

**CAPITALAND COMMERCIAL TRUST  
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION  
ANNOUNCEMENT**

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**SUMMARY OF CCT GROUP RESULTS**

	3Q 2017	3Q 2016	Change %	YTD Sep 2017	YTD Sep 2016	Change %
Gross Revenue (S\$'000) <sup>(1)</sup>	74,145	74,422	(0.4)	251,165	208,851	20.3
Net Property Income (S\$'000) <sup>(2)</sup>	58,555	57,028	2.7	197,513	160,507	23.1
Distributable Income (S\$'000)	73,109 <sup>(3)</sup>	68,296	7.0	213,868 <sup>(3)</sup>	198,229	7.9
Distribution Per Unit ("DPU") (cents)	2.36 <sup>(4)</sup>	2.30	2.6	6.92 <sup>(4)</sup>	6.69	3.4
No of Units in issue at the end of the period (million)	3,094	2,963	4.4	3,094	2,963	4.4
<b>For Information Only</b>						
Adjusted DPU (cents) <sup>(5)</sup> (Adjusted to take into account Rights Issue announced on 21 September 2017)	2.02	1.89	6.9	6.58	6.28	4.8
No of Units in issue as at 30 September 2017 and expected to be issued in October 2017 (million) <sup>(6)</sup>	3,607	3,607	-	3,607	3,607	-

Notes:

- 1) CCT divested One George Street (50% stake) on 19 June 2017, Golden Shoe Car Park on 12 July 2017 and Wilkie Edge on 11 September 2017. The divestments resulted in marginally lower gross revenue in 3Q 2017 compared with 3Q 2016 albeit the impact was mitigated by higher gross revenue from CapitaGreen (3 months' revenue in 3Q 2017 versus 1 month's revenue in 3Q 2016). On the other hand, gross revenue for YTD Sep 2017 was higher than the same period last year largely due to higher gross revenue from CapitaGreen (9 months revenue in YTD Sep 2017 versus 1 month revenue in YTD Sep 2016).
- 2) Net Property Income rose in 3Q 2017 versus 3Q 2016 largely due to lower operating expenses such as property tax that offset the lower revenue. NPI for YTD Sep 2017 was higher than the same period last year largely due to higher revenue.
- 3) Includes other gains of S\$3.3 million which is a top up for the loss of distributable income arising from the divestments of One George Street (50% interest) and Wilkie Edge.
- 4) 3Q 2017 DPU of 2.36 cents was computed based on 3,094 million of CCT units ("Units") issued as at 30 September 2017. YTD Sep 2017 DPU of 6.92 cents was based on the aggregate of 1H 2017 actual DPU of 4.56 cents announced on 27 July 2017 and 3Q 2017 DPU of 2.36 cents.
- 5) The adjusted DPU was computed after taking into consideration additional 513 million CCT Units ("Rights Units") expected to be listed on 27 October 2017 pursuant to the equity issuance exercise announced on 21 September 2017.

The equity issuance exercise relates to the approximately S\$700 million underwritten renounceable rights issue ("Rights Issue"). The rights ratio is 166 Rights Units for every 1,000 existing CCT Units offered at an issue price of S\$1.363 per Rights Unit. The Rights Units to be issued will rank pari passu in all respects with the existing Units, including the right to any distributions which may accrue for the period from 1 July 2017 to 31 December 2017 as well as all distributions thereafter.

Adjusted YTD Sep 2017 DPU of 6.58 cents was based on the aggregate of 1H 2017 actual DPU of 4.56 cents announced on 27 July 2017 and adjusted 3Q 2017 DPU of 2.02 cents.

Adjusted YTD Sep 2016 DPU of 6.28 cents was based on the aggregate of 1H 2016 actual DPU of 4.39 cents announced on 28 July 2016 and adjusted 3Q 2016 DPU of 1.89 cents.

The net proceeds from the Rights Issue will be used to partly fund the acquisition of Asia Square Tower 2, with the completion expected to be on 1 November 2017.

- 6) Aggregate number of Units in issue as at 30 September 2017 and additional 513 million CCT Units expected to be issued in October 2017 following the Rights Issue announced on 21 September 2017.

# **CAPITALAND COMMERCIAL TRUST 2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT**

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## **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 30 September 2017, CCT’s portfolio consists of Capital Tower, Six Battery Road, HSBC Building, Bugis Village, Twenty Anson, CapitaGreen held through wholly owned MSO Trust, 60% interest in Raffles City Singapore held through RCS Trust, 50% interest in One George Street held through One George Street LLP (“OGS LLP”) and 45% interest in Glory Office Trust (“GOT”) and Glory SR Trust (“GSRT”). GOT and GSRT hold Golden Shoe Car Park which is undergoing redevelopment into an integrated development, comprising the office and service residence components. In addition, CCT owns 11% of MRCB-Quill REIT (“MQREIT”), a commercial REIT listed in Malaysia.

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1(a)(i) Statement of Total Return & Distribution Statement (3Q 2017 vs 3Q 2016)

<u>Statement of Total Return</u>	Note	Group			Trust		
		3Q 2017	3Q 2016	Change	3Q 2017	3Q 2016	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross rental income	1	68,848	68,264	0.9	47,164	61,599	(23.4)
Car park income	2	1,852	2,944	(37.1)	1,467	2,833	(48.2)
Other income	3	3,445	3,214	7.2	2,570	2,997	(14.2)
<b>Gross revenue</b>		<b>74,145</b>	<b>74,422</b>	<b>(0.4)</b>	<b>51,201</b>	<b>67,429</b>	<b>(24.1)</b>
Property management fees	4	(1,666)	(1,620)	2.8	(1,117)	(1,454)	(23.2)
Property tax	5	(4,879)	(6,086)	(19.8)	(3,026)	(5,438)	(44.4)
Other property operating expenses	6	(9,045)	(9,688)	(6.6)	(6,236)	(8,858)	(29.6)
<b>Property operating expenses</b>		<b>(15,590)</b>	<b>(17,394)</b>	<b>(10.4)</b>	<b>(10,379)</b>	<b>(15,750)</b>	<b>(34.1)</b>
<b>Net property income</b>	7	<b>58,555</b>	<b>57,028</b>	<b>2.7</b>	<b>40,822</b>	<b>51,679</b>	<b>(21.0)</b>
Interest income	8	1,043	1,020	2.3	4,514	2,123	NM
Investment income	9	1,575	1,661	(5.2)	35,916	28,161	27.5
Amortisation of intangible asset	10	(252)	(438)	(42.5)	(252)	(438)	(42.5)
Costs associated with acquisition of subsidiary	11	-	(10,935)	NM	-	(10,935)	NM
Asset management fees:							
- Base fees	12	(1,627)	(1,469)	10.8	(1,211)	(1,335)	(9.3)
- Performance fees	13	(2,312)	(1,825)	26.7	(1,961)	(1,751)	12.0
Trust expenses		414	(620)	NM	490	(596)	NM
Finance costs	14	(14,726)	(12,422)	18.5	(7,220)	(10,124)	(28.7)
<b>Net income before share of profit of joint ventures</b>		<b>42,670</b>	<b>32,000</b>	<b>33.3</b>	<b>71,098</b>	<b>56,784</b>	<b>25.2</b>
Share of profit (net of tax) of:							
- Joint ventures	15	23,488	22,158	6.0	-	-	-
<b>Net income</b>		<b>66,158</b>	<b>54,158</b>	<b>22.2</b>	<b>71,098</b>	<b>56,784</b>	<b>25.2</b>
Loss on acquisition of subsidiary - net	16	-	(2,562)	NM	-	-	NM
Net gain on disposal of investment properties	17	72,572	-	NM	72,572	-	NM
Net gain in fair value of investment properties	18	20,100	-	NM	20,100	-	NM
<b>Total return for the period before tax</b>		<b>158,830</b>	<b>51,596</b>	<b>NM</b>	<b>163,770</b>	<b>56,784</b>	<b>NM</b>
Tax expense	19	(198)	(165)	20.0	(198)	(237)	(16.5)
<b>Total return for the period after tax</b>		<b>158,632</b>	<b>51,431</b>	<b>NM</b>	<b>163,572</b>	<b>56,547</b>	<b>NM</b>
<u>Distribution Statement</u>							
Net income before share of profit of joint ventures		42,670	32,000	33.3	71,098	56,784	25.2
Net tax and other adjustments	20	549	11,699	(95.3)	(1,289)	11,512	NM
Distribution from joint ventures	21	26,590	24,597	8.1	-	-	-
Other gains distribution	22	3,300	-	NM	3,300	-	-
<b>Distributable income to unitholders</b>		<b>73,109</b>	<b>68,296</b>	<b>7.0</b>	<b>73,109</b>	<b>68,296</b>	<b>7.0</b>

