



CAPITALAND COMMERCIAL TRUST
2015 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION
ANNOUNCEMENT

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SUMMARY OF CCT GROUP RESULTS

	2Q 2015	2Q 2014	Change %	1H 2015	1H 2014	Change %
Gross Revenue (S\$'000)	69,113	65,826	5.0	137,275	129,827	5.7
Net Property Income (S\$'000)	53,859	51,997	3.6	107,827	102,700	5.0
Distributable Income (S\$'000)	64,425	64,100	0.5	127,178	124,029	2.5
- Taxable (S\$'000)	64,425	61,750	4.3	127,178	121,679	4.5
- Tax-exempt (S\$'000)	-	2,350	NM	-	2,350	NM
Distribution Per Unit ("DPU") (cents)	2.19 ⁽¹⁾	2.18	0.5	4.31 ⁽¹⁾	4.22 ⁽²⁾	2.1
- Taxable (cents)	2.19	2.10	4.3	4.31	4.14	4.1
- Tax-exempt (cents)	-	0.08	NM	-	0.08	NM

Notes:

- (1) The estimated DPU for 2Q 2015 and 1H 2015 were computed on the basis that none of the convertible bonds due 2017 ("CB 2017") is converted into CCT units ("Units"). Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into Units on or before books closure date.
- (2) DPU for 1H 2014 of 4.22 cents consisted of the adjusted DPU of 2.04 cents from 2.08 cents for 1Q 2014 and DPU of 2.18 cents for 2Q 2014. The adjustment took into account the conversion of S\$61.5 million of convertible bonds due 2015 ("CB 2015") into 51.6 million Units in 1H 2014.

INTRODUCTION

CapitaLand Commercial Trust ("CCT") (previously known as CapitaCommercial Trust) was established pursuant to a trust deed dated 6 February 2004 (as amended) executed between CapitaLand Commercial Trust Management Limited (previously known as CapitaCommercial 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 June 2015, CCT Group's portfolio consists of Capital Tower, Six Battery Road, One George Street, Raffles City Singapore (through CCT's 60% interest in RCS Trust), HSBC Building, Bugis Village, Golden Shoe Car Park, Wilkie Edge, Twenty Anson (through CCT's 100% equity interest in FirstOffice Pte. Ltd. ("FOPL")) and CapitaGreen (through CCT's 40% interest in MSO Trust). CCT owns a 17.7% stake in MRCB-Quill REIT ("MQREIT") (previously Quill Capita Trust ("QCT"), a commercial REIT listed in Malaysia.

With effect from 1 July 2015, Twenty Anson is owned directly by CCT, following the transfer of Twenty Anson from FOPL to CCT.

DISTRIBUTION & BOOKS CLOSURE DATE

Distribution	From 1 January 2015 to 30 June 2015
Distribution Type	Taxable income
Estimated Distribution Rate ⁽¹⁾	Taxable income distribution 4.31 cents per Unit
Books Closure Date	Monday, 3 August 2015
Payment Date	Thursday, 27 August 2015

Note:

- (1) The above estimated DPU is computed on the basis that none of the CB 2017 is converted into Units on or before books closure date. Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into Units on or before books closure date.

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1(a)(i) Statement of Total Return & Distribution Statement (2Q 2015 vs 2Q 2014)

