of Units in issue	1, 3	3,468,280,987	3,040,632,356	3,468,280,987	3,040,632,356
Based on weighted average number of Units in issue		0.98¢	2.42¢	1.81¢	2.90¢
<u>Diluted EPU</u>					
Weighted average number of Units in issue (diluted)	2, 3	3,471,853,117	3,167,518,205	3,471,853,117	3,167,518,205
Based on weighted average number of Units in issue (diluted)		0.98¢	2.37¢	1.80¢	2.84¢

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EPU (FY 2017 vs FY 2016)

	Note	Group		Trust	
		FY 2017	FY 2016	FY 2017	FY 2016
<u>Basic EPU</u>					
Weighted average number of Units in issue	1, 3	3,123,272,683	3,035,265,232	3,123,272,683	3,035,265,232
Based on weighted average number of Units in issue		18.53¢	8.59¢	19.66¢	8.90¢
<u>Diluted EPU</u>					
Weighted average number of Units in issue (diluted)	2, 3	3,126,850,081	3,162,158,096	3,126,850,081	3,162,158,096
Based on weighted average number of Units in issue (diluted)		18.51¢	8.45¢	19.63¢	8.75¢

Notes:

- (1) In computing the basic EPU, total return for the period after tax and the weighted average number of Units outstanding during the period were used.
- (2) In computing the diluted EPU, the total return for the period after tax and the weighted average number of Units outstanding during the period were adjusted for the effects of all potential dilutive Units arising from the assumed issuance of Units for the payment of unpaid asset management
- (3) Comparative balances have been adjusted for effects of the Rights Issue.

Distribution per unit ("DPU")

In computing the DPU, the number of Units as at end of the period was used for the computation.

	4Q 2017	4Q 2016	FY 2017	FY 2016
Number of Units in issue at the end of the period	3,608,145,589	2,963,491,301	3,608,145,589	2,963,491,301
DPU (cents) for period	2.08¢ ¹	2.39¢	8.66¢ ¹	9.08¢
DPU (cents) (restated for Rights issue)	2.08¢	2.33¢ ²	8.66¢	8.85¢ ²

Notes:

- 1) 4Q 2017 and FY 2017 DPU of 2.08 cents and 8.66 cents respectively were computed based on 3,608.1 million Units issued as at 31 December 2017. FY 2017 DPU of 8.66 cents was based on the aggregate of 1H 2017 actual DPU of 4.56 cents announced on 27 July 2017 and 2H 2017 DPU of 4.10 cents.
- 2) The DPU for 4Q 2016 and FY 2016 were restated for the Rights Issue.

7 Net asset value ("NAV") / Net tangible asset ("NTA") per Unit based on Units in issue at the end of the period.

	Note	Group		Trust	
		31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Number of Units in issue at end of the period		3,608,145,589	2,963,491,301	3,608,145,589	2,963,491,301
NAV (S\$'000)		6,416,923	5,278,542	5,993,766	4,806,543
NTA (S\$'000)		6,416,923	5,276,456	5,993,766	4,804,457
NAV / NTA per Unit	1	\$1.78	\$1.78	\$1.66	\$1.62
Adjusted NAV / NTA per Unit (excluding the distributable income to unitholders)		\$1.74	\$1.73	\$1.62	\$1.57

Note:

- (1) NAV and NTA per Unit were computed based on NAV and NTA over the number of Units issued as at end of the period respectively.