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Notes:

- (1) At the Trust level, gross rental income of S\$47.2 million for 3Q 2017 fell S\$14.4 million from 3Q 2016 following the divestments of One George Street, Golden Shoe Car Park (to the joint venture) and Wilkie Edge on 19 June 2017, 12 July 2017 and 11 September 2017 respectively. At the Group level, contribution from CapitaGreen (3 months in 3Q 2017 versus 1 month in 3Q 2016 ) resulted in the marginal increase of gross rental income in 3Q 2107 vis-à-vis 3Q 2016.
- (2) Car park income was lower primarily due to the cessation of car park operations at Golden Shoe Car Park.
- (3) Other income includes the following:
- (a) Yield stabilization income of S\$0.3 million accrued in 3Q 2017 for Twenty Anson (3Q 2016: S\$0.4 million). The amount was accrued pursuant to a Deed of Yield Stabilization ('YS Deed') dated 22 March 2012 whereby a yield stabilization sum of S\$17.1 million was provided to achieve a net property income yield of up to 5.5% per annum based on Twenty Anson's purchase consideration of S\$430.0 million. The yield stabilization sum was fully utilised in 3Q 2017.
- (b) Recovery from tenants and licence income. At the Trust level, the amount was lower in 3Q 2017 vis-à-vis 3Q 2016 due to the divestments but at the Group level, contribution from CapitaGreen led to the increase in 3Q 2017 from a year ago.
- (4) At the Trust level, property management fees for 3Q 2017 were lower vis-à-vis 3Q 2016 due to the divestments. At the Group level, the increase was due to the consolidation of property management fees for CapitaGreen (3 months in 3Q 2017 vs 1 month in 3Q 2016).
- (5) Property tax was lower in 3Q 2017 from a year ago due to divestments as well as lower annual values assessed by Inland Revenue of Singapore Authority.
- (6) Lower property operating expenses in 3Q 2017 versus 3Q 2016 was mainly due to divestments of the properties.
- (7) The following was included as part of the net property income:

	Group			Trust		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %
Depreciation and amortisation of lease incentives <sup>(7a)</sup>	1,286	447	NM	295	343	(14.0)

- (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 3Q 2017 versus 3Q 2016 was contributed by CapitaGreen (3 months in 3Q 2017 vs 1 month in 3Q 2016).
- (8) Interest income includes the following:

	Group			Trust		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %
Interest income from cash balance <sup>(8a)</sup>	1,011	187	NM	988	151	NM
Interest income from unitholder's loan <sup>(8b)</sup>	32	833	(96.2)	3,526	1,972	78.8
Total	1,043	1,020	2.3	4,514	2,123	NM

- (8a) Interest income from cash balance was higher in 3Q 2017 primarily due to higher cash balance.
- (8b) At the Trust level, the increase in interest income in 3Q 2017 vis-à-vis 3Q 2016 was due to more unitholder's loans extended to MSO Trust (holds CapitaGreen). At the Group level, it relates to CCT's 45% share in interest income from unitholder's loan to GOT and GSRT (both GOT and GSRT hold the development of Golden Shoe Car Park) but there was no interest income from MSO Trust in 3Q 2017. MSO Trust is wholly owned by CCT since 31 August 2016 and interest income from subsidiary is eliminated at the Group level, which explained the sharp drop in 3Q 2017 versus 3Q 2016.

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- (9) The increase in 3Q 2017 versus 3Q 2016 was due mainly to higher distributions from MSO Trust that holds CapitaGreen.
- (10) This relates to the amortisation of yield stabilization income in relation to Twenty Anson.
- (11) This relates mainly to the acquisition fees incurred for the purchase of 60% units in MSO Trust in 3Q 2016.
- (12) At the Trust level, the lower base component of asset management fees in 3Q 2017 from 3Q 2016 was due to divestments. At the Group level, consolidation of CapitaGreen resulted in higher base component of asset management fees in 3Q 2017 versus 3Q 2016.
- (13) At the Trust level, performance component of the asset management fees was higher in 3Q 2017 from 3Q 2016 primarily due to higher net investment income which in turn was due to lower transaction cost incurred in 3Q 2017. At the Group level, consolidation of performance component of the asset management fees for CapitaGreen accounted for the increase.
- (14) Finance costs include the following:

	Group			Trust		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %
Interest cost <sup>(14a)</sup>	14,098	11,316	24.6	6,820	9,095	(25.0)
Amortisation and transaction costs	628	1,106	(43.2)	400	1,029	(61.1)
Total	14,726	12,422	18.5	7,220	10,124	(28.7)

- (14a) At the Trust level, the drop in interest cost in 3Q 2017 from 3Q 2016 was due to repayment of bank borrowings as well as the conversion of the convertible bonds to CCT Units. At the Group level, consolidation of MSO Trust's interest cost (3 months in 3Q 2017 vs 1 month in 3Q 2016) accounted for the increase in 3Q 2017 from a year ago.
- (15) In 3Q 2017, the share of profit of joint ventures relates mainly to profits for RCS Trust (CCT's 60% interest) and OGS LLP (CCT's 50% interest with effect from 19 June 2017). For 3Q 2016, it relates to profits of RCS Trust (CCT's 60% interest) and MSO Trust (CCT's 40% interest up to 31 August 2016). Summary of the share of results of joint ventures are as follows:

	For information only		
	Group		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %
Gross revenue <sup>(15a)</sup>	40,571	40,275	0.7
Property operating expenses <sup>(15b)</sup>	(9,229)	(9,544)	(3.3)
Net property income	31,342	30,731	2.0
Finance costs <sup>(15c)</sup>	(5,122)	(6,086)	(15.8)
Trust and other expenses <sup>(15d)</sup>	(2,732)	(2,487)	9.9
Profit of joint ventures (net of tax)	23,488	22,158	6.0

- (15a) In 3Q 2017, it relates to CCT's 60% share of gross revenue from RCS Trust (S\$34.3 million) and CCT's 50% share of gross revenue from OGS LLP (S\$6.2 million). In 3Q 2016, it relates to CCT's 60% share of gross revenue from RCS Trust (S\$34.9 million) and CCT's 40% share of gross revenue from MSO Trust up to 31 August 2016 (S\$ 5.4 million).
- (15b) In 3Q 2017, it relates to CCT's share of property operating expenses of RCS Trust (CCT's 60% interest) and OGS LLP's (CCT's 50% interest) whereas, in 3Q 2016, it relates to CCT's share of property operating expenses for RCS Trust (CCT's 60% interest) and MSO Trust (CCT's 40% interest up to 31 August 2016).

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- (15c) The decrease in share of finance costs in 3Q 2017 vis-à-vis 3Q 2016 was mainly due to MSO Trust's finance costs (CCT's 40% interest) not being accounted under share of joint ventures from 31 August 2016. The decrease has been offset by inclusion of finance costs in 3Q 2017 for OGS LLP (CCT's 50% interest) as well as higher interest expenses for RCS Trust.
- (15d) Includes asset management fees.
- (16) This relates to the net loss recognised in 3Q 2016 in relation to the acquisition of 60% interest in MSO Trust.
- (17) This relates mainly to the net gain in relation to the divestment of Wilkie Edge.
- (18) This relates to the fair value gain in Golden Shoe Car Park recognised in 3Q 2017, prior to the divestment to the sub-trusts GOT and GSRT, in which CCT has a 45% interest.
- (19) This relates to the withholding tax paid on the distribution received from MQREIT as well as the tax incurred for the yield stabilization sum for Twenty Anson.
- (20) Included in net tax and other adjustments are the following:

	Group			Trust		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %
Asset management fee payable in Units <sup>(20a)</sup>	180	904	(80.1)	180	904	(80.1)
Trustee's fees	212	180	17.8	161	180	(10.6)
Amortisation and transaction costs (Finance) <sup>(20b)</sup>	628	1,106	(43.2)	400	1,029	(61.1)
Costs associated with acquisition of subsidiary	-	10,935	NM	-	10,935	NM
Temporary differences and other items <sup>(20c)</sup>	(471)	(1,426)	(67.0)	(2,030)	(1,536)	32.2
Total	549	11,699	(95.3)	(1,289)	11,512	NM

