



**CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION
ANNOUNCEMENT**

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Summary of CCT Group Results	2
-	Introduction	2 – 3
1(a)	Statement of Total Return & Distribution Statement	4 – 9
1(b)(i)	Statement of Financial Position	10 – 11
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities	12
1(c)	Statement of Cash Flow	13 – 15
1(c)(i)	Use of proceeds raised pursuant to Chapter 8 of the Listing Manual	15
1(d)(i)	Statement of Movement in Unitholders' Funds	15 – 16
1(d)(ii)	Details of Any Change in the Units	17
2 & 3	Audit Statement	18
4 & 5	Changes in Accounting Policies	18
6	Earnings Per Unit and Distribution Per Unit	19
7	Net Asset Value / Net Tangible Asset Per Unit	20
8	Review of the Performance	20 – 21
9	Variance from Previous Forecast / Prospect Statement	21
10	Outlook & Prospects	21 - 22
11 & 12	Distributions	22
13	General Mandate relating to Interested Person Transactions	22
14	Confirmation that issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual	22
15	Confirmation pursuant to Rule 705(5) of the Listing Manual	22

**CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

SUMMARY OF CCT GROUP RESULTS

	Notes	3Q 2019	3Q 2018	Change %	YTD Sep 2019	YTD Sep 2018	Change %
Gross Revenue (S\$'000)		103,804	100,510	3.3	304,551	294,943	3.3
Net Property Income (S\$'000)		81,144	80,397	0.9	239,329	235,343	1.7
Distributable Income (S\$'000)	1	84,829	82,685	2.6	249,987	238,674	4.7
Distribution Per Unit ("DPU") (cents)	2	2.20	2.20	-	6.60	6.48	1.9

Notes:

- (1) Distributable income includes tax-exempt income of S\$3.9 million in 3Q 2019 and S\$11.1 million for YTD Sep 2019 (3Q 2018 and YTD Sep 2018: S\$3.9 million and S\$4.6 million respectively).
- (2) 3Q 2019 DPU was 2.20 cents, comprising (a) an advanced distribution of 0.62 cents from 1 July 2019 to 28 July 2019, computed on 3,749.8 million CCT units ("Units"); and (b) 1.58 cents from 29 July 2019 to 30 September 2019 computed on 3,857.1 million Units, following the issuance on 29 July 2019 of 105.0 million Units in relation to the equity placement ("Equity Placement") and the issuance on 26 September 2019 of 1.8 million Units for the acquisition fees for Main Airport Center.

DPU for YTD Sep 2019 was 6.60 cents, comprising 1H 2019 DPU of 4.40 cents and 3Q 2019 DPU of 2.20 cents.

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 at 30 September 2019, CCT's property portfolio comprises:

- (1) Capital Tower;
- (2) Six Battery Road;
- (3) 21 Collyer Quay;
- (4) CapitaGreen, held through wholly owned MSO Trust;
- (5) Asia Square Tower 2 ("AST2"), held through wholly owned subsidiary Asia Square Tower 2 Pte. Ltd. ("AST2 Co."), which is in turn held by MVKimi (BVI) Limited (collectively referred to as "AST2 Group");
- (6) Raffles City Singapore, held through CCT's 60.0% interest in RCS Trust;
- (7) One George Street, held through CCT's 50.0% interest in One George Street LLP ("OGS LLP");
- (8) CapitaSpring, a property under development, held through CCT's 45.0% interest in Glory Office Trust ("GOT") and Glory SR Trust ("GSRT");
- (9) Gallileo, an office building in Frankfurt, Germany, held through CCT's 94.9% interest in Gallileo Property S.a.r.l. ("Gallileo Co."), which is in turn held by special purpose vehicles CCT Galaxy Two Pte. Ltd. and CCT Galaxy One Pte. Ltd. (collectively referred to as "Gallileo Group"); and
- (10) Main Airport Center ("MAC"), held through CCT's 94.9% interest in MAC Property Company B.V. and MAC Car Park Company B.V. (collectively referred to as "MAC Companies."), which is in turn held by special purpose vehicle, CCT Mercury One Pte. Ltd., (MAC Companies and CCT Mercury One Pte. Ltd. is collectively referred to as "MAC Group").

CCT also owns approximately 10.9% of MRCB-Quill REIT ("MQREIT"), a commercial real estate investment trust listed in Malaysia.

On 1 April 2019, Bugis Village was returned to the State and CCT received a compensation sum of S\$40.7 million. Concurrently, CCT signed a one-year master lease agreement with Singapore Land Authority ("SLA") with effect from 1 April 2019.

CAPITALAND COMMERCIAL TRUST 2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

On 17 July 2019, CCT announced the following:

- That it had entered into an agreement to acquire a 94.9% interest in MAC from CapitaLand Limited and Lum Chang Holdings Limited. CapitaLand Limited will continue to hold a 5.1% interest in MAC.
- That it had signed a seven-year lease, commencing in early 2Q 2021 with WeWork Singapore Pte. Ltd. for the entire building of 21 Collyer Quay, with fit-out period prior to the lease commencement. The building is currently occupied by The Hongkong and Shanghai Banking Corporation Limited until April 2020. The Manager plans to use the transitional downtime to upgrade the building at an approximate cost of S\$45 million.
- That CCT will undertake an approximately S\$35 million asset enhancement of Six Battery Road upon the expiry of Standard Chartered Bank's lease at the end of January 2020. Standard Chartered Bank will remain an anchor tenant and continue to lease office space and house their flagship branch at Six Battery Road. The main office tower, which was last upgraded in 2013, will remain operational for the duration of the asset enhancement.

On 29 July 2019, 105,012,000 Units were issued at S\$2.095 per Unit in relation to the Equity Placement.

On 17 September 2019, CCT announced the completion of the acquisition of MAC.

On 26 September 2019, 1,787,384 Units were issued to the Manager for acquisition fees relating to the acquisition of MAC.

On 7 October 2019, MSO Trust (holds CapitaGreen) pre-paid S\$180.0 million secured bank borrowings at the rate of 3.04% per annum. Consequently, the security over CapitaGreen was discharged. On the same day, MAC Companies obtained EUR 121.9 million (100% basis) seven-year secured bank borrowings at a fixed rate of 0.75% per annum and CCT drawn down an additional EUR 3.7 million (S\$5.6 million) of seven-year unsecured bank borrowings at a fixed rate of 0.88% per annum.