Statement of Total Return	Note	Group			Trust		
		2Q 2015	2Q 2014	Change	2Q 2015	2Q 2014	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross rental income		62,919	58,192	8.1	57,977	53,989	7.4
Car park income		2,929	2,935	(0.2)	2,877	2,884	(0.2)
Other income	1	3,265	4,699	(30.5)	2,818	3,298	(14.6)
Gross revenue		69,113	65,826	5.0	63,672	60,171	5.8
Property management fees		(1,522)	(1,463)	4.0	(1,389)	(1,332)	4.3
Property tax	2	(5,885)	(4,863)	21.0	(5,447)	(4,449)	22.4
Other property operating expenses		(7,847)	(7,503)	4.6	(7,265)	(6,681)	8.7
Property operating expenses		(15,254)	(13,829)	10.3	(14,101)	(12,462)	13.2
Net property income	3	53,859	51,997	3.6	49,571	47,709	3.9
Interest income	4	926	916	1.1	3,978	3,976	0.1
Investment income	5	-	-	-	21,315	20,745	2.7
Amortisation of intangible asset	6	(206)	(1,219)	(83.1)	(206)	(1,219)	(83.1)
Asset management fees:							
- Base fees		(1,262)	(1,217)	3.7	(1,262)	(1,217)	3.7
- Performance fees		(2,315)	(2,127)	8.8	(2,315)	(2,127)	8.8
Trust expenses	7	(647)	(508)	27.4	(629)	(491)	28.1
Finance costs	8	(8,625)	(9,450)	(8.7)	(8,616)	(9,450)	(8.8)
Net income before share of profit of associate and joint ventures		41,730	38,392	8.7	61,836	57,926	6.7
Share of profit (net of tax) of:							
- Associate	9	-	953	NM	-	-	-
- Joint ventures	10	35,100	59,297	(40.8)	-	-	-
Net income		76,830	98,642	(22.1)	61,836	57,926	6.7
Premium on repurchase of convertible bonds	11	-	(1,933)	NM	-	(1,933)	NM
Net gain in fair value of investment properties	12	37,393	53,342	(29.9)	37,890	53,780	(29.5)
Total return for the period before tax		114,223	150,051	(23.9)	99,726	109,773	(9.2)
Tax expense		(1)	(1)	-	-	-	-
Total return for the period after tax		114,222	150,050	(23.9)	99,726	109,773	(9.2)
Distribution Statement							
Net income before share of profit of associate and joint ventures		41,730	38,392	8.7	61,836	57,926	6.7
Net tax and other adjustments	13	1,381	2,614	(47.2)	2,589	3,824	(32.3)
Tax-exempt income distribution	14	-	2,350	NM	-	2,350	NM
Distribution from joint venture	15	21,314	20,744	2.7	-	-	-
Distributable income to unitholders		64,425	64,100	0.5	64,425	64,100	0.5

NM – Not Meaningful

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Notes:

(1) Other income includes the following:

(a) Yield stabilization income of S\$0.2 million accrued in 2Q 2015 for Twenty Anson (2Q 2014: S\$1.2 million). Higher gross rental revenue achieved for Twenty Anson in 2Q 2015 resulted in lower yield stabilization sum required compared with 2Q 2014. The amount was accrued pursuant to a Deed of Yield Stabilization dated 22 March 2012 in relation to the acquisition of 100% equity interest in FOPL, whereby a yield stabilization sum of S\$17.1 million was provided to achieve a stabilized yield of up to 5.5% per annum of the property purchase value of S\$430.0 million, for a period of 3.5 years from 22 March 2012 and will expire on 21 September 2015. To date, the yield stabilization sum was computed based on a net property yield of 4.0% per annum. As at 30 June 2015, the balance yield stabilization sum was S\$4.4 million. The Deed of Yield Stabilization is assigned to CCT upon the transfer of Twenty Anson to CCT on 1 July 2015; and

(b) Recovery from tenants and licence income. Recovery from tenants was lower in 2Q 2015 compared with 2Q 2014.

(2) The increase in property tax in 2Q 2015 from 2Q 2014 was primarily due to higher annual values.

(3) The following items have been included in arriving at net property income:

	Group			Trust		
	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %
Depreciation & amortisation of lease incentives	382	(411)	NM	337	(457)	NM

(4) Interest income includes the following:

	Group			Trust		
	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %
Interest income from cash balance	31	40	(22.5)	11	28	(60.7)
Interest income from shareholder's loan to MSO Trust	895	876	2.2	895	876	2.2
Interest income from shareholder's loan to FOPL	-	-	-	3,072	3,072	-
Total	926	916	1.1	3,978	3,976	0.1

(5) Investment income for the Trust relates mainly to distributions from RCS Trust and MQREIT.