- (20a) The lower asset management fee payable in Units in 3Q 2017 compared with that of 3Q 2016 was due to divestment of One George Street whereby the asset management fees was paid in Units. Asset management fee for OGS LLP is paid in cash.
- (20b) This relates to amortisation of upfront fees and transaction costs incurred on bank borrowings. The fees was lower in 3Q 2017 due to lower amortisation and transaction costs incurred.
- (20c) Included in temporary differences and other items were tax-exempt income retained by CCT. The tax-exempt income comprised Twenty Anson's yield stabilization sum of S\$0.2 million and MQREIT's tax-exempt income of S\$1.4 million (3Q 2016: tax-exempt income from Twenty Anson's yield stabilization sum of S\$0.3 million and MQREIT's tax exempt income of S\$1.5 million). The amount was retained for anticipated capital expenditure and/or distribution to unitholders.
- (21) For 3Q 2017, it relates to distribution from RCS Trust (CCT's 60% interest) and OGS LLP (CCT's 50% interest). For 3Q 2016, it relates to distribution from RCS Trust (CCT's 60% interest) and MSO Trust (CCT's 40% interest).
- (22) Other gains distribution relates to distribution from gains arising from the divestments of One George Street (50% interest) and Wilkie Edge.

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

<u>Statement of Total Return</u>	Note	Group			Trust		
		YTD Sep 2017	YTD Sep 2016	Change	YTD Sep 2017	YTD Sep 2016	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross rental income	1	232,432	190,945	21.7	168,556	184,280	(8.5)
Car park income	2	7,270	8,626	(15.7)	6,194	8,515	(27.3)
Other income	3	11,463	9,280	23.5	9,298	9,063	2.6
<b>Gross revenue</b>		<b>251,165</b>	<b>208,851</b>	<b>20.3</b>	<b>184,048</b>	<b>201,858</b>	<b>(8.8)</b>
Property management fees		(5,675)	(4,531)	25.2	(4,038)	(4,365)	(7.5)
Property tax	4	(18,465)	(18,028)	2.4	(12,985)	(17,380)	(25.3)
Other property operating expenses	5	(29,512)	(25,785)	14.5	(22,421)	(24,955)	(10.2)
<b>Property operating expenses</b>		<b>(53,652)</b>	<b>(48,344)</b>	<b>11.0</b>	<b>(39,444)</b>	<b>(46,700)</b>	<b>(15.5)</b>
<b>Net property income</b>	6	<b>197,513</b>	<b>160,507</b>	<b>23.1</b>	<b>144,604</b>	<b>155,158</b>	<b>(6.8)</b>
Interest income	7	1,538	3,676	(58.2)	11,803	4,730	NM
Investment income	8	1,575	3,369	(53.3)	109,940	75,775	45.1
Amortisation of intangible asset	9	(2,086)	(769)	NM	(2,086)	(769)	NM
Costs associated with acquisition of subsidiary	10	-	(10,935)	NM	-	(10,935)	NM
Asset management fees:							
- Base fees	11	(4,983)	(4,093)	21.7	(3,757)	(3,959)	(5.1)
- Performance fees	11	(7,379)	(6,404)	15.2	(6,324)	(6,330)	(0.1)
Trust expenses		(1,800)	(1,829)	(1.6)	(1,583)	(1,799)	(12.0)
Finance costs	12	(50,338)	(31,485)	59.9	(28,041)	(29,174)	(3.9)
<b>Net income before share of profit of joint ventures</b>		<b>134,040</b>	<b>112,037</b>	<b>19.6</b>	<b>224,556</b>	<b>182,697</b>	<b>22.9</b>
Share of profit (net of tax) of:							
- Joint ventures	13	69,319	78,310	(11.5)	-	-	-
<b>Net income</b>		<b>203,359</b>	<b>190,347</b>	<b>6.8</b>	<b>224,556</b>	<b>182,697</b>	<b>22.9</b>
Impairment of available-for-sale investment	14	-	(8,916)	NM	-	(8,916)	NM
Loss on acquisition of subsidiary - net	15	-	(2,562)	NM	-	-	-
Net gain on disposal of investment properties	16	69,346	-	NM	69,346	-	NM
Net gain in fair value of investment properties	17	272,774	8,643	NM	257,929	8,643	NM
<b>Total return for the period before tax</b>		<b>545,479</b>	<b>187,512</b>	<b>NM</b>	<b>551,831</b>	<b>182,424</b>	<b>NM</b>
Tax expense	18	(512)	(391)	30.9	(510)	(461)	10.6
<b>Total return for the period after tax</b>		<b>544,967</b>	<b>187,121</b>	<b>NM</b>	<b>551,321</b>	<b>181,963</b>	<b>NM</b>
<b><u>Distribution Statement</u></b>							
Net income before share of profit of joint ventures		134,040	112,037	19.6	224,556	182,697	23
Net tax and other adjustments	19	5,323	15,689	(66.1)	(13,988)	15,532	NM
Distribution from joint ventures	20	71,205	70,503	1.0	-	-	-
Other gains distribution	21	3,300	-	NM	3,300	-	NM
<b>Distributable income to unitholders</b>		<b>213,868</b>	<b>198,229</b>	<b>7.9</b>	<b>213,868</b>	<b>198,229</b>	<b>7.9</b>

NM – Not Meaningful



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Notes:

- (1) At the Trust level, gross rental revenue for YTD September 2017 was S\$168.6 million which was a decrease of S\$15.7 million or 8.5% from YTD September 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\$63.8 million for YTD September 2017 versus S\$6.7 million from 1 September 2016 to 30 September 2016 for YTD September 2016) resulted in higher gross rental revenue for the Group in YTD September 2017 as compared to YTD September 2016.
- (2) Car park income for the Trust was lower for the Trust in YTD September 2017 as compared with YTD September 2016. The decrease was 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 of S\$2.1 million accrued in YTD September 2017 for Twenty Anson (YTD September 2016: S\$0.8 million). Please refer to note (3)(a) of page 5 for additional information; and
- (b) Recovery from tenants, licence and other income which was higher in YTD September 2017 versus YTD September 2016 mainly due to contribution from CapitaGreen's tenant recoveries. The increase was offset by lower tenant recoveries arising from the divestments.
- (4) At the Group level, the higher property tax for YTD September 2017 vis-à-vis YTD September 2016 was primarily due to consolidation of MSO Trust's property tax. At the Trust level, the decrease in property tax for YTD September 2017 was due to the divestments as well as lower annual values assessed by Inland Revenue of Singapore Authority.
- (5) At the Group level, the increase in other property operating expenses for YTD September 2017 vis-à-vis YTD September 2016 was mainly due to the consolidation of CapitaGreen's property operating expenses. At the Trust, the decrease in property operating expenses for YTD September 2017 was due mainly to the divestments of properties.
- (6) The following items have been included in arriving at net property income:

	Group			Trust		
	YTD Sep 2017	YTD Sep 2016	Change	YTD Sep 2017	YTD Sep 2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation and amortisation of lease incentives <sup>(6a)</sup>	4,224	1,228	NM	1,247	1,125	10.8

- (6a) Higher depreciation and amortisation of lease incentives in YTD September 2017 for the Group was due to consolidation of CapitaGreen for the full period while YTD September 2016 had included only one month of CapitaGreen's expenses.
- (7) Interest income includes the following:

	Group			Trust		
	YTD Sep 2017	YTD Sep 2016	Change	YTD Sep 2017	YTD Sep 2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from cash balance <sup>(7a)</sup>	1,506	397	NM	1,404	312	NM
Interest income from unitholder's loan <sup>(7b)</sup>	32	3,279	(99.0)	10,399	4,418	NM
Total	1,538	3,676	(58.2)	11,803	4,730	NM

- (7a) The increase in interest income from cash balance was due to higher cash balance.
- (7b) At the Trust level, the increase in interest income in YTD September 2017 from YTD September 2016 was due to more unitholder's loans extended to MSO Trust (holds CapitaGreen) as well as new unitholder's loan extended to GOT and GSRT. At the Group level, interest income from unitholder's loans to MSO Trust was only accounted for eight months up to 31 August 2016, prior to MSO Trust being a wholly owned subsidiary of CCT, which resulted in the decrease in interest income for YTD September 2017 vis-à-vis YTD September 2016.