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

1(a) Statement of Total Return & Distribution Statement (3Q 2019 vs 3Q 2018)

<u>Statement of Total Return</u>	Note	Group			Trust		
		3Q 2019	3Q 2018	Change	3Q 2019	3Q 2018	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross rental income		96,489	95,459	1.1	67,289	68,116	(1.2)
Car park income		1,655	1,546	7.1	1,158	1,187	(2.4)
Other income		5,660	3,505	61.5	4,795	2,594	84.8
Gross revenue	1	103,804	100,510	3.3	73,242	71,897	1.9
Property management fees		(2,368)	(2,496)	(5.1)	(1,599)	(1,609)	(0.6)
Property tax	2	(7,245)	(7,339)	(1.3)	(4,924)	(5,315)	(7.4)
Other property operating expenses	3	(13,047)	(10,278)	26.9	(9,282)	(8,259)	12.4
Property operating expenses		(22,660)	(20,113)	12.7	(15,805)	(15,183)	4.1
Net property income	4	81,144	80,397	0.9	57,437	56,714	1.3
Interest income	5	1,911	1,192	60.3	10,269	14,682	(30.1)
Investment income	6	1,319	1,646	(19.9)	42,857	45,784	(6.4)
Asset management fees:							
- Base fees		(2,085)	(2,046)	1.9	(1,666)	(1,629)	2.3
- Performance fees		(3,162)	(3,073)	2.9	(2,316)	(2,866)	(19.2)
Trust and other operating expenses	7	1,015	(1,712)	NM	(5,060)	(10,339)	(51.1)
Finance costs	8	(17,358)	(25,563)	(32.1)	(17,248)	(17,485)	(1.4)
Net income before share of profit of joint ventures		62,784	50,841	23.5	84,273	84,861	(0.7)
Share of profit (net of tax) of joint ventures	9	20,884	21,156	(1.3)	-	-	-
Total return for the period before tax		83,668	71,997	16.2	84,273	84,861	(0.7)
Tax expense		(1,617)	(1,500)	7.8	(148)	(201)	(26.4)
Total return for the period after tax		82,051	70,497	16.4	84,125	84,660	(0.6)
<u>Attributable to</u>							
Unitholders		81,829	70,267	16.5	84,125	84,660	(0.6)
Non-controlling interest	10	222	230	(3.5)	-	-	-
Total return for the period		82,051	70,497	16.4	84,125	84,660	(0.6)
<u>Distribution Statement</u>							
Total return attributable to unitholders		81,829	70,267	16.5	84,125	84,660	(0.6)
Net tax and other adjustments	11	(24,039)	(14,822)	62.2	(3,146)	(5,825)	(46.0)
Tax-exempt income distribution		3,850	3,850	-	3,850	3,850	-
Distribution from joint ventures	12	23,189	23,390	(0.9)	-	-	-
Distributable income to unitholders		84,829	82,685	2.6	84,829	82,685	2.6

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

Notes:

- (1) Higher gross revenue for the Group was largely attributed to higher revenue from Asia Square Tower 2 ("AST2"), 21 Collyer Quay, Capital Tower as well as contributions from MAC. In addition, a one-off compensation sum of S\$2.1 million from a tenant at AST2 for early surrender of lease also contributed to the increase. The higher revenue was partially offset by the divestment of Twenty Anson and lower revenue from Six Battery Road and Bugis Village at the Trust level.
- (2) Lower property tax for 3Q 2019 was due to divestment of Twenty Anson and the return of Bugis Village to the State.
- (3) Other property operating expenses for 3Q 2019 were higher than 3Q 2018 mainly due to rental charges for Bugis Village under the master lease with SLA with effect from 1 April 2019, albeit offset by the decrease in other property operating expenses due to the divestment of Twenty Anson. At the Group level, other property operating expenses of Galileo and MAC also contributed to the increase.
- (4) The following was included as part of the net property income:

	Group			Trust		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %
Depreciation and amortisation of lease incentives	1,264	1,299	(2.7)	233	238	(2.1)

- (5) Interest income includes the following:

	Group			Trust		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %
Interest income from cash balance ^(5a)	910	191	NM	858	165	NM
Interest income from loans to joint ventures / subsidiaries ^(5b)	1,001	1,001	-	9,411	14,517	(35.2)
Total	1,911	1,192	60.3	10,269	14,682	(30.1)

- (5a) Higher interest income was mainly due to higher average cash balance.
- (5b) At the Trust level, interest income from loans to joint ventures / subsidiaries dropped due to lower amount of loans to subsidiaries.
- (6) At the Group level, investment income relates to distribution received from MQREIT. At the Trust level, investment income relates to dividends / distributions received from subsidiaries and joint ventures.
- (7) Lower trust and other operating expenses for the Trust and the Group was mainly due to foreign exchange gains accounted in 3Q 2019.
- (8) Finance costs include the following:

	Group			Trust		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %
Interest cost ^(8a)	16,779	18,295	(8.3)	16,781	16,892	(0.7)
Amortisation of transaction costs ^(8b)	579	7,268	(92.0)	467	593	(21.2)
Total	17,358	25,563	(32.1)	17,248	17,485	(1.4)

- (8a) At the Group level, lower interest cost for 3Q 2019 versus 3Q 2018 was mainly due to lower average cost of debt.
- (8b) Lower amortisation of transaction costs at the Group level in 3Q 2019 vis-à-vis 3Q 2018 was mainly due to one-off fees and expenses paid by MSO Trust for the prepayment of borrowings in September 2018.

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

- (9) Share of profit of joint ventures relates to CCT's share of profits of RCS Trust (60%), OGS LLP (50%) and GOT & GSRT (45%), with details as follows:

	Group		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %
Gross revenue	40,811	40,363	1.1
Property operating expenses	(9,710)	(9,743)	(0.3)
Net property income	31,101	30,620	1.6
Finance costs	(7,381)	(6,578)	12.2
Trust and other expenses	(2,836)	(2,886)	(1.7)
Net profit of joint ventures (after tax)	20,884	21,156	(1.3)

- (10) This relates to the non-controlling interest of Gallileo Co. and MAC Companies.

- (11) Net tax and other adjustments comprise the following:

	Group			Trust		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %
Asset management fee payable in Units ^(11a)	1,152	1,014	13.6	1,152	1,014	13.6
Trustee's fees	272	266	2.3	220	215	2.3
Amortisation of transaction costs	579	7,268	(92.0)	467	593	(21.2)
Share of profit of joint ventures	(20,884)	(21,156)	(1.3)	-	-	-
Temporary differences and other items	(5,158)	(2,214)	NM	(4,985)	(7,647)	(34.8)
Total	(24,039)	(14,822)	62.2	(3,146)	(5,825)	(46.0)

- (11a) This relates to asset management fees of AST2.

- (12) This relates to distributions from RCS Trust (CCT's 60.0% interest) and OGS LLP (CCT's 50.0% interest).