(6) This relates to the amortisation of yield stabilization sum in relation to FOPL. The amount was computed based on net property yield of 4.0% per annum for Twenty Anson.

(7) Trust expenses were higher in 2Q 2015 from 2Q 2014 due mainly to higher unitholders expenses and higher professional fees incurred.

(8) Finance costs include the following:

	Group			Trust		
	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %
Interest cost ^(8a)	7,784	7,271	7.1	7,784	7,271	7.1
Amortisation and transaction costs ^(8b)	841	2,179	(61.4)	832	2,179	(61.8)
Total	8,625	9,450	(8.7)	8,616	9,450	(8.8)

(8a) Increase in interest cost for 2Q 2015 from 2Q 2014 was due to higher borrowings.

(8b) Cancellation in 4Q 2014 of CCT's convertible bonds due in 2015 (CB 2015) resulted in lower amortisation and transaction costs in 2Q 2015 versus 2Q 2014.

(9) Share of profit of associate in 2Q 2014 relates to CCT's then 30% share of MQREIT's results. Investment by CCT in MQREIT was reclassified to an available-for-sale investment in 1Q 2015. Therefore, there is no share of results of associate in 2Q 2015.

NM – Not Meaningful

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(10) Share of profit of joint ventures relates to CCT's 60% interest of RCS Trust and 40% interest of MSO Trust, which are derived as follows:

	Group		
	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %
Gross revenue	36,035	34,650	4.0
Property operating expenses ^(10a)	(11,370)	(9,283)	22.5
Net property income	24,665	25,367	(2.8)
Finance costs ^(10a)	(7,785)	(5,152)	51.1
Net change in fair value of investment properties	20,725	29,322	(29.3)
Net change in fair value of investment property under construction	-	12,160	NM
Others ^(10b)	(2,505)	(2,400)	4.4
Profit of joint ventures (net of tax)	35,100	59,297	(40.8)

(10a) The increase was mainly attributed to higher expenses from CapitaGreen. Finance costs and most of the property operating expenses were capitalized before CapitaGreen obtained its temporary occupation permit on 18 December 2014.

(10b) Includes asset management fees.

(11) This relates to the premium on repurchase of principal amount of S\$83.25 million CB 2015 in 2Q 2014.

(12) This relates to the net increase in property values as at 30 June 2015 based on independent valuations over its carrying values.

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

	Group			Trust		
	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %
Asset management fee payable in Units	968	930	4.1	968	930	4.1
Trustee's fees	158	154	2.6	158	154	2.6
Amortisation and transaction costs ^(13a)	841	2,179	(61.4)	832	2,179	(61.8)
Net profits from subsidiaries ^(13b)	(1,213)	(1,027)	18.1	-	-	-
Tax-exempt income retained ^(13c)	-	-	-	(735)	-	NM
Temporary differences and other adjustments	627	378	65.9	1,366	561	NM
Total	1,381	2,614	(47.2)	2,589	3,824	(32.3)

(13a) The cancellation in 4Q 2014 of CB 2015 resulted in lower amortisation and transaction costs in 2Q 2015 versus 2Q 2014.

(13b) Included in net profits from subsidiaries were mainly profits from FOPL of S\$1.2 million (2Q 2014: S\$1.0 million). Lower profits in 2Q 2014 was due to rental rebates granted to leases that had expired.

(13c) This relates to retention of tax-exempt income received from MQREIT for the period 1 January 2015 to 23 March 2015 in 2Q 2015. The amount has been retained for anticipated capital expenditure and/or distribution to unitholders.

(14) This relates to the distribution of MQREIT's tax-exempt income in 2Q 2014.

(15) This relates to CCT's 60% share of RCS Trust's distribution.