NM – Not Meaningful

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- (8) The increase in investment income at the Trust 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 (YTD September 2017: S\$23.4 million versus YTD September 2016: S\$6.5 million), distribution income (19 June 2017 to 30 September 2017) from CCT's 50% interest in OGS LLP (YTD September 2016: Nil) and distribution from CCT's 60% interest in RCS Trust.
- (9) This relates to the amortisation of yield stabilization sum in relation to Twenty Anson.
- (10) This relates to the acquisition fees incurred for the purchase of 60% interest in MSO Trust for the period YTD September 2016.
- (11) At the Trust level, lower asset management fees was due to divestments. At the Group level, higher asset management fees for YTD September 2017 from the same period a year ago was due to consolidation of MSO Trust's asset management fees.
- (12) Finance costs include the following:

	Group			Trust		
	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Change %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Change %
Interest cost <sup>(12a)</sup>	47,693	27,676	72.3	26,094	25,455	2.5
Amortisation and transaction costs	2,645	3,809	(30.6)	1,947	3,719	(47.6)
Total	50,338	31,485	59.9	28,041	29,174	(3.9)

- (12a) The increase in interest cost for YTD September 2017 for the Trust was due to higher borrowings to fund CCT's acquisition of 60% units of MSO Trust albeit partially offset by repayment of bank borrowings from divestment proceeds. For the Group, consolidation of MSO Trust's interest cost also contributed to the increase.
- (13) For YTD September 2017, the share of profit of joint ventures relates mainly to profits of RCS Trust (CCT's 60% interest) and OGS LLP (CCT's 50% interest with effect from 19 June 2017). For YTD September 2016, it relates to profits of RCS Trust (CCT's 60% interest) and MSO Trust (CCT's 40% interest up to 31 August 2017). Summary of the share of results of joint ventures are as follows:

	For Information only		
	Group		
	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Change %
Gross revenue <sup>(13a)</sup>	110,289	125,612	(12.2)
Property operating expenses <sup>(13b)</sup>	(26,027)	(30,406)	(14.4)
Net property income	84,262	95,206	(11.5)
Finance costs <sup>(13c)</sup>	(12,369)	(24,626)	(49.8)
Net change in fair value of investment properties <sup>(13d)</sup>	4,917	15,473	(68.2)
Trust and other expenses <sup>(13e)</sup>	(7,491)	(7,743)	(3.3)
Net profit of joint ventures (after tax)	69,319	78,310	(11.5)

- (13a) YTD September 2017 relates to CCT's share of gross revenue of RCS Trust (CCT's 60% interest) and OGS LLP (CCT's 50% interest). OGS LLP's gross revenue was recognized for the period from 20 June 2017 to 30 September 2017 (both dates inclusive). YTD September 2016 relates to CCT's share of gross revenue of RCS Trust (CCT's 60% interest) and MSO Trust (CCT's 40% interest). Gross revenue of MSO Trust was consolidated to CCT group with effect from 1 September 2016 and hence accounted for the drop of gross revenue in YTD September 2017 from a year ago.
- (13b) The decrease in share of property operating expenses in YTD September 2017 vis-à-vis YTD September 2016 was mainly due to MSO Trust's property operating expenses (CCT's 40% interest) that was no longer accounted under share of joint ventures since 1 September 2016. Lower property operating expenses of RCS Trust (CCT's 60% interest) had also contributed mainly to the decrease in share of property operating expenses in YTD September 2017.

NM – Not Meaningful

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- (13c) The decrease in share of finance costs in YTD September 2017 vis-à-vis YTD September 2016 was mainly due to MSO Trust's finance costs (CCT's 40% interest) that was no longer accounted under share of joint ventures from 31 August 2016. Lower interest expenses for RCS Trust also contributed to the decrease in finance costs.
- (13d) In YTD September 2017, the net change in fair value of investment property of S\$4.9 million relates to net change in fair value of Raffles City Singapore (CCT's 60% interest) and One George Street (CCT's 50% interest). Net change in fair value of investment property in YTD September 2016 relates to change in fair value of Raffles City Singapore (CCT's 60% interest) and CapitaGreen (CCT's 40% interest).
- (13e) Includes asset management fees.
- (14) This relates to the impairment loss of MQREIT accounted in YTD September 2016.
- (15) This relates to the net loss recognised in YTD September 2016 in relation to the acquisition of 60% interest in MSO Trust.
- (16) This relates mainly to the net divestment gain of Wilkie Edge. It also included transaction costs incurred for the divestment of One George Street.
- (17) This relates to the net increase in property values as at 30 June 2017 based on independent 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.
- (18) This relates to the withholding tax paid on the distribution received from MQREIT as well as the tax incurred for the yield stabilization sum for Twenty Anson.
- (19) Included in net tax and other adjustments are the following:

	Group			Trust		
	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Change %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Change %
Asset management fee paid and payable in Units	2,038	2,779	(26.7)	2,038	2,779	(26.7)
Trustee's fees	634	509	24.6	480	509	(5.7)
Amortisation and transaction costs (Finance) <sup>(19a)</sup>	2,645	3,809	(30.6)	1,947	3,719	(47.6)
Costs associated with acquisition of subsidiary	-	10,935	NM	-	10,935	NM
Temporary differences and other items <sup>(19b)</sup>	6	(2,343)	NM	(18,453)	(2,410)	NM
Total	5,323	15,689	(66.1)	(13,988)	15,532	NM

- (19a) This relates to amortisation of upfront fees and transaction costs incurred on bank borrowings. The fees was lower in YTD September 2017 due to lower amortisation and transaction costs incurred.
- (19b) Included in temporary differences and other items were tax-exempt income retained by CCT. In YTD September 2017, it included dividend from FOPL, Twenty Anson's yield stabilization sum and MQREIT's net tax-exempt income (YTD September 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.
- (20) For YTD Sep 2017 it relates to distribution income from RCS Trust (CCT's 60% interest) and OGS LLP (CCT's 50% interest). For YTD September 2016, it relates to distribution income from RCS Trust (CCT's 60% interest) and MSO Trust (CCT's 40% interest until 31 August 2016).
- (21) Other gains distribution relates to distribution from gains arising from the divestments of One George Street (50% interest) and Wilkie Edge.
- NM – Not Meaningful*

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1(b)(i) Statement of Financial Position as at 30 September 2017 vs 31 December 2016

	Note	Group			Trust		
		30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	Change %	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	Change %
<b>Non-current assets</b>							
Plant and equipment		1,052	1,439	(26.9)	1,023	1,384	(26.1)
Investment properties	1	5,314,368	6,590,500	(19.4)	3,698,368	4,987,500	(25.8)
Interest in subsidiaries	2	-	-	-	718,043	718,043	-
Available-for-sale investment	3	47,655	44,834	6.3	47,655	44,834	6.3
Interest in joint ventures	4	1,594,756	1,189,793	34.0	1,271,446	864,393	47.1
Intangible asset	5	-	2,086	NM	-	2,086	NM
Financial derivatives	6	1,633	20,624	(92.1)	1,633	17,405	(90.6)
<b>Total non-current assets</b>		<b>6,959,464</b>	<b>7,849,276</b>	<b>(11.3)</b>	<b>5,738,168</b>	<b>6,635,645</b>	<b>(13.5)</b>
<b>Current assets</b>							
Trade and other receivables	7	80,386	41,636	93.1	83,462	48,574	71.8
Cash and cash equivalents	8	857,473	159,962	NM	840,616	131,537	NM
Financial derivatives	6	-	257	NM	-	257	NM
<b>Total current assets</b>		<b>937,859</b>	<b>201,855</b>	<b>NM</b>	<b>924,078</b>	<b>180,368</b>	<b>NM</b>
<b>Total assets</b>	9	<b>7,897,323</b>	<b>8,051,131</b>	<b>(1.9)</b>	<b>6,662,246</b>	<b>6,816,013</b>	<b>(2.3)</b>
<b>Current liabilities</b>							
Trade and other payables		64,196	52,786	21.6	207,092	202,800	2.1
Current portion of security deposits		7,734	8,413	(8.1)	6,501	8,413	(22.7)
Interest-bearing liabilities	10	199,842	-	NM	199,842	-	NM
Convertible bonds	11	-	173,450	NM	-	173,450	NM
Financial derivatives	6	426	-	NM	426	-	NM
Current tax payable		372	1,506	(75.3)	355	226	57.1
<b>Total current liabilities</b>		<b>272,570</b>	<b>236,155</b>	<b>15.4</b>	<b>414,216</b>	<b>384,889</b>	<b>7.6</b>
<b>Non-current liabilities</b>							
Non-current portion of security deposits		39,434	52,397	(24.7)	17,690	32,627	(45.8)
Interest-bearing liabilities	12	1,844,378	2,457,182	(24.9)	957,213	1,570,692	(39.1)
Financial derivatives	6	48,253	26,855	79.7	30,301	21,262	42.5
<b>Total non-current liabilities</b>		<b>1,932,065</b>	<b>2,536,434</b>	<b>(23.8)</b>	<b>1,005,204</b>	<b>1,624,581</b>	<b>(38.1)</b>
<b>Total liabilities</b>		<b>2,204,635</b>	<b>2,772,589</b>	<b>(20.5)</b>	<b>1,419,420</b>	<b>2,009,470</b>	<b>(29.4)</b>
<b>Net assets</b>		<b>5,692,688</b>	<b>5,278,542</b>	<b>7.8</b>	<b>5,242,826</b>	<b>4,806,543</b>	<b>9.1</b>
<b>Unitholders' funds</b>		<b>5,692,688</b>	<b>5,278,542</b>	<b>7.8</b>	<b>5,242,826</b>	<b>4,806,543</b>	<b>9.1</b>