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8 Review of the performance

Statement of Total Return

	Group					
	4Q 2017	4Q 2016	Change	FY 2017	FY 2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	86,292	89,726	(3.8)	337,457	298,577	13.0
Property operating expenses	(18,337)	(18,956)	(3.3)	(71,989)	(67,300)	7.0
Net property income	67,955	70,770	(4.0)	265,468	231,277	14.8
Interest income	1,469	235	NM	3,007	3,911	(23.1)
Investment income	-	1,551	-	1,575	4,920	(68.0)
Amortisation of intangible asset	-	(561)	NM	(2,086)	(1,330)	56.8
Costs associated with acquisition of subsidiary	-	234	NM	-	(10,701)	NM
Asset management fees:						
- Base fees	(1,951)	(1,762)	10.7	(6,934)	(5,854)	18.4
- Performance fees	(2,108)	(2,883)	(26.9)	(9,487)	(9,288)	2.1
Trust expenses	(788)	(602)	30.9	(2,588)	(2,431)	6.5
Finance costs	(18,639)	(18,579)	0.3	(68,977)	(50,064)	37.8
Net income before share of profit of joint ventures	45,938	48,403	(5.1)	179,978	160,440	12.2
Share of profit (net of tax) of:						
- Joint ventures	15,564	7,403	NM	84,883	85,713	(1.0)
Net income	61,502	55,806	10.2	264,861	246,153	7.6
Loss on acquisition of subsidiary - net	-	116	NM	-	(2,446)	NM
Impairment of available-for-sale investment	-	-	-	-	(8,916)	NM
Net gain on disposal of investment properties	(90)	18,412	NM	69,256	-	NM
Net gain in fair value of investment properties	(24,376)	-	NM	248,398	27,055	NM
Total return for the period before tax	37,036	74,334	(50.2)	582,515	261,846	NM
Tax expense	(3,176)	(832)	NM	(3,688)	(1,223)	NM
Total return for the period after tax	33,860	73,502	(53.9)	578,827	260,623	NM
<u>Distribution Statement</u>						
Net income before share of profit of joint ventures	45,938	48,403	(5.1)	179,978	160,440	12.2
Net tax and other adjustments	(6,568)	(547)	NM	(1,245)	15,142	NM
Tax-exempt income distribution	8,000	-	NM	8,000	-	NM
Distribution from joint ventures	26,561	22,952	15.7	97,766	93,455	4.6
Other gains distribution	1,100	-	-	4,400	-	NM
Distributable income to unitholders	75,031	70,808	6.0	288,899	269,037	7.4
DPU for the period	2.08¢	2.39¢	(13.0)	8.66¢	9.08¢	(4.6)
Annualised	8.25¢	9.51¢	(13.2)	8.66¢	9.08¢	(4.6)

NM – Not Meaningful

Review of CCT Group's performance 4Q 2017 vs 4Q 2016

- a) Gross revenue for 4Q 2017 was S\$86.3 million which was lower than 4Q 2016 of S\$89.7 million. The decrease was mainly due to divestments of One George Street, Wilkie Edge and Golden Shoe Car Park. The decrease was mitigated by higher revenue contribution from MSO Trust as well as consolidation of AST2's gross revenue (with effect from 1 November 2017).

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- b) Property operating expenses for 4Q 2017 were S\$18.3 million, a drop of S\$0.6 million or 3.3% from 4Q 2016. The decrease was mainly due to lower property tax as well as divestments.
- c) The intangible asset had been fully amortised resulting in no more amortization of intangible asset in 4Q 2017 as compared to 4Q 2016.
- d) Share of profits of joint ventures for 4Q 2017 relates mainly to CCT's proportionate share of profits of RCS Trust (60.0% interest), OGS LLP (50.0% interest), GOT (45.0% interest) and GSRT (45.0% interest), while for 4Q 2016, it relates to CCT's proportionate share of profits of RCS Trust (60.0% interest).
- e) The distributable income to unitholders of S\$75.0 million for 4Q 2017 was S\$4.2 million or 6.0% higher than that of 4Q 2016, which had included other gains distribution of S\$1.1 million to top-up for the loss of distributable income arising from the divestments of One George Street (50.0% interest) and Wilkie Edge as well as tax-exempt distribution of S\$8.0 million.

Review of CCT Group's performance FY 2017 vs FY 2016

- a) Gross revenue of S\$337.5 million in FY 2017 was higher than FY 2016 by S\$38.9 million or 13.0%. The increase was primary due to consolidation of MSO Trust's gross revenue (FY 2017: 12 months while FY 2016: 4 months) as well as contribution from AST2 with effect from 1 November 2017. The increase was offset partially by loss in gross revenue due to the divestments.
- b) Property operating expenses for FY 2017 of S\$72.0 million were higher than FY 2016 by S\$4.7 million or 7.0%. The increase was mainly due to consolidation of MSO Trust's property operating expenses (FY 2017: 12 months while FY 2016: 4 months) as well as addition of AST2's property operating expenses with effect from 1 November 2017.
- c) Amortisation expense relates to the amortisation of intangible asset. The intangible asset had been fully amortised in FY 2017. Amortisation expense does not affect distributable income.
- d) Finance costs of S\$69.0 million for FY 2017 were S\$18.9 million or 37.8% higher compared with FY 2016, mainly due to consolidation of MSO Trust's finance cost (FY 2017: 12 months while FY 2016: 4 months),
- e) Share of profits of joint ventures for FY 2017 relates to CCT's proportionate share of profits of RCS Trust (60.0%) and OGS LLP (50.0% interest), GOT (45.0% interest) and GSRT (45.0% interest) while for FY 2016, it relates to CCT's share of profits of RCS Trust (60.0% interest) and MSO Trust (40.0% interest up to 31 August 2016).
- f) The distributable income to unitholders in FY 2017 of S\$288.9 million was 7.4% higher than FY 2016 of S\$269.0 million. The increase was mainly due to higher distribution income received from MSO Trust that holds CapitaGreen. Distributable income in FY 2017 also included other gains distribution of S\$4.4 million to top-up the loss in income arising from divestments of One George Street (50.0% interest) and Wilkie Edge and S\$8.0 million tax-exempt distribution.