NM – Not Meaningful

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1(a)(ii) Statement of Total Return & Distribution Statement (1H 2015 vs 1H 2014)

Statement of Total Return	Note	Group			Trust		
		1H 2015 S\$'000	1H 2014 S\$'000	Change %	1H 2015 S\$'000	1H 2014 S\$'000	Change %
Gross rental income		125,349	115,270	8.7	115,481	107,105	7.8
Car park income		5,843	5,762	1.4	5,740	5,662	1.4
Other income	1	6,083	8,795	(30.8)	5,258	6,045	(13.0)
Gross revenue		137,275	129,827	5.7	126,479	118,812	6.5
Property management fees		(3,046)	(2,887)	5.5	(2,782)	(2,624)	6.0
Property tax	2	(11,347)	(9,409)	20.6	(10,472)	(8,603)	21.7
Other property operating expenses		(15,055)	(14,831)	1.5	(13,927)	(13,414)	3.8
Property operating expenses		(29,448)	(27,127)	8.6	(27,181)	(24,641)	10.3
Net property income	3	107,827	102,700	5.0	99,298	94,171	5.4
Interest income	4	1,924	1,845	4.3	7,996	7,932	0.8
Investment income	5	-	-	-	44,815	42,824	4.6
Amortisation of intangible asset	6	(378)	(2,407)	(84.3)	(378)	(2,407)	(84.3)
Asset management fees:							
- Base fees		(2,493)	(2,406)	3.6	(2,493)	(2,406)	3.6
- Performance fees		(4,772)	(4,266)	11.9	(4,772)	(4,266)	11.9
Trust expenses	7	(1,652)	(1,267)	30.4	(1,605)	(1,231)	30.4
Finance costs	8	(17,135)	(19,150)	(10.5)	(17,121)	(19,138)	(10.5)
Net income before share of results of associate and joint ventures		83,321	75,049	11.0	125,740	115,479	8.9
Share of profit (net of tax) of:							
- Associate	9	1,820	2,005	(9.2)	-	-	-
- Joint ventures	10	49,968	77,449	(35.5)	-	-	-
Net income		135,109	154,503	(12.6)	125,740	115,479	8.9
Dilution (loss) / gain on investment in associate	11	(18,903)	-	NM	2,629	-	NM
Premium on repurchase of convertible bonds	12	-	(1,933)	NM	-	(1,933)	NM
Net gain in fair value of investment properties	13	37,393	53,342	(29.9)	37,890	53,780	(29.5)
Total return for the period before tax		153,599	205,912	(25.4)	166,259	167,326	(0.6)
Income tax	14	(87)	(1)	NM	-	-	-
Total return for the period after tax		153,512	205,911	(25.4)	166,259	167,326	(0.6)
Distribution Statement							
Net income before share of results of associate and joint ventures		83,321	75,049	11.0	125,740	115,479	8.9
Net tax and other adjustments	15	1,760	5,737	(69.3)	1,438	6,200	(76.8)
Tax-exempt income distribution	16	-	2,350	NM	-	2,350	NM
Distribution from joint venture	17	42,097	40,893	2.9	-	-	-
Distributable income to unitholders		127,178	124,029	2.5	127,178	124,029	2.5

NM – Not Meaningful

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Notes:

- (1) Other income include the following:

(a) Yield stabilization income of S\$0.4 million accrued in 1H 2015 for Twenty Anson (1H 2014: S\$2.4 million). Higher gross rental revenue achieved in 1H 2015 resulted in lower yield stabilization sum required compared with 1H 2014. The amount was accrued pursuant to a Deed of Yield Stabilization dated 22 March 2012 in relation with the acquisition of 100% equity interest in FOPL, whereby a yield stabilization sum of S\$17.1 million was provided by the vendors to achieve a stabilized yield of up to 5.5% per annum of the property purchase value of S\$430.0 million, for a period of 3.5 years from 22 March 2012 and will expire on 21 September 2015. To date the yield stabilization sum was computed based on a net property yield of 4.0% per annum. As at 30 June 2015, the balance yield stabilization was S\$4.4 million. The Deed of Yield Stabilization is assigned to CCT upon the transfer of Twenty Anson to CCT on 1 July 2015 ; and

(b) Recovery from tenants and licence income. Recovery from tenants were lower in 1H 2015 compared with that in 1H 2014.