NM – Not Meaningful

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Notes:

- (1) Investment properties as at 30 September 2017 were lower compared with that as at 31 December 2016 mainly due to:
  - (a) Divestment of One George Street to OGS LLP, in which CCT has a 50% interest;
  - (b) Divestment of Golden Shoe Car Park on 12 July 2017 to sub-trusts GOT and GSRT in which CCT has 45% interest; and
  - (c) Divestment of Wilkie Edge on 11 September 2017.
- (2) Interest in subsidiaries mainly relates to the cost of investments in CCT MTN Pte. Ltd., FOPL and MSO Trust (include unitholder's loan to MSO Trust).
- (3) This relates to CCT's 11% stake in MQREIT. The increase was mainly due to higher trading price of MQREIT.
- (4) This relates to CCT's 60% interest in RCS Trust, CCT's 50% interest in OGS LLP (which holds One George Street) as well as CCT's 45% interest in GOT and GSRT (include unitholder's loan), as at 30 September 2017 (31 December 2016: relates to CCT's 60% interest in RCS Trust).
- (5) This relates to the yield stabilization sum for Twenty Anson. The yield stabilization sum was fully amortised as at 30 September 2017.
- (6) This relates to the fair values of cross currency swaps and/or interest rate swaps.
- (7) Trade and other receivables as at 30 September 2017 for the Trust and the Group increased from 31 December 2016 mainly due to the deposit of S\$41.9 million paid in relation to the acquisition of Asia Square Tower 2 as announced by the Manager on 21 September 2017.
- (8) Cash and cash equivalents as at 30 September 2017 increased significantly from 31 December 2016 due to proceeds received from the divestments of One George Street, Golden Shoe Car Park and Wilkie Edge.
- (9) Total assets were S\$7,897.3 million as at 30 September 2017 (31 December 2016: S\$8,051.1 million). Total deposited property value, including RCS Trust (CCT's 60% interest) and OGS LLP (CCT's 50% interest) as well as GOT and GSRT (CCT's 45% interest) as at 30 September 2017 were S\$8,925.9 million (31 December 2016: S\$8,766.4 million).
- (10) This relates to bank borrowings reclassified from non-current liabilities to current liabilities.
- (11) 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.
- (12) The interest-bearing liabilities as at 30 September 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\$325.0 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		
	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	Change %	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	Change %
<b>Secured borrowings</b>						
Amount repayable after one year <sup>(1)</sup>	890,000	890,000	-	-	-	-
Less: Unamortised portion of transactions costs <sup>(1)</sup>	(2,835)	(3,510)	(19.2)	-	-	-
<b>Net secured borrowings after one year</b>	<b>887,165</b>	<b>886,490</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unsecured borrowings</b>						
Amount repayable after one year <sup>(2)</sup>	958,596	1,572,655	(39.0)	958,596	1,572,655	(39.0)
Less: Unamortised portion of transactions costs	(1,383)	(1,963)	(29.5)	(1,383)	(1,963)	(29.5)
<b>Net unsecured borrowings after one year</b>	<b>957,213</b>	<b>1,570,692</b>	<b>(39.1)</b>	<b>957,213</b>	<b>1,570,692</b>	<b>(39.1)</b>
Amount repayable within one year	200,000	173,886	15.0	200,000	173,886	15.0
Less: Unamortised portion of transactions costs	(158)	(436)	(63.8)	(158)	(436)	(63.8)
<b>Net unsecured borrowings within one year</b>	<b>199,842</b>	<b>173,450</b>	<b>15.2</b>	<b>199,842</b>	<b>173,450</b>	<b>15.2</b>
<b>Total unsecured borrowings</b>	<b>1,157,055</b>	<b>1,744,142</b>	<b>(33.7)</b>	<b>1,157,055</b>	<b>1,744,142</b>	<b>(33.7)</b>
<b>Total secured and unsecured borrowings</b>	<b>2,044,220</b>	<b>2,630,632</b>	<b>(22.3)</b>	<b>1,157,055</b>	<b>1,744,142</b>	<b>(33.7)</b>

Note :

(1) This relates to MSO Trust's borrowings and transactions costs as at 30 September 2017 and 31 December 2016.

(2) The decrease in borrowings as at 30 September 2017 versus 31 December 2016 was due to repayment of bank borrowings.

**For information only**

This relates to CCT's 60% interest in the aggregate external borrowings of RCS Trust and CCT's 50% interest of OGS LLP which are not included under total borrowings in the statement of financial position of the Group.

	For information only		
	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	Change %
<b><u>Secured borrowings</u></b> <sup>(1)</sup>			
Amount repayable after one year	290,000	-	NM
Less: Unamortised portion of transactions costs	(1,188)	-	NM
<b>Net secured borrowings</b>	<b>288,812</b>	<b>-</b>	<b>NM</b>
<b><u>Unsecured borrowings</u></b> <sup>(2)</sup>			
Amount repayable after one year	518,400	660,000	(21.5)
Less: Unamortised portion of transactions costs	(1,144)	(1,489)	(23.2)
<b>Net repayable after one year</b>	<b>517,256</b>	<b>658,511</b>	<b>(21.5)</b>
Amount repayable within one year	150,000	-	NM
Less: Unamortised portion of transactions costs	(331)	-	NM
<b>Net repayable within one year</b>	<b>149,669</b>	<b>-</b>	<b>NM</b>
<b>Net unsecured borrowings</b>	<b>666,925</b>	<b>658,511</b>	<b>1.3</b>
<b>Total secured and unsecured borrowings</b>	<b>955,737</b>	<b>658,511</b>	<b>45.1</b>

Notes :

(1) This relates to CCT's 50% of OGS LLP's borrowings and transactions costs as at 30 September 2017.

(2) This relates to CCT's 60% of RCS Trust's borrowings and transactions costs as at 30 September 2017 and 31 December 2016.