9 Variance from Previous Forecast / Prospect Statement

CCT has not disclosed any forecast to the market.

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

The Trust achieved higher distributable income despite a challenging Singapore office market in 2017. CCT's distributable income grew by 7.4% to S\$288.9 million, up from S\$269.0 million in the previous year. The year-on-year increase was due to stronger performance from CapitaGreen, a S\$4.4 million top up for the loss of distributable income arising from the divestments of One George Street (50.0% interest) and Wilkie Edge and a S\$8.0 million tax-exempt income distribution.

The Trust embarked on another successful cycle of portfolio reconstitution in 2017 by unlocking value with the divestments of Wilkie Edge and a 50.0% interest in One George Street at exit yields of 3.4% and 3.2% respectively and redeploying investment proceeds to the acquisition of Asia Square tower 2 ("AST2"), a higher yielding asset, as well as the redevelopment of Golden Shoe Car Park.

On 13 July 2017, the Manager had announced the formation of a joint venture between CCT (45.0% interest), CapitaLand Singapore Limited (45.0% interest), a wholly owned subsidiary of CapitaLand Limited, and Mitsubishi Estate Co., Ltd (10.0% interest), to redevelop Golden Shoe Car Park into an integrated development comprising Grade A office, ancillary retail, serviced residence and food centre with a gross floor area of approximately one million square feet. The redevelopment of Golden Shoe Car Park is expected to be completed in the first half of 2021 and will further strengthen CCT's lead as the largest commercial landlord in Singapore's Central Business District by net lettable area.

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On 1 November 2017, CCT completed the acquisition of AST2. The acquisition was funded by divestment proceeds, bank borrowings and a S\$700.0 million rights issue that was over-subscribed by 1.8 times. The Manager appreciates the support from unitholders on the rights issue. The committed occupancy of AST2 was 90.5% as at end December 2017. CCT will continue to proactively lease the balance space to enhance income.

CCT's S\$175.0 million convertible bonds were fully converted into 122.7 million CCT units before its maturity date of 12 September 2017 at the conversion price of S\$1.4265 per unit. The Trust has a healthy balance sheet with an aggregate leverage of 37.3% (well below the regulatory limit of 45.0%) and an average cost of debt of 2.6% as at 31 December 2017. About 80% of the Trust's borrowings are pegged at fixed rates, which offer greater certainty of interest expense in a rising interest rate environment. The Manager continues to adopt a proactive capital management strategy to optimise the average term to maturity and cost of borrowings. For the S\$1.12 billion bridge facility obtained for the acquisition of Asia Square Tower 2 due in 2019, CCT has obtained S\$600 million in unsecured bank loans to refinance it ahead of its maturity. The Trust awaits the right opportunity and timing to refinance the remaining S\$520.0 million.

Outlook for 2018

Based on data from CBRE Pte. Ltd., Singapore's Core CBD and Grade A occupancy rates in 4Q 2017 were 93.8%, with the Grade A occupancy rate tracking an uptick of 2.2% from 91.6% in 3Q 2017. Average monthly rent for Grade A offices rose to S\$9.40 per square foot in 4Q 2017, an increase of 3.3% year-on-year. Market rents are expected to rise in light of limited new office supply in the next few years and reported high pre-commitment levels of recently completed and upcoming office buildings in the CBD. Lower net property income is expected in FY 2018 at some CCT properties given the flow through from negative rent reversions of leases committed in 2017 into 2018 and that rents of leases expiring in 2018 are higher than current market rent. However, CCT will leverage on rising market rents to close the gap between signing and committed rents.

11 Distributions

11(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution Distribution for the period from 1 July 2017 to 31 December 2017

Distribution type
i) Taxable income distribution
ii) Tax-exempt income distribution
iii) Other gains distribution

Estimated Distribution rate
i) Taxable income distribution: 3.76 cents per unit
ii) Tax-exempt income distribution: 0.22 cents per unit
iii) Other gains distribution: 0.12 cents per unit

Par value of units Not meaningful

Tax rate
Taxable income distribution
Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution
Tax-exempt income distribution is exempt from tax in the hands of all unitholders.

Other Gains Distribution
Distribution of Other Gains is not a taxable distribution to unitholders.

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Books closure date: 2 February 2018

Date payable 28 February 2018

11(b) Corresponding period of the preceding financial period

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

Name of distribution Distribution for the period from 1 July 2016 to 31 December 2016

Distribution type Taxable income

Distribution rate Taxable income distribution: 4.69 cents per unit

Par value of units Not meaningful

Tax rate Taxable income distribution
Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Books closure date: 26 January 2017

Date payable 27 February 2017

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

Not applicable.