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

1(a) **Statement of Total Return & Distribution Statement (YTD Sep 2019 vs YTD Sep 2018)**

	Note	Group			Trust		
		YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Change %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Change %
<u>Statement of Total Return</u>							
Gross rental income		286,084	280,180	2.1	200,796	208,640	(3.8)
Car park income		5,040	4,552	10.7	3,705	3,460	7.1
Other income		13,427	10,211	31.5	10,359	7,495	38.2
Gross revenue	1	304,551	294,943	3.3	214,860	219,595	(2.2)
Property management fees		(7,025)	(6,900)	1.8	(4,719)	(4,942)	(4.5)
Property tax		(22,297)	(22,920)	(2.7)	(15,588)	(16,831)	(7.4)
Other property operating expenses	2	(35,900)	(29,780)	20.6	(26,636)	(24,009)	10.9
Property operating expenses		(65,222)	(59,600)	9.4	(46,943)	(45,782)	2.5
Net property income	3	239,329	235,343	1.7	167,917	173,813	(3.4)
Interest income	4	4,267	3,520	21.2	38,007	36,431	4.3
Investment income	5	2,816	3,293	(14.5)	125,985	113,200	11.3
Asset management fees:							
- Base fees		(6,011)	(6,118)	(1.7)	(4,768)	(4,883)	(2.4)
- Performance fees		(9,385)	(8,645)	8.6	(7,243)	(7,669)	(5.6)
Trust and other operating expenses	6	(1,528)	(3,465)	(55.9)	(24,725)	(29,291)	(15.6)
Finance costs	7	(51,437)	(67,184)	(23.4)	(51,140)	(47,549)	7.6
Net income before share of profit of joint ventures		178,051	156,744	13.6	244,033	234,052	4.3
Share of profit (net of tax) of joint ventures	8	71,292	92,062	(22.6)	-	-	-
Net income		249,343	248,806	0.2	244,033	234,052	4.3
Loss on disposal of subsidiary	9	-	-	-	-	(4,477)	NM
Net increase in fair value of investment properties	10	57,448	178,884	(67.9)	17,313	321,285	(94.6)
Total return for the year before tax		306,791	427,690	(28.3)	261,346	550,860	(52.6)
Tax expense	11	(4,550)	(4,859)	(6.4)	(326)	(482)	(32.4)
Total return for the year after tax		302,241	422,831	(28.5)	261,020	550,378	(52.6)
<u>Attributable to</u>							
Unitholders		301,627	422,233	(28.6)	261,020	550,378	(52.6)
Non-controlling interest	12	614	598	2.7	-	-	-
Total return for the year		302,241	422,831	(28.5)	261,020	550,378	(52.6)
<u>Distribution Statement</u>							
Total return attributable to unitholders		301,627	422,233	(28.6)	261,020	550,378	(52.6)
Net tax and other adjustments	13	(134,043)	(259,630)	(48.4)	(22,133)	(316,304)	(93.0)
Tax-exempt income distribution		11,100	4,600	NM	11,100	4,600	NM
Distribution from joint ventures	14	71,303	71,471	(0.2)	-	-	-
Distributable income to unitholders		249,987	238,674	4.7	249,987	238,674	4.7

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

Notes:

- (1) Higher gross revenue for the Group was largely attributed to better performance from AST2, 21 Collyer Quay, Capital Tower, Gallileo (full nine months of revenue in YTD Sep 2019 compared to revenue with effect from 19 June 2018 in YTD Sep 2018) and contribution from the acquisition of MAC with effect from 18 September 2019. Higher property tax recovery, car park income and a one-off compensation sum of S\$2.1 million received from a tenant at AST2 for early surrender of lease also contributed to the increase. The higher revenue was partially offset by the divestment of Twenty Anson as well as lower revenue from Six Battery Road and Bugis Village at the Trust level.
- (2) Higher other property operating expenses was mainly due to rental charges for Bugis Village under the master lease with SLA with effect from 1 April 2019 as well as higher marketing expenses. The increase was partially mitigated by the divestment of Twenty Anson. At the Group level, other property operating expenses of Gallileo and MAC also contributed to the increase.

- (3) The following items have been included as part of net property income:

	Group			Trust		
	YTD Sep 2019	YTD Sep 2018	Change	YTD Sep 2019	YTD Sep 2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation and amortisation of lease incentives	3,756	3,902	(3.7)	693	796	(12.9)
Impairment losses on trade receivables	-	12	NM	-	12	NM

- (4) Interest income includes the following:

	Group			Trust		
	YTD Sep 2019	YTD Sep 2018	Change	YTD Sep 2019	YTD Sep 2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from cash balance ^(4a)	1,297	550	NM	1,135	445	NM
Interest income from loans to joint ventures / subsidiaries	2,970	2,970	-	36,872	35,986	2.5
Total	4,267	3,520	21.2	38,007	36,431	4.3

- (4a) Higher interest income was primarily due to higher average cash balance.
- (5) At the Group level, investment income relates to distribution received from MQREIT. At the Trust level, investment income relates to dividends / distributions received from subsidiaries and joint ventures.
- (6) Lower trust and other operating expenses for the Trust and the Group was mainly due to foreign exchange gain.
- (7) Finance costs include the following:

	Group			Trust		
	YTD Sep 2019	YTD Sep 2018	Change	YTD Sep 2019	YTD Sep 2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest cost ^(7a)	49,714	56,780	(12.4)	49,765	45,631	9.1
Amortisation of transaction costs ^(7b)	1,723	10,404	(83.4)	1,375	1,918	(28.3)
Total	51,437	67,184	(23.4)	51,140	47,549	7.6

- (7a) At the Group level, lower interest cost for YTD Sep 2019 vis-a-vis YTD Sep 2018 was mainly due to lower average cost of debt. At the Trust level, the higher interest cost in YTD Sep 2019 was due to a full nine months borrowings to fund the acquisition of Gallileo (YTD Sep 2018: interest costs from date of acquisition on 18 June 2018 to 30 September 2018) as well as interest costs incurred for the acquisition of MAC.

- (7b) The decrease in amortisation of transaction costs at the Group level in YTD Sep 2019 vis-à-vis YTD Sep 2018 was mainly due to one-off fees and expenses paid by MSO Trust for the prepayment of borrowings in September 2018.