NM: Not meaningful

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**1(c)(i) Statement of Cash Flow (3Q 2017 vs 3Q 2016)**

	Note	Group	
		3Q 2017 S\$'000	3Q 2016 S\$'000
<b>Operating activities</b>			
Total return for the period before tax		158,830	51,596
<b>Adjustments for :</b>			
Share of profit of joint ventures		(23,488)	(22,158)
Amortisation of lease incentives		1,226	375
Amortisation of intangible asset		252	438
Depreciation of plant and equipment		60	72
Finance costs		14,726	12,422
Interest income		(1,043)	(1,020)
Loss on disposal of plant and equipment		73	-
Asset management fees paid and payable in Units		180	904
Net gain in fair value of investment properties		(20,100)	-
Net gain on disposal of investment properties		(72,572)	-
Distribution from available-for-sale investment		(1,575)	(1,661)
Gain on acquisition of subsidiary - net		-	2,562
Costs associated with acquisition of subsidiary		-	10,935
<b>Operating income before working capital changes</b>		<b>56,569</b>	<b>54,465</b>
<b>Changes in working capital</b>			
Trade and other receivables		(33,008)	(463)
Trade and other payables		5,495	(39,632)
Security deposits		(1,145)	18
<b>Cash generated from operating activities</b>		<b>27,911</b>	<b>14,388</b>
Tax expenses paid		(316)	(76)
<b>Net cash from operating activities</b>		<b>27,595</b>	<b>14,312</b>
<b>Investing activities</b>			
Capital expenditure on investment properties		(1,015)	1,434
Purchase of plant and equipment		-	(14)
Distribution received from available-for-sale investment		1,575	1,661
Distributions received from joint ventures		23,184	24,252
Interest income received		1,101	15,520
Acquisition of subsidiary		-	(342,258)
Proceeds from divestment of investment properties	1	352,130	-
Loan to joint ventures		(11,250)	-
<b>Net cash from / (used in) investing activities</b>		<b>365,725</b>	<b>(299,405)</b>
<b>Financing activities</b>			
Interest paid		(9,094)	(10,384)
Payment of transaction costs related to borrowings		(239)	-
Distribution to unitholders		(133,358)	(123,358)
Proceeds from interest-bearing liabilities		-	500,050
Repayment of interest-bearing liabilities	2	(90,000)	(75,000)
<b>Net cash (used in) / from financing activities</b>		<b>(232,691)</b>	<b>291,308</b>
<b>Net increase in cash and cash equivalents</b>		<b>160,629</b>	<b>6,215</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>696,844</b>	<b>103,113</b>
<b>Cash and cash equivalents at end of period</b>		<b>857,473</b>	<b>109,328</b>

Notes:

- 1) This relates to net proceeds from divestment of Golden Shoe Car Park and Wilkie Edge.
- 2) This relates to repayment of CCT's bank borrowings.

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

	Note	Group	
		YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000
<b>Operating activities</b>			
Total return for the period before tax		545,479	187,512
<b>Adjustments for :</b>			
Share of profit of joint ventures		(69,319)	(78,310)
Amortisation of lease incentives		3,986	983
Amortisation of intangible asset		2,086	769
Depreciation of plant and equipment		238	245
Finance costs		50,338	31,485
Loss on disposal of plant and equipment		169	-
Interest income		(1,538)	(3,676)
Impairment on available-for-sale investment		-	8,916
Asset management fees paid and payable in Units		2,038	2,779
Net gain in fair value of investment properties		(272,774)	(8,643)
Net gain on disposal of investment properties		(69,346)	-
Distribution from available-for-sale investment		(1,575)	(3,369)
Loss on acquisition of subsidiary - net		-	2,562
Costs associated with acquisition of subsidiary		-	10,935
<b>Operating income before working capital changes</b>		<b>189,782</b>	<b>152,188</b>
<b>Changes in working capital</b>			
Trade and other receivables		(38,049)	(1,479)
Trade and other payables		2,100	(39,138)
Security deposits		(13,642)	458
<b>Cash generated from operations</b>		<b>140,191</b>	<b>112,029</b>
Tax expenses paid		(869)	(308)
<b>Net cash generated from operating activities</b>		<b>139,322</b>	<b>111,721</b>
<b>Investing activities</b>			
Capital expenditure on investment properties		(4,138)	(2,234)
Purchase of plant and equipment		(261)	(197)
Proceeds from divestment of investment properties	1	1,230,482	-
Distribution received from available-for-sale investment		1,575	3,369
Distributions received from joint ventures		67,567	67,920
Interest income received		1,687	19,040
Acquisition of subsidiary		-	(342,258)
Loan to joint ventures		(11,250)	-
<b>Net cash from / (used in) investing activities</b>		<b>1,285,662</b>	<b>(254,360)</b>
<b>Financing activities</b>			
Interest paid		(43,436)	(27,666)
Payment of transaction costs related to borrowings		(491)	-
Distribution to unitholders		(272,346)	(250,629)
Proceeds from interest-bearing liabilities		-	724,050
Repayment of interest-bearing liabilities	2	(411,200)	(275,000)
<b>Net cash (used in) / from financing activities</b>		<b>(727,473)</b>	<b>170,755</b>
<b>Net increase in cash and cash equivalents</b>		<b>697,511</b>	<b>28,116</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>159,962</b>	<b>81,212</b>
<b>Cash and cash equivalents at end of the period</b>		<b>857,473</b>	<b>109,328</b>

Notes:

- 1) This relates to net proceeds from divestment of One George Street, Golden Shoe Car Park and Wilkie Edge.
- 2) This relates to repayment of CCT's bank borrowings.



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1(d)(i) Statement of movement in unitholders' funds (3Q 2017 vs 3Q 2016)

	Note	Group		Trust	
		3Q 2017 S\$'000	3Q 2016 S\$'000	3Q 2017 S\$'000	3Q 2016 S\$'000
<b>Net assets as at beginning of period</b>		<b>5,546,795</b>	<b>5,226,849</b>	<b>5,095,234</b>	<b>4,763,185</b>
<b>Operations</b>					
Total return for the period		158,632	51,431	163,572	56,547
<b>Unitholders' transactions</b>					
Creation of units:					
- Units issued in respect of RCS Trust's asset management fees		1,222	1,190	1,222	1,190
- Asset management fee paid and payable in Units		180	2,171	180	2,171
- Acquisition fees paid in Units		-	8,003	-	8,003
- Conversion of convertible bonds		128,193	-	128,193	-
Distributions to unitholders		(140,691)	(129,783)	(140,691)	(129,783)
<b>Net decrease in net assets resulting from unitholders' transactions</b>		<b>(11,096)</b>	<b>(118,419)</b>	<b>(11,096)</b>	<b>(118,419)</b>
<b>Movement in reserves</b>					
- Available-for-sale reserve	1	(1,186)	3,895	(1,186)	3,895
- Capital reserves	2	(5,176)	-	(5,176)	-
- Hedging reserves	3	4,719	12,878	1,478	6,114
<b>Net (decrease) / increase in net assets resulting from movement in reserves</b>		<b>(1,643)</b>	<b>16,773</b>	<b>(4,884)</b>	<b>10,009</b>
<b>Net increase / (decrease) in net assets</b>		<b>145,893</b>	<b>(50,215)</b>	<b>147,592</b>	<b>(51,863)</b>
<b>Net assets as at end of the period</b>		<b>5,692,688</b>	<b>5,176,634</b>	<b>5,242,826</b>	<b>4,711,322</b>

Notes:

- (1) This relates to marked to market movement of MQREIT.
- (2) The movement in capital reserves relates to the option value of remaining principal amount of S\$123.3 million CB 2017 that were converted into 86.4 million Units in 3Q 2017.
- (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 venture (RCS Trust).

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

	Note	Group		Trust	
		YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000
<b>Net assets as at beginning of the year</b>		<b>5,278,542</b>	<b>5,234,136</b>	<b>4,806,543</b>	<b>4,770,343</b>
<b>Operations</b>					
<b>Total return for the period</b>		544,967	187,121	551,321	181,963
<b>Unitholders' transactions</b>					
Creation of new units:					
- Units issued in respect of RCS Trust's asset management fees		7,825	4,608	7,825	4,608
- Asset management fee paid and payable in Units		2,038	3,442	2,038	3,442
- Acquisition fees paid in Units		-	8,003	-	8,003
- Conversion of convertible bonds		181,938	-	181,938	-
Distributions to unitholders		(279,679)	(257,054)	(279,679)	(257,054)
<b>Net decrease in net assets resulting from unitholders' transactions</b>		<b>(87,878)</b>	<b>(241,001)</b>	<b>(87,878)</b>	<b>(241,001)</b>
<b>Movement in reserves</b>					
- Available-for-sale reserve	1	2,821	16,382	2,821	16,382
- Capital reserves	2	(7,349)	-	(7,349)	-
- Hedging reserves	3	(38,415)	(20,004)	(22,632)	(16,365)
<b>Net (decrease) / increase in net assets resulting from movement in reserves</b>		<b>(42,943)</b>	<b>(3,622)</b>	<b>(27,160)</b>	<b>17</b>
<b>Net increase / (decrease) in net assets</b>		<b>414,146</b>	<b>(57,502)</b>	<b>436,283</b>	<b>(59,021)</b>
<b>Net assets as at end of the year</b>		<b>5,692,688</b>	<b>5,176,634</b>	<b>5,242,826</b>	<b>4,711,322</b>

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 YTD September 2017.
- 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 venture (RCS Trust).