13 General mandate relating to interested party transactions

CCT has not obtained a general mandate from unitholders for Interested Person Transactions.

14 Confirmation that issuer has procured undertakings from all of its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Manager confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

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15 Segmental Results

Total Gross Revenue by business segments	Note	FY 2017 S\$'000	FY 2016 S\$'000	Change %	Percentage of Total Gross Revenue	
					FY 2017 %	FY 2016 %
Office buildings						
CapitaGreen	1	89,755	28,628	NM	26.6	9.6
Capital Tower		71,955	69,847	3.0	21.3	23.4
Six Battery Road		68,438	69,543	(1.6)	20.3	23.3
One George Street	2	24,197	50,145	(51.7)	7.2	16.8
Other Office buildings	3	40,271	42,715	(5.7)	11.9	14.3
Total Office buildings		294,616	260,878	12.9	87.3	87.4
Car park and Other Mixed-use buildings	4	42,841	37,699	13.6	12.7	12.6
Total gross revenue		337,457	298,577	13.0	100.0	100.0

Notes:

- (1) Full 12 months contribution from CapitaGreen in FY 2017 versus 4 months in FY 2016's as MSO Trust was consolidated with effect from 1 September 2016.
- (2) One George Street was divested to OGS LLP on 19 June 2017, which the Trust has a 50.0% interest.
- (3) Due to lower gross revenue from Twenty Anson as a result of lower yield stabilization income. The yield stabilization sum had been fully utilized in FY 2017.
- (4) Increase due to gross revenue from AST2, held through AST2 Co. (acquired on 1 November 2017), offset by lower gross revenue due to the divestment of Golden Shoe Car Park and Wilkie Edge, which was in line with the portfolio reconstitution strategy by the Manager.

Net Property Income by business segments	Note	FY 2017 S\$'000	FY 2016 S\$'000	Change %	Percentage of Total Net Property Income	
					FY 2017 %	FY 2016 %
Office buildings						
CapitaGreen	1	70,143	23,347	NM	26.4	10.1
Capital Tower		54,247	51,799	4.7	20.4	22.4
Six Battery Road		53,744	53,131	1.2	20.3	23.0
One George Street	2	19,169	38,025	(49.6)	7.2	16.4
Other Office buildings	3	34,912	37,506	(6.9)	13.2	16.2
Total Office buildings		232,215	203,808	13.9	87.5	88.1
Car park and Other Mixed-use buildings	4	33,253	27,469	21.1	12.5	11.9
Total net property income		265,468	231,277	14.8	100.0	100.0

Notes:

- (1) Full 12 months contribution from CapitaGreen in FY 2017 versus 4 months in FY 2016's as MSO Trust was consolidated with effect from 1 September 2016.
- (2) One George Street was divested to OGS LLP on 19 June 2017, which the Trust has a 50.0% interest.
- (3) Due to lower net property income from Twenty Anson as a result of lower yield stabilization income. The yield stabilization sum had been fully utilized in 2017.
- (4) Increase due to net property income from AST2, held through AST2 Co. (acquired on 1 November 2017), offset by lower net property income due to the divestment of Golden Shoe Car Park and Wilkie Edge, which was in line with the portfolio reconstitution strategy by the Manager.

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to the review of actual performance on page 22 to 23 (paragraph 8).

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17 Breakdown of gross revenue and net income

	FY 2017 S\$'000	FY 2016 S\$'000	Change %
Gross revenue reported for first half year	177,020	134,429	31.7
Net income for first half year	137,201	136,189	0.7
Gross revenue reported for second half year	160,437	164,148	(2.3)
Net income for second half year	127,660	109,964	16.1

18 A breakdown of the total annual distribution for the current full year and its previous full year is as follows:-

	FY 2017 S\$'000	FY 2016 S\$'000
In respect of the period:		
1 July 2017 to 31 December 2017 ⁽¹⁾	-	-
1 January 2017 to 30 June 2017	140,759	-
1 July 2016 to 31 December 2016	139,104	-
1 January 2016 to 30 June 2016	-	129,933
1 July 2015 to 31 December 2015	-	127,277

Note:

(1) Please refer to distributions on page 24 (paragraph 11(a)).

19. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager or in any of CCT's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial unitholder of CCT.

On behalf of the Board of the Manager,
CapitaLand Commercial Trust Management Limited

Lee Chee Koon
Director

Chee Tien Jin Kevin
Director

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
CapitaLand Commercial Trust Management Limited
(Company registration no. 200309059W)
As Manager of CapitaLand Commercial Trust

Lee Ju Lin Audrey
Company Secretary
25 January 2018