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

- (8) Share of profit of joint ventures relates to CCT's share of profits of RCS Trust (60.0%), OGS LLP (50.0%) and GOT & GSRT (45.0%), with details as follows:

	For Information only		
	Group		
	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Change %
Gross revenue	124,003	122,455	1.3
Property operating expenses	(28,217)	(29,599)	(4.7)
Net property income	95,786	92,856	3.2
Finance costs	(22,479)	(18,548)	21.2
Net increase in fair value of investment properties	6,625	26,342	(74.9)
Trust and other expenses	(8,640)	(8,588)	0.6
Net profit of joint ventures (after tax)	71,292	92,062	(22.6)

- (9) This relates to the liquidation on 23 April 2018 of FirstOffice Pte. Ltd. that owned Twenty Anson, which was divested in 2018.
- (10) This relates to the net change in property values based on valuations over carrying values.
- (11) At the Group level, it mainly relates to the tax expenses of Gallileo Co. and MAC Companies.
- (12) This relates to the non-controlling interest of Gallileo Co. and MAC Companies.
- (13) Net tax and other adjustments comprise the following:

	Group			Trust		
	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Change %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Change %
	Asset management fee paid and payable in Units ^(13a)	3,298	4,147	(20.5)	3,298	4,147
Trustee's fees	786	798	(1.5)	630	643	(2.0)
Amortisation of transaction costs	1,723	10,404	(83.4)	1,375	1,918	(28.3)
Net increase in fair value of investment properties ^(13b)	(57,454)	(178,824)	(67.9)	(17,313)	(321,285)	(94.6)
Share of profit of joint ventures	(71,292)	(92,062)	(22.6)	-	-	-
Temporary differences and other items	(11,104)	(4,093)	NM	(10,123)	(1,727)	NM
Total	(134,043)	(259,630)	(48.4)	(22,133)	(316,304)	(93.0)

- (13a) This relates to asset management fees of AST2.
- (13b) At the Group level, this excludes the non-controlling interest's share of the net increase in fair value of Gallileo.
- (14) This relates to distributions from RCS Trust (CCT's 60.0% interest) and OGS LLP (CCT's 50.0% interest).
NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

1(b)(i) Statement of Financial Position as at 30 September 2019 vs 31 December 2018

Note	Group			Trust			
	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	Change %	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	Change %	
Non-current assets							
	2,296	793	NM	890	790	12.7	
Plant and equipment							
Investment properties	1	8,081,660	7,613,634	6.1	3,628,969	3,605,700	0.6
Interest in subsidiaries	2	-	-	-	3,909,783	3,707,905	5.4
Equity instrument at fair value	3	39,552	40,632	(2.7)	39,552	40,632	(2.7)
Interest in joint ventures	4	1,769,108	1,763,086	0.3	1,434,892	1,428,818	0.4
Intangible asset		14	-	NM	14	-	NM
Financial derivatives	5	11,149	7,348	51.7	11,124	7,050	57.8
Total non-current assets		9,903,779	9,425,493	5.1	9,025,224	8,790,895	2.7
Current assets							
Asset held for sale	6	-	40,746	NM	-	40,746	NM
Trade and other receivables	7	53,492	49,355	8.4	248,470	70,163	NM
Cash and cash equivalents		124,030	174,913	(29.1)	87,489	144,106	(39.3)
Financial derivatives	5	198	-	NM	198	-	NM
Total current assets		177,720	265,014	(32.9)	336,157	255,015	31.8
Total assets	8	10,081,499	9,690,507	4.0	9,361,381	9,045,910	3.5
Current liabilities							
Trade and other payables	9	83,455	63,663	31.1	63,239	63,393	(0.2)
Current portion of security deposits		17,248	10,708	61.1	11,828	8,173	44.7
Interest-bearing liabilities	10	149,883	120,800	24.1	149,883	120,800	24.1
Financial derivatives	5	21,186	24,197	(12.4)	21,186	24,197	(12.4)
Current tax payable		4,204	5,401	(22.2)	56	194	(71.1)
Total current liabilities		275,976	224,769	22.8	246,192	216,757	13.6
Non-current liabilities							
Non-current portion of security deposits		51,296	57,302	(10.5)	33,153	36,315	(8.7)
Interest-bearing liabilities	11	2,662,985	2,493,182	6.8	2,267,904	2,095,736	8.2
Financial derivatives	5	2,801	3,725	(24.8)	2,094	2,771	(24.4)
Other payables	12	4,197	430	NM	131,558	131,559	(0.0)
Deferred tax liabilities	13	2,969	1,938	53.2	-	-	-
Total non-current liabilities		2,724,248	2,556,577	6.6	2,434,709	2,266,381	7.4
Total liabilities		3,000,224	2,781,346	7.9	2,680,901	2,483,138	8.0
Net assets		7,081,275	6,909,161	2.5	6,680,480	6,562,772	1.8
Represented by:							
Unitholders' funds		7,052,737	6,892,018	2.3	6,680,480	6,562,772	1.8
Non-controlling interests	14	28,538	17,143	66.5	-	-	-
Total equity		7,081,275	6,909,161	2.5	6,680,480	6,562,772	1.8

NM – Not Meaningful

**CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

Notes:

- (1) Investment properties as at 30 September 2019 included the increase in property values arising from independent valuations done as at 30 June 2019. At the Group level, the increase in investment properties values was also attributed to MAC that was acquired on 17 September 2019.
- (2) Relates to cost of investments in CCT MTN Pte. Ltd., MSO Trust, AST2 Group, Galileo Group and MAC Group (including shareholder's loans).
- (3) This relates to CCT's 10.9% stake in MQREIT.
- (4) This relates to CCT's 60.0% interest in RCS Trust, 50.0% interest in OGS LLP and 45.0% interest in GOT and GSRT (including shareholder's loan).
- (5) This relates to the fair values of cross currency swaps and/or interest rate swaps.
- (6) Asset held for sale as at 31 December 2018 relates to Bugis Village which was returned to the State on 1 April 2019 for which CCT received a compensation sum of S\$40.7 million.
- (7) At the Trust level, trade and other receivables as at 30 September 2019 included loans to CCT Mercury One Pte Ltd, the special purpose vehicle which holds the MAC Companies.
- (8) Total assets were S\$10,081.5 million as at 30 September 2019 (31 December 2018: S\$9,690.5 million). Total deposited property value (as defined in the Code on Collective Investment Schemes) as at 30 September 2019 was S\$11,604.6 million (31 December 2018: S\$11,193.5 million).
- (9) At the Group level, trade and other payables included MAC Companies' payables as at 30 September 2019.
- (10) This relates to JPY10.0 billion fixed rate notes (hedged via cross currency swaps to S\$148.3 million) due in December 2019 and S\$19.5 million unsecured bank borrowings due in September 2020. There are sufficient bank facilities to refinance the liabilities.
- (11) The non-current interest-bearing liabilities as at 30 September 2019 comprised:
 - (a) Unsecured fixed/floating rate notes totaling S\$725.0 million; JPY14.9 billion and HKD585.0 million (hedged via cross currency swaps to S\$277.5 million);
 - (b) Unsecured bank borrowings of S\$747.6 million and EUR324.4 million; and
 - (c) Secured bank borrowings of MSO Trust for S\$180.0 million and Galileo Co. of EUR140.0 million.
- (12) At the Trust level, other payables as at 30 September 2019 relates to the lease liabilities payable to CCT's subsidiary, AST2 Co., under the master lease arrangement. At the Group level, it relates mainly to payables of Galileo Co. and MAC Companies.
- (13) This relates to deferred tax provision of Galileo Co. and MAC Companies.
- (14) This relates to CCT's non-controlling interest of Galileo Co. and MAC Companies.