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1(e)(i) Details of any change in the units (3Q 2017 vs 3Q 2016)

	Group and Trust	
	3Q 2017 Units	3Q 2016 Units
<b>Units in issue as at beginning of period</b>	<b>3,006,284,332</b>	<b>2,956,335,012</b>
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (CCT's 60% interest)	742,457	831,170
- As payment of asset management fees in relation to Wilkie Edge and One George Street	188,778	211,240
- Acquisition fees paid in Units <sup>(1)</sup>	-	5,166,236
- Conversion of convertible bonds <sup>(2)</sup>	86,400,270	-
<b>Total Units issued as at end of period</b>	<b>3,093,615,837</b>	<b>2,962,543,658</b>
Estimated new Units to be issued:		
- for settlement of the asset management fees in relation to Wilkie Edge and One George Street <sup>(3)</sup>	865,976	1,172,784
- Rights issue <sup>(4)</sup>	513,540,228	-
<b>Total Units issued and estimated new Units to be issued</b>	<b>3,608,022,041</b>	<b>2,963,716,442</b>

Notes:

(1) This relates to the acquisition of 60% units in MSO Trust in 3Q 2016.

(2) This relates to the conversion of remaining principal amount of S\$123.3 million of CB 2017 at the conversion price of \$1.4265 per unit into Units in 3Q 2017.

(3) This relates to Units to be issued for the payment of 3Q 2017 base component of asset management fees and YTD September 2017 performance component of the asset management fees, in 4Q 2017 and 1Q 2018 respectively.

(4) This relates to the renounceable underwritten Rights Units to be issued on 26 October 2017 .

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

	Group and Trust	
	YTD Sep 2017 Units	YTD Sep 2016 Units
<b>Units in issue as at beginning of year</b>	<b>2,963,491,301</b>	<b>2,952,931,319</b>
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (CCT's 60% interest) <sup>(1)</sup>	5,170,489	3,306,539
- As payment of asset management fees in relation to Wilkie Edge and One George Street <sup>(1)</sup>	2,276,181	1,139,564
- Acquisition fees paid in Units <sup>(2)</sup>	-	5,166,236
- Conversion of convertible bonds <sup>(3)</sup>	122,677,866	-
<b>Total Units issued as at end of the period</b>	<b>3,093,615,837</b>	<b>2,962,543,658</b>
Estimated new Units to be issued:		
- in settlement of the asset management fees in relation to Wilkie Edge and One George Street <sup>(4)</sup>	865,976	1,172,784
- Rights issue <sup>(5)</sup>	513,540,228	-
<b>Total Units issued and estimated new Units to be issued:</b>	<b>3,608,022,041</b>	<b>2,963,716,442</b>

Notes:

(1) For YTD September 2017, it relates to payment of base component of asset management fee for 4Q 2016, 1Q 2017 and 2Q 2017) and performance component of asset management fee for FY 2016. For YTD September 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 and 2Q 2016.

(2) This relates to the acquisition of 60% units in MSO Trust in YTD September 2016.

(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 YTD September 2017.

(4) This relates to Units to be issued for the payment of 3Q 2017 base component of asset management fees and YTD September 2017 performance component of asset management fees, in 4Q 2017 and 1Q 2018 respectively.

(5) This relates to the renounceable underwritten Rights Units to be issued on 26 October 2017 .

**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

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

EPU (3Q 2017 vs 3Q 2016)

Note	Group		Trust	
	3Q 2017	3Q 2016	3Q 2017	3Q 2016
<b>Basic EPU</b>				
Weighted average number of Units in issue	3,073,311,952	2,958,035,930	3,073,311,952	2,958,035,930
Based on weighted average number of Units in issue	5.16¢	1.74¢	5.32¢	1.91¢
<b>Diluted EPU</b>				
Weighted average number of Units in issue (diluted), including the effects of Rights Units	3,590,379,237	3,591,398,960	3,590,379,237	3,593,221,164
Based on weighted average number of Units in issue (diluted), including effects of the Rights Units	4.42¢	1.48¢	4.56¢	1.62¢

EPU (YTD September 2017 vs YTD September 2016)

Note	Group		Trust	
	YTD Sep 2017	YTD Sep 2016	YTD Sep 2017	YTD Sep 2016
<b>Basic EPU</b>				
Weighted average number of Units in issue	3,007,008,307	2,956,197,968	3,007,008,307	2,956,197,968
Based on weighted average number of Units in issue	18.12¢	6.33¢	18.33¢	6.16¢
<b>Diluted EPU</b>				
Weighted average number of Units in issue (diluted), including effects of the Rights Units	3,524,081,272	3,591,398,960	3,524,081,272	3,591,395,488
Based on weighted average number of Units in issue (diluted), including effects of the Rights Units	15.46¢	5.35¢	15.64¢	5.20¢

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 fees and renounceable underwritten Rights Units.
- (3) Comparative balances have been restated for effects of the Rights Issue.

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**Distribution per unit ("DPU")**

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

	3Q 2017	3Q 2016	YTD Sep 2017	YTD Sep 2016
Number of Units in issue at the end of the period	3,093,615,837	2,962,543,658	3,093,615,837	2,962,543,658
<b>DPU for period</b>	2.36¢ <sup>1</sup>	2.30¢	6.92¢ <sup>1</sup>	6.69¢
<b><u>DPU (adjusted for Rights Units)</u></b>				
Number of Units in issue as at 30 September 2017 and expected to be issued in October 2017	3,607,156,065	3,607,156,065	3,607,156,065	3,607,156,065
<b>DPU for period (adjusted for Rights Units)</b>	2.02¢ <sup>2</sup>	1.89¢ <sup>2</sup>	6.58¢ <sup>2</sup>	6.28¢ <sup>2</sup>

Note:

- 1) The number of Units used to calculate DPU is 3,093,615,837 which does not include the 513,540,228 renounceable underwritten Rights Units which will be issued on 26 October 2017.
- 2) Based on the number of Units in issue as at 30 September 2017 and additional 513,540,228 CCT Units expected to be issued in October 2017 following the Rights Issue announced on 21 September 2017.

**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	
		30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Number of Units in issue at end of the period		3,093,615,837	2,963,491,301	3,093,615,837	2,963,491,301
NAV (S\$'000)		5,692,688	5,278,542	5,242,826	4,806,543
NTA (S\$'000)		5,692,688	5,276,456	5,242,826	4,804,457
<b>NAV / NTA per Unit</b>	1	\$1.84	\$1.78	\$1.69	\$1.62
<b>Adjusted NAV / NTA per Unit (excluding the distributable income to unitholders)</b>		\$1.82	\$1.73	\$1.67	\$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