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

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

	Group			Trust		
	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	Change %	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	Change %
Secured borrowings						
Amount repayable after one year ⁽¹⁾	395,981	398,579	(0.7)	-	-	-
Less: Unamortised portion of transactions costs ⁽¹⁾	(900)	(1,133)	(20.6)	-	-	-
Net secured borrowings after one year	395,081	397,446	(0.6)	-	-	-
Unsecured borrowings						
Amount repayable after one year	2,271,798	2,100,507	8.2	2,271,798	2,100,507	8.2
Less: Unamortised portion of transactions costs	(3,894)	(4,771)	(18.4)	(3,894)	(4,771)	(18.4)
Net unsecured borrowings after one year	2,267,904	2,095,736	8.2	2,267,904	2,095,736	8.2
Amount repayable within one year	150,400	120,800	24.5	150,400	120,800	24.5
Less: Unamortised portion of transactions costs	(517)	-	NM	(517)	-	NM
Net unsecured borrowings within one year	149,883	120,800	24.1	149,883	120,800	24.1
Total unsecured borrowings	2,417,787	2,216,536	9.1	2,417,787	2,216,536	9.1
Total secured and unsecured borrowings	2,812,868	2,613,982	7.6	2,417,787	2,216,536	9.1

Note :

(1) This relates to MSO Trust's and Gallileo Co.'s borrowings and transactions costs.

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% interest), which are not included under total borrowings in the statement of financial position of the Group.

	For information only		
	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	Change %
<u>Secured borrowings</u> ⁽¹⁾			
Amount repayable after one year	618,050	582,500	6.1
Less: Unamortised portion of transactions costs	(2,566)	(3,390)	(24.3)
Net secured borrowings	615,484	579,110	6.3
<u>Unsecured borrowings</u> ⁽²⁾			
Amount repayable after one year	627,000	690,000	(9.1)
Less: Unamortised portion of transactions costs	(870)	(1,171)	(25.7)
Net repayable after one year	626,130	688,829	(9.1)
Amount repayable within one year	72,000	-	NM
Less: Unamortised portion of transactions costs	(66)	-	NM
Net repayable within one year	71,934	-	NM
Net unsecured borrowings	698,064	688,829	1.3
Total secured and unsecured borrowings	1,313,548	1,267,939	3.6

Notes :

(1) Secured borrowings relate to CCT's 50.0% interest in borrowings of OGS LLP and CCT's 45.0% interest in borrowings of GOT and GSRT.

(2) Unsecured borrowings relate to CCT's 60.0% interest in borrowings of RCS Trust.

NM: Not meaningful

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

1(c) Statement of Cash Flow (3Q 2019 vs 3Q 2018)

	Note	Group	
		3Q 2019 S\$'000	3Q 2018 S\$'000
Operating activities			
Total return for the period before tax		83,668	71,997
Adjustments for :			
Share of profit of joint ventures		(20,884)	(21,156)
Amortisation of lease incentives		1,216	1,253
Depreciation of plant, equipment and intangible asset		48	46
Finance costs		17,358	25,563
Interest income		(1,911)	(1,192)
Loss on disposal of plant and equipment		-	21
Asset management fees paid and payable in Units		1,152	1,014
Distribution from equity investment		(1,319)	(1,646)
Operating income before working capital changes		79,328	75,900
Changes in working capital			
Trade and other receivables		(2,320)	340
Trade and other payables		8,576	(8,570)
Security deposits		-	(4,797)
Cash generated from operating activities		85,584	62,873
Tax expenses paid		(2,180)	(188)
Net cash from operating activities		83,404	62,685
Investing activities			
Capital expenditure on investment properties		(2,743)	(1,909)
Purchase of plant and equipment		(175)	(28)
Purchase of intangible asset		(16)	-
Proceeds from divestment of investment property	1	-	511,257
Distribution received from equity instrument		1,319	-
Distributions received from joint ventures		24,123	23,708
Interest income received		1,911	1,192
Acquisition of subsidiary	2	(380,378)	-
Net cash (used in) / from investing activities		(355,959)	534,220
Financing activities			
Interest paid		(20,648)	(23,891)
Payment of transaction costs related to borrowings		(656)	(4,927)
Distributions to unitholders	3	(178,433)	(147,663)
Net proceeds from equity placement	4	216,640	-
Proceeds from interest-bearing loans and borrowings		178,475	19,500
Repayment of interest-bearing loans and borrowings		-	(519,500)
Net cash from / (used in) financing activities		195,378	(676,481)
Net decrease in cash and cash equivalents		(77,177)	(79,576)
Cash and cash equivalents at beginning of period		201,207	166,119
Cash and cash equivalents at end of period		124,030	86,543

Notes:

- (1) This relates to the divestment of Twenty Anson in August 2018.
- (2) This relates to the preliminary purchase consideration paid for MAC Companies on 17 September 2019.
- (3) This relates to the payment of 1H 2019 and the advanced distribution for the period 1 July 2019 to 28 July 2019, less withholding tax.
- (4) This relates to the net proceeds from issuance of CCT Units on 29 July 2019 in relation to the Equity Placement.

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

1(c) **Statement of Cash Flow (YTD Sep 2019 vs YTD Sep 2018)**

Operating activities

Total return for the period before tax

Adjustments for :

Share of profit of joint ventures

Amortisation of lease incentives

Depreciation of plant, equipment and intangible asset

Finance costs

Loss on disposal of plant and equipment

Impairment losses on trade receivables

Interest income

Asset management fees paid and payable in Units

Net increase in fair value of investment properties

Distribution from equity instrument

Operating income before working capital changes

Changes in working capital

Trade and other receivables

Trade and other payables

Security deposits

Cash generated from operating activities

Tax expenses paid

Net cash from operating activities

Investing activities

Capital expenditure on investment properties

Purchase of plant and equipment

Purchase of intangible asset

Compensation received on investment property

Proceeds from divestment of investment property

Distribution received from equity instrument

Distributions received from joint ventures

Interest income received

Acquisition of subsidiaries, net of cash acquired

Net cash (used in) / from investing activities

Financing activities

Interest paid

Payment of transaction costs related to borrowings

Distributions to unitholders

Dividend to non-controlling interest

Net proceeds from equity placement

Proceeds from interest-bearing loans and borrowings

Repayment of interest-bearing loans and borrowings

Net cash from / (used in) financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the period

Note	Group	
	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000
	306,791	427,690
	(71,292)	(92,062)
	3,641	3,754
	115	148
	51,437	67,184
	2	21
	-	12
	(4,267)	(3,520)
	3,298	4,147
	(57,448)	(178,884)
	(2,816)	(3,293)
	229,461	225,197
	(6,608)	9
	2,207	(20,589)
	535	(4,215)
	225,595	200,402
	(5,276)	(1,668)
	220,319	198,734
	(6,414)	(7,957)
	(186)	(89)
	(16)	-
1	40,746	-
2	-	511,257
	2,816	1,647
	73,634	74,641
	4,339	3,520
3	(382,479)	(548,894)
	(267,560)	34,125
	(53,658)	(58,502)
	(1,085)	(11,085)
4	(343,937)	(295,597)
5	(77)	-
6	216,640	214,331
	178,475	1,799,143
	-	(1,917,187)
	(3,642)	(268,897)
	(50,883)	(36,038)
	174,913	122,581
	124,030	86,543

Notes:

1) This relates to the compensation sum received for the return of Bugis Village to the State on 1 April 2019.