<u>Statement of Total Return</u>	Group					
	3Q 2017	3Q 2016	Change	YTD Sep 2017	YTD Sep 2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	74,145	74,422	(0.4)	251,165	208,851	20.3
Property operating expenses	(15,590)	(17,394)	(10.4)	(53,652)	(48,344)	11.0
<b>Net property income</b>	<b>58,555</b>	<b>57,028</b>	<b>2.7</b>	<b>197,513</b>	<b>160,507</b>	<b>23.1</b>
Interest income	1,043	1,020	2.3	1,538	3,676	(58.2)
Investment income	1,575	1,661	-	1,575	3,369	(53.3)
Amortisation of intangible asset	(252)	(438)	(42.5)	(2,086)	(769)	NM
Costs associated with acquisition of subsidiary	-	(10,935)	NM	-	(10,935)	NM
Asset management fees:						
- Base fees	(1,627)	(1,469)	10.8	(4,983)	(4,093)	21.7
- Performance fees	(2,312)	(1,825)	26.7	(7,379)	(6,404)	15.2
Trust expenses	414	(620)	NM	(1,800)	(1,829)	(1.6)
Finance costs	(14,726)	(12,422)	18.5	(50,338)	(31,485)	59.9
<b>Net income before share of profit of joint ventures</b>	<b>42,670</b>	<b>32,000</b>	<b>33.3</b>	<b>134,040</b>	<b>112,037</b>	<b>19.6</b>
Share of profit (net of tax) of:						
- Joint ventures	23,488	22,158	6.0	69,319	78,310	(11.5)
<b>Net income</b>	<b>66,158</b>	<b>54,158</b>	<b>22.2</b>	<b>203,359</b>	<b>190,347</b>	<b>6.8</b>
Loss on acquisition of subsidiary - net	-	(2,562)	NM	-	(2,562)	NM
Impairment of available-for-sale investment	-	-	-	-	(8,916)	NM
Net gain on disposal of investment properties	72,572	-	NM	69,346	-	NM
Net gain in fair value of investment properties	20,100	-	NM	272,774	8,643	NM
<b>Total return for the period before tax</b>	<b>158,830</b>	<b>51,596</b>	<b>NM</b>	<b>545,479</b>	<b>187,512</b>	<b>NM</b>
Tax expense	(198)	(165)	20.0	(512)	(391)	30.9
<b>Total return for the period after tax</b>	<b>158,632</b>	<b>51,431</b>	<b>NM</b>	<b>544,967</b>	<b>187,121</b>	<b>NM</b>
<u>Distribution Statement</u>						
Net income before share of profit of joint ventures	42,670	32,000	33.3	134,040	112,037	19.6
Net tax and other adjustments	549	11,699	(95.3)	5,323	15,689	(66.1)
Distribution from joint ventures	26,590	24,597	8.1	71,205	70,503	1.0
Other gains distribution	3,300	-	NM	3,300	-	NM
<b>Distributable income to unitholders</b>	<b>73,109</b>	<b>68,296</b>	<b>7.0</b>	<b>213,868</b>	<b>198,229</b>	<b>7.9</b>
<b>DPU for the period</b>	<b>2.36¢</b>	<b>2.30¢</b>	<b>2.6</b>	<b>6.92¢</b>	<b>6.69¢</b>	<b>3.4</b>
<b>Annualised</b>	<b>9.36¢</b>	<b>9.15¢</b>	<b>2.3</b>	<b>9.25¢</b>	<b>8.94¢</b>	<b>3.5</b>

NM – Not Meaningful

**Review of CCT Group's performance 3Q 2017 vs 3Q 2016**

- Gross revenue for 3Q 2017 was S\$74.1 million which was marginally lower than 3Q 2016 of S\$74.4 million. The decrease was mainly due to divestments of One George Street, Wilkie Edge and Golden Shoe Car Park. The decrease was mitigated by the consolidation of MSO Trust's gross revenue (3 months in 3Q 2017 as compared with 1 month in 3Q 2016).
- Property operating expenses for 3Q 2017 were S\$15.6 million, a drop of S\$1.8 million or 10.4% from 3Q 2016. The decrease was mainly due to lower property tax as well as divestments.
- Amortisation expense relates to the amortisation of intangible asset. Amortisation expense does not affect distributable income.
- Finance costs of S\$14.7 million for 3Q 2017 were S\$2.3 million or 18.5% higher than the same quarter last year largely due to consolidation of MSO Trust's finance costs which increased by S\$7.5 million. The increase was offset by lower interest costs arising from repayment of CCT's bank borrowings using the divestment proceeds.

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- e) Share of profit of joint ventures for 3Q 2017 relates mainly to CCT's share of profits of RCS Trust (CCT's 60% interest) and OGS LLP (CCT's 50% interest), while for 3Q 2016, it relates to CCT's share of profits of RCS Trust (CCT's 60% interest) and MSO Trust (CCT's 40% interest up to 31 August 2016).
- f) The distributable income to unitholders of S\$73.1 million for 3Q 2017 was S\$4.8 million or 7.0% higher than that of 3Q 2016. The increase was due mainly to higher distributions received from MSO Trust (holds CapitaGreen). In addition, there was other gains distribution of S\$3.3 million which is to top-up for the loss of distributable income arising from the divestments of One George Street (50% interest) and Wilkie Edge.

### Review of CCT Group's performance YTD Sep 2017 vs YTD Sep 2016

- a) Gross revenue of S\$251.2 million in YTD September 2017 was higher than YTD September 2016 by S\$42.3 million or 20.3%. The increase was primary due to consolidation of MSO Trust's gross revenue (YTD Sep 2017 was for nine months while YTD Sep 2016 was for one month).
- b) Property operating expenses for YTD September 2017 of S\$53.7 million were higher than YTD September 2016 by S\$5.3 million or 11.0%. The increase was mainly due to consolidation of MSO Trust's property operating expenses.
- c) Amortisation expense relates to the amortisation of intangible asset. Amortisation expense does not affect distributable income.
- d) Finance costs of S\$50.3 million for YTD September 2017 were S\$18.9 million or 59.9% higher compared with YTD September 2016, mainly due to consolidation of MSO Trust's finance cost,
- f) Share of profit of joint ventures for YTD September 2017 relates mainly to CCT's share of profits of RCS Trust (CCT's 60% interest) and OGS LLP (CCT's 50% interest) while for YTD September 2016, it relates to CCT's share of profits of RCS Trust (CCT's 60% interest) and MSO Trust (CCT's 40% interest up to 31 August 2016).
- g) The distributable income to unitholders in YTD September 2017 of S\$213.9 million was 7.9% higher than YTD September 2016 of S\$198.2 million. The bulk of the increase was contributed by MSO Trust (holds CapitaGreen), as well as the other gains distribution of S\$3.3 million, which both mitigated the decrease in distribution arising from the divestments of Golden Shoe Car Park, Wilkie Edge and One George Street (50% interest).

### 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

CCT reported higher distributable income of S\$73.1 million in 3Q 2017 compared to S\$68.3 million in 3Q 2016. The year-on-year growth of 7.0% was due to stronger performance from CapitaGreen and a S\$3.3 million top up for the loss of distributable income arising from the divestments of One George Street (50% interest) and Wilkie Edge. The distribution of S\$3.3 million other gains was in line with the commitment made by the Manager in 2Q 2017 that CCT will use some of the divestment gains to make up for the loss of distributable income contributions in 2H 2017 from One George Street (50% interest) and Wilkie Edge over the same period.

On 21 September 2017, the CCT Manager announced the acquisition of Asia Square Tower 2 (the "Acquisition") and concurrently launched an equity issuance exercise. The equity issuance exercise relates to the approximately S\$700 million underwritten renounceable rights issue ("Rights Issue"). The rights ratio is 166 rights units ("Rights Units") for every 1,000 existing CCT Units, offered at an issue price of S\$1.363 per Rights Units. The Rights Units to be issued will rank *pari passu* in all respects with the existing Units, including right to any distributions which may accrue for the period from 1 July 2017 to 31 December 2017 as well as all distributions thereafter. After deducting the expenses, it is expected that the net proceeds of the Rights Issue will be wholly utilized to pay for the Acquisition. In addition, CCT is expected to draw on S\$1.12 billion bank borrowings to fund the Acquisition. The remaining acquisition cost is expected to be funded by the proceeds from the divestments of the properties that occurred earlier in the year. The Acquisition is expected to be completed in November 2017.

As at 30 September 2017, CCT has cumulative unutilized tax-exempt income of S\$35.7 million. The Manager will evaluate various options for the utilization of tax-exempt income retained, including for capital expenditure or future distributions to unitholders.



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**Outlook**

Based on data from CBRE Pte. Ltd., Singapore's Core CBD occupancy rate eased to 92.5% while that of the Grade A office saw a dip by 3.9% to 91.6% as at 30 September 2017. Average monthly market rent for Grade A offices rose 1.7% to S\$9.10 per square foot in 3Q 2017, an indication that the market rents may have bottomed out. This rise in market rent is ahead of most property consultants' projections in the beginning of the year. However, lower net property income is expected in FY2018 at select properties in CCT's current portfolio due to flow-through of negative rent reversions of leases committed in 2017 and potentially continued negative rent reversions in 2018.

**Distributions**

**11(a) Current financial period**

Any distributions declared for the current financial period? No.

**11(b) Corresponding period of the preceding financial period**

Any distributions declared for the current financial period? No.

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

No distribution has been declared for the third quarter of 2017.

**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.

**15 Confirmation Pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the third quarter 2017 unaudited financial statements of the Group and Trust to be false or misleading in any material respect.

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

Tay Boon Hwee  
Director

Lynette Leong Chin Yee  
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

Toh Su Jin Jason  
Company Secretary  
20 October 2017