2) This relates to the net proceeds received in relation to the divestment of Twenty Anson in August 2018.

**CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

- 3) For YTD September 2019, it relates to the preliminary consideration paid for MAC Companies on 17 September 2019 and balance purchase consideration paid for Gallileo Co. in January 2019. For YTD September 2018, it relates to the balance purchase consideration paid for AST2 Group and preliminary purchase consideration paid for Gallileo Co..
- 4) For YTD September 2019, it relates to distribution of income for 2H 2018, 1H 2019 and advanced distribution for the period 1 July 2019 to 28 July 2019. For YTD September 2018, it relates to distribution of income for 2H 2017 and 1H 2018.
- 5) This relates to dividend distribution to Gallileo Co's non-controlling interest in YTD September 2019.
- 6) This relates to the Equity Placement in July 2019 and the equity placement in May 2018.

1(c)(i) Status on the use of proceeds raised from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.

Net proceeds from Private Placement of S\$216.6 million on 29 July 2019 was applied in accordance with stated use as follows:

Date	Use of proceeds	Amount used S\$ million	Balance ^(a) S\$ million
17-Sep-19	For initial payment of equity in Mac Property Company B.V. and Mac Carpark Company B.V.	203.0	13.6

Note

(a) Announcement will be made when the balance amount is utilized.

1(d)(i) Statement of movement in unitholders' funds (3Q 2019 vs 3Q 2018)

Note	Group		Trust	
	3Q 2019 S\$'000	3Q 2018 S\$'000	3Q 2019 S\$'000	3Q 2018 S\$'000
Unitholders' fund as at beginning of period	6,948,992	6,881,831	6,577,269	6,554,199
Operations				
Total return for the period attributable to unitholders	81,829	70,267	84,125	84,660
Unitholders' transactions				
Creation of units:				
- Units issued in respect of RCS Trust's asset management fees	627	1,239	627	1,239
- Asset management fee paid and payable in Units	1,152	1,014	1,152	1,014
- Equity placement	220,000	-	220,000	-
- Acquisition fees paid in Units	3,816	-	3,816	-
Distributions to unitholders	(188,239)	(155,649)	(188,239)	(155,649)
Net increase / (decrease) in net assets resulting from unitholders' transactions	37,356	(153,396)	37,356	(153,396)
Movement in reserves				
- Foreign currency translation reserves	1 2,534	52	-	-
- Fair value reserves	2 (1,123)	(1,204)	(1,123)	(1,204)
- Capital reserves	3 (3,360)	1,987	(3,360)	1,987
- Hedging reserves	4 (13,491)	(7,432)	(13,787)	(9,466)
Net decrease in net assets resulting from movement in reserves	(15,440)	(6,597)	(18,270)	(8,683)
Net increase / (decrease) in net assets	103,745	(89,726)	103,211	(77,419)
Unitholders' fund as at end of period	7,052,737	6,792,105	6,680,480	6,476,780

Notes:

- (1) This relates to translation differences from foreign operations and foreign currency loans forming part of net investment in foreign operations.
- (2) This relates to mark-to-market movement of MQREIT.

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

- (3) In 3Q 2019, this relates to transaction costs incurred for the issuance of 105.0 million Units for the Equity Placement in July 2019. In 3Q 2018, it relates to adjustment in issuance cost.
- (4) 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 MSO Trust's movement in hedging reserves and the Group's share of movement in hedging reserves of the joint ventures.

1(d)(i) **Statement of movement in unitholders' funds (YTD Sep 2019 vs YTD Sep 2018)**

	Note	Group		Trust	
		YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000
Unitholders' fund as at beginning of the year		6,892,018	6,416,923	6,562,772	5,993,766
Operations					
Total return for the year attributable to unitholders		301,627	422,233	261,020	550,378
Unitholders' transactions					
Creation of new units:					
- Units issued in respect of RCS Trust's asset management fees		6,074	7,901	6,074	7,901
- Asset management fee paid and payable in Units		3,298	4,147	3,298	4,147
- Equity placement		220,000	217,880	220,000	217,880
- Acquisition fees paid in Units		3,816	-	3,816	-
Distributions to unitholders		(353,744)	(303,584)	(353,744)	(303,584)
Net decrease in net assets resulting from unitholders' transactions		(120,556)	(73,656)	(120,556)	(73,656)
Movement in reserves					
- Foreign currency translation reserves	1	2,470	78	-	-
- Fair value reserves	2	(1,080)	(4,329)	(1,080)	(4,329)
- Capital reserves	3	(3,360)	(1,382)	(3,360)	(1,382)
- Hedging reserves	4	(18,382)	32,238	(18,316)	12,003
Net (decrease) / increase in net assets resulting from movement in reserves		(20,352)	26,605	(22,756)	6,292
Net increase in net assets		160,719	375,182	117,708	483,014
Unitholders' fund as at end of the period		7,052,737	6,792,105	6,680,480	6,476,780

Notes:

- (1) This relates to translation differences from foreign operations and foreign currency loans forming part of net investment in foreign operations.
- (2) This relates to mark-to-market movement of MQREIT.
- (3) For YTD Sep 2019, it relates to the transaction costs incurred in relation to the issue of 105.0 million Units for the Equity Placement in July 2019. For YTD Sep 2018, it relates mainly to the transaction costs in relation to the issue of 130.0 million Units for the equity placement in May 2018.
- (4) 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 MSO Trust's movement in hedging reserves and the Group's share of movement in hedging reserves of the joint ventures.

**CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

1(d)(ii) Details of any change in the units (3Q 2019 vs 3Q 2018)

	Group and Trust	
	3Q 2019 Units	3Q 2018 Units
Units in issue as at beginning of period	3,749,771,856	3,742,685,099
New Units issued:		
- As payment of asset management fee in relation to 60.0% interest in RCS Trust ⁽¹⁾	293,906	754,413
- As payment of base component of asset management fees for Asia Square Tower 2	256,900	322,571
- Equity placement ⁽²⁾	105,012,000	-
- Acquisition fees paid in Units ⁽³⁾	1,787,384	-
Total Units issued as at end of period	3,857,122,046	3,743,762,083

Notes:

(1) For 3Q 2019, it relates to Units issued for payment of 50.0% of the base component of management fees for 2Q 2019. The remaining 50.0% of the base component of management fees was paid in cash. (3Q 2018: Units issued for payment of 100% of the base component of management fees for 2Q 2018).

(2) This relates to the Equity Placement in July 2019.

(3) This relates to the acquisition fees of MAC Companies.

1(d)(ii) Details of any change in the units (YTD Sep 2019 vs YTD Sep 2018)

	Group and Trust	
	YTD Sep 2019 Units	YTD Sep 2018 Units
Units in issue as at beginning of year	3,744,429,288	3,608,145,589
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (CCT's 60.0% interest) ⁽¹⁾	3,327,737	4,273,181
- As payment of asset management fees in relation to CCT properties ⁽²⁾	2,565,637	1,343,313
- Equity placement ⁽³⁾	105,012,000	130,000,000
- Acquisition fees paid in Units ⁽⁴⁾	1,787,384	-
Total Units issued as at end of the period	3,857,122,046	3,743,762,083

Notes:

(1) For YTD Sep 2019, it relates to Units issued for payment of FY 2018 performance fees and 50.0% of the base component of management fees for 4Q 2018, 1Q 2019 and 2Q 2019. The remaining 50.0% of the base component of management fees was paid in cash. (YTD Sep 2018: Units issued for payment of FY 2018 performance fees as well as 4Q 2017, 2Q 2018 and 50.0% of 3Q 2018 base component of management fees).

(2) For YTD Sep 2019, this relates to Units issued for payment of FY 2018 performance fees, 4Q 2018, 1Q 2019, 2Q 2019 base component of AST2's asset management fees (YTD Sep 2018: Units issued for payment of base component of asset management fee for 1Q 2018 and 2Q 2018 for AST2 and performance component of asset management fee for FY 2017 of One George Street and Wilkie Edge).

(3) For YTD Sep 2019, this relates to the Equity Placement in July 2019, while for YTD Sep 2018, it relates to the equity placement in May 2018.

(4) This relates to the acquisition fees of MAC Companies.

**CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2018.

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

The Group has adopted new Financial Reporting Standards in Singapore ("FRSs") for the financial period beginning 1 January 2019 as follows:

FRS 116 Leases

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group recognises its existing operating lease arrangements as ROU assets with corresponding lease liabilities and measures lease liabilities by applying a single discount rate to its office leases.

The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 January 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of FRS116.

For ROU assets which meet the definition of investment properties under the principles of FRS 40, the Group presents these leased assets as part of investment properties. For other ROU assets, the Group presents them as part of plant and equipment.

The nature of expenses related to such leases has changed as the principles under FRS 116 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

There is no significant impact to the financial statements of the Group.

**CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

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

EPU (3Q 2019 vs 3Q 2018)

Basic EPU⁽¹⁾

Weighted average number of Units for the period

Basic EPU

Diluted EPU⁽²⁾

Weighted average number of Units for the period (diluted)

Diluted EPU

	Group		Trust	
	3Q 2019	3Q 2018	3Q 2019	3Q 2018
Weighted average number of Units for the period	3,823,268,209	3,742,692,353	3,823,268,209	3,742,692,353
Basic EPU	2.14¢	1.88¢	2.20¢	2.26¢
Weighted average number of Units for the period (diluted)	3,826,153,518	3,746,555,124	3,826,153,518	3,746,555,124
Diluted EPU	2.14¢	1.88¢	2.20¢	2.26¢

EPU (YTD Sep 2019 vs YTD Sep 2018)

Basic EPU⁽¹⁾

Weighted average number of Units for the period

Basic EPU

Diluted EPU⁽²⁾

Weighted average number of Units for the period (diluted)

Diluted EPU

	Group		Trust	
	YTD Sep 2019	YTD Sep 2018	YTD Sep 2019	YTD Sep 2018
Weighted average number of Units for the period	3,773,298,201	3,671,494,142	3,773,298,201	3,671,494,142
Basic EPU	7.99¢	11.50¢	6.92¢	14.99¢
Weighted average number of Units for the period (diluted)	3,776,187,572	3,675,361,723	3,776,187,572	3,675,361,723
Diluted EPU	7.99¢	11.49¢	6.91¢	14.97¢

Notes:

- (1) Basic EPU was computed on total return for the period after tax (excluding non-controlling interests) over the weighted average number of Units for the period.
- (2) Diluted EPU was computed on total return for the period after tax (excluding non-controlling interests) over the weighted average number of Units for the period which had included potential dilutive Units assuming issuance of Units for the settlement of unpaid asset management fees.

Distribution per unit ("DPU")

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

	3Q 2019	3Q 2018	YTD Sep 2019	YTD Sep 2018
Number of Units in issue at the end of the period	3,857,122,046	3,743,762,083	3,857,122,046	3,743,762,083
DPU (cents) for period	2.20¢	2.20¢	6.60¢	6.48¢

CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT

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 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
Number of Units in issue at end of the period	3,857,122,046	3,744,429,288	3,857,122,046	3,744,429,288
NAV / NTA (S\$'000)	7,052,737	6,892,018	6,680,480	6,562,772
NAV / NTA per Unit	\$1.83	\$1.84	\$1.73	\$1.75
Adjusted NAV / NTA per Unit (excluding the distributable income to unitholders)	\$1.81	\$1.80	\$1.71	\$1.71

Notes:

(1) This excluded non-controlling interest's share of NAV/NTA.

(2) NAV/NTA per Unit were computed based on NAV/NTA over the number of Units in issue as at end of the period respectively.

8 Review of the performance

Statement of Total Return

	Group					
	3Q 2019	3Q 2018	Change	YTD Sep 2019	YTD Sep 2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	103,804	100,510	3.3	304,551	294,943	3.3
Property operating expenses	(22,660)	(20,113)	12.7	(65,222)	(59,600)	9.4
Net property income	81,144	80,397	0.9	239,329	235,343	1.7
Interest income	1,911	1,192	60.3	4,267	3,520	21.2
Investment income	1,319	1,646	(19.9)	2,816	3,293	(14.5)
Asset management fees:						
- Base fees	(2,085)	(2,046)	1.9	(6,011)	(6,118)	(1.7)
- Performance fees	(3,162)	(3,073)	2.9	(9,385)	(8,645)	8.6
Trust and other operating expenses	1,015	(1,712)	NM	(1,528)	(3,465)	(55.9)
Finance costs	(17,358)	(25,563)	(32.1)	(51,437)	(67,184)	(23.4)
Net income before share of profit of joint ventures	62,784	50,841	23.5	178,051	156,744	13.6
Share of profit (net of tax) of joint ventures	20,884	21,156	(1.3)	71,292	92,062	(22.6)
Net income before tax	83,668	71,997	16.2	249,343	248,806	0.2
Net increase in fair value of investment properties	-	-	-	57,448	178,884	(67.9)
Total return for the period before tax	83,668	71,997	16.2	306,791	427,690	(28.3)
Tax expense	(1,617)	(1,500)	7.8	(4,550)	(4,859)	(6.4)
Total return for the period after tax	82,051	70,497	16.4	302,241	422,831	(28.5)
<u>Distribution Statement</u>						
Total return attributable to unitholders	81,829	70,267	16.5	301,627	422,233	(28.6)
Net tax and other adjustments	(24,039)	(14,822)	62.2	(134,043)	(259,630)	(48.4)
Tax-exempt income distribution	3,850	3,850	-	11,100	4,600	NM
Distribution from joint ventures	23,189	23,390	(0.9)	71,303	71,471	(0.2)
Distributable income to unitholders	84,829	82,685	2.6	249,987	238,674	4.7
DPU for the period	2.20¢	2.20¢	-	6.60¢	6.48¢	1.9

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST

2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

Review of CCT Group's performance 3Q 2019 vs 3Q 2018

- a) Gross revenue for 3Q 2019 was S\$103.8 million, an increase of S\$3.3 million or 3.3% over 3Q 2018. The increase was due to higher gross revenue from AST2, 21 Collyer Quay, Capital Tower and contribution from MAC with effect from 18 September 2019 and a one-off compensation sum of S\$2.1 million received from a tenant at AST2 for early surrender of lease. The increase was offset by the divestment of Twenty Anson on 29 August 2018 and lower gross revenue from Six Battery Road and Bugis Village.
- b) Property operating expenses for 3Q 2019 were S\$22.7 million, an increase of S\$2.5 million or 12.7% over 3Q 2018 mainly due to rental charges payable to SLA for Bugis Village with effect from 1 April 2019 as well as higher marketing expenses.
- c) The credit balance in trust and other operating expenses for 3Q 2019 of S\$1.0 million was mainly due to foreign exchange gain.
- d) Finance costs of S\$17.4 million for 3Q 2019 were S\$8.2 million or 32.1% lower than 3Q 2018 largely due to lower average cost of borrowings and for 3Q 2018, there was a one-off fees and expenses paid by MSO Trust for the prepayment of borrowings in September 2018
- e) Share of profit of joint ventures relates to CCT's share of profits of RCS Trust (60%), OGS LLP (50%) and GOT and GSRT (45%).
- f) CCT's distributable income for 3Q 2019 increased to S\$84.8 million or 2.6% from that of 3Q 2018 due to higher net property income and lower cost of borrowings.

Review of CCT Group's performance YTD September 2019 vs YTD September 2018

- a) Gross revenue for YTD Sep 2019 was S\$304.6 million, an increase of S\$9.6 million or 3.3% over YTD Sep 2018. The increase was due to higher gross revenue from AST2, 21 Collyer Quay, Capital Tower and a one-off compensation sum of S\$2.1 million from a tenant in AST2 for early surrender of lease, which offset lower gross revenue from Six Battery Road and Bugis Village, while the contributions from Gallileo with effect from 19 June 2018 and MAC from 18 September 2019 offset the impact arising from the divestment of Twenty Anson on 29 August 2018.
- b) Property operating expenses for YTD Sep 2019 were S\$65.2 million, an increase of S\$5.6 million or 9.4% over YTD Sep 2018 mainly due to rental charges payable to SLA for Bugis Village with effect from 1 April 2019, higher marketing expenses as well as the addition of property operating expenses of Gallileo and MAC.
- c) Trust and other operating expenses for YTD Sep 2019 of S\$1.5 million was lower than YTD Sep 2018 mainly due to foreign exchange gain in YTD Sep 2019.
- d) Finance costs of S\$51.4 million for YTD Sep 2019 were S\$15.7 million or 23.4% lower than YTD Sep 2018 largely due to lower average cost of borrowings and for YTD Sep 2018, there was a one-off fees and expenses paid by MSO Trust for the prepayment of borrowings in September 2018.
- e) Share of profit of joint ventures relates to CCT's share of profits of RCS Trust (60%), OGS LLP (50%) and GOT and GSRT (45%). The lower share of profits of joint ventures was mainly due to lower revaluation gains.
- 2) CCT's distributable income for YTD Sep 2019 of S\$250.0 million increased by 4.7% from that of YTD Sep 2018 due to higher net property income, lower costs of borrowings and higher distribution of tax-exempt income.

9 Variance from Previous Forecast / Prospect Statement

CCT did not disclose 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

In 3Q 2019, CCT signed approximately 480,000 square feet of new and renewal leases, of which 57% are new. Aside from coworking, new demand mainly came from companies in the Business Consultancy, IT, Media and Telecommunications, Banking, and Financial Services sectors.

CAPITALAND COMMERCIAL TRUST

2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

Through proactive leasing initiatives, committed occupancy for CapitaSpring has ramped up to approximately 31% ahead of its scheduled completion in 1H 2021. New take-up at CapitaSpring comprises two leases for around 45,000 square feet of space. Each leasing an entire floor, both companies are from the Real Estate and property Services sector and one of them is The Work Project (Commercial) Pte Ltd, a wholly owned subsidiary of the joint venture between flexible space provider The Work Project and CapitaLand Limited.

CCT Group's YTD September 2019 interest expense was lower compared to the same period in 2018 due to the prepayment of higher interest borrowings with proceeds from the divestment of Twenty Anson in 3Q 2018. We continue to proactively manage interest expenses. On 7 October 2019, MSO Trust, which holds CapitaGreen, prepaid S\$180.0 million secured bank borrowings at 3.04% per annum with lower interest EUR loans. The EUR denominated borrowings obtained by CCT was to hedge CCT's net investment value in MAC.

Outlook

Based on data from CBRE Research, Singapore's average monthly Grade A office market rent grew at a rate of 6.0% year-on-year in 2019 to S\$11.45 per square foot as at 30 September 2019. Occupancy in Singapore's Core CBD office buildings as at end September was 96.0%, inching up from 95.8% as at end June 2019.

Frankfurt's office market is expected to remain resilient due to decreasing vacancy rates and ongoing pre-commitment for new supply.

11 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 corresponding period of the preceding 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 2019.

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 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 2019 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

Jonathan Yap Neng Tong
Director

Chee Tien Jin Kevin
Director

**CAPITALAND COMMERCIAL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
DISTRIBUTION ANNOUNCEMENT**

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
23 October 2019