- (2) The increase in property tax in 1H 2015 from 1H 2014 was primarily due to higher annual values assessed by Inland Revenue Authority of Singapore.
- (3) The following items have been included in arriving at net property income:

	Group			Trust		
	1H 2015 S\$'000	1H 2014 S\$'000	Change %	1H 2015 S\$'000	1H 2014 S\$'000	Change %
Depreciation and amortisation of lease incentives	768	(827)	NM	675	(918)	NM

- (4) Interest income includes the following:

	Group			Trust		
	1H 2015 S\$'000	1H 2014 S\$'000	Change %	1H 2015 S\$'000	1H 2014 S\$'000	Change %
Interest income from cash balance	146	104	40.4	107	80	33.8
Interest income from shareholder's loan to MSO Trust	1,778	1,741	2.1	1,778	1,741	2.1
Interest income from shareholder's loan to FOPL	-	-	-	6,111	6,111	-
Total	1,924	1,845	4.3	7,996	7,932	0.8

- (5) Investment income of the Trust relates mainly to distributions from RCS Trust and MQREIT.
- (6) This relates to the amortisation of yield stabilization sum in relation to FOPL. The amount was computed based on net property yield of 4.0% per annum. Yield stabilization sum for 1H 2015 was lower than 1H 2014 due to higher gross rental revenue achieved for Twenty Anson.
- (7) Trust expenses were higher in 1H 2015 compared to 1H 2014 due mainly to higher unitholders expenses and higher professional fees incurred.
- (8) Included in finance costs are the following:

	Group			Trust		
	1H 2015 S\$'000	1H 2014 S\$'000	Change %	1H 2015 S\$'000	1H 2014 S\$'000	Change %
Interest cost ^(8a)	15,458	14,661	5.4	15,458	14,661	5.4
Amortisation and transaction costs ^(8b)	1,677	4,489	(62.6)	1,663	4,477	(62.9)
Total	17,135	19,150	(10.5)	17,121	19,138	(10.5)

- (8a) The increase in interest cost was due to higher borrowings.
- (8b) Lower amortisation and transaction costs in 1H 2015 versus 1H 2014 was primarily due to the cancellation of CB 2015 in 4Q 2014.
- (9) Share of profit of associate relates to CCT's 30% share of MQREIT's results before it was being reclassified to an available-for-sale investment.

NM – Not Meaningful

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- (10) Share of results of joint ventures relates to CCT's 60% interest of RCS Trust and CCT's 40% interest of MSO Trust, which are derived as follows:

	Group		
	1H 2015 S\$'000	1H 2014 S\$'000	Change %
Gross revenue	71,765	69,582	3.1
Property operating expenses ^(10a)	(22,174)	(18,596)	19.2
Net property income	49,591	50,986	(2.7)
Finance costs ^(10a)	(15,367)	(10,238)	50.1
Net change in fair value of investment properties	20,725	29,322	(29.3)
Net change in fair value of investment property under construction	-	12,160	NM
Others ^(10b)	(4,981)	(4,781)	4.2
Net profit of joint ventures (after tax)	49,968	77,449	(35.5)

- (10a) The increase was mainly due to the commencement of operations of CapitaGreen. Finance costs and most of the property operating expenses were capitalized prior to the issuance of temporary occupation permit to CapitaGreen on 18 December 2014.
- (10b) Includes asset management fees.
- (11) (Loss)/gain on investment in associate relates to the marked-to-market (loss)/gain on the investment of MQREIT as an associate, which was reclassified to an available-for-sale investment. This (loss)/gain does not affect distributable income.
- (12) This relates to the premium for the repurchase of principal amount of S\$83.25 million CB 2015 in 1H 2014. The premium does not affect distributable income.
- (13) This relates to the net increase in property values as at 30 June 2015 based on independent valuations over its carrying values.
- (14) This relates to tax expenses of FOPL.
- (15) Included in the net tax and other adjustments are the following:

	Group			Trust		
	1H 2015 S\$'000	1H 2014 S\$'000	Change %	1H 2015 S\$'000	1H 2014 S\$'000	Change %
Asset management fee paid and payable in Units	1,918	1,841	4.2	1,918	1,841	4.2
Trustee's fees	313	305	2.6	313	305	2.6
Amortisation and transaction costs	1,677	4,489	(62.6)	1,663	4,477	(62.9)
Net profits from subsidiaries ^(15a)	(2,402)	(1,944)	23.6	-	-	-
Tax-exempt income retained ^(15b)	-	-	-	(2,424)	(1,737)	39.6
Other items	254	1,046	(75.7)	(32)	1,314	NM
Total	1,760	5,737	(69.3)	1,438	6,200	(76.8)

- (15a) Included in net profits from subsidiaries for 1H 2015 were profits from FOPL of S\$2.4 million (1H 2014: S\$2.0 million). The lower profits in 1H 2014 was due to rental rebates granted to leases that had expired.
- (15b) This relates to tax-exempt income from MQREIT retained.
- (16) This relates to the distribution of MQREIT's tax-exempt income in 1H 2014.
- (17) This relates mainly to CCT's 60% share of RCS Trust's taxable income.

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1(b)(i) Statement of Financial Position as at 30 June 2015 vs 31 December 2014

	Note	Group			Trust		
		30 Jun 2015	31 Dec 2014	Change	30 Jun 2015	31 Dec 2014	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Plant and equipment		1,356	1,453	(6.7)	1,345	1,440	(6.6)
Investment properties	1	4,928,200	4,882,400	0.9	4,497,200	4,451,400	1.0
Subsidiaries	2	-	-	-	435,576	435,576	-
Associate	3	-	63,899	NM	-	51,479	NM
Available-for-sale investment	3	50,273	-	NM	50,273	-	NM
Joint ventures	4	1,440,225	1,427,895	0.9	989,352	984,933	0.4
Intangible asset	5	4,444	4,822	(7.8)	4,444	4,822	(7.8)
Financial derivatives	6	1,038	1,160	(10.5)	1,038	1,160	(10.5)
Total non-current assets		6,425,536	6,381,629	0.7	5,979,228	5,930,810	0.8
Current assets							
Trade and other receivables		40,365	38,345	5.3	43,542	37,576	15.9
Cash and cash equivalents		91,752	101,085	(9.2)	63,103	76,719	(17.7)
Total current assets		132,117	139,430	(5.2)	106,645	114,295	(6.7)
Total assets	7	6,557,653	6,521,059	0.6	6,085,873	6,045,105	0.7
Current liabilities							
Trade and other payables		44,651	47,355	(5.7)	38,288	39,415	(2.9)
Current portion of security deposits		15,004	11,437	31.2	12,980	10,876	19.3
Interest-bearing liabilities	8	200,000	270,000	(25.9)	200,000	270,000	(25.9)
Current tax payable	2	3	3	(33.3)	-	-	-
Total current liabilities		259,657	328,795	(21.0)	251,268	320,291	(21.6)
Non-current liabilities							
Non-current portion of security deposits		26,047	28,300	(8.0)	22,622	23,510	(3.8)
Interest-bearing liabilities	9	857,430	800,972	7.0	857,430	800,972	7.0
Convertible bonds	10	170,225	169,206	0.6	170,225	169,206	0.6
Financial derivatives	11	47,438	40,298	17.7	47,438	40,298	17.7
Total non-current liabilities		1,101,140	1,038,776	6.0	1,097,715	1,033,986	6.2
Total liabilities		1,360,797	1,367,571	(0.5)	1,348,983	1,354,277	(0.4)
Net assets		5,196,856	5,153,488	0.8	4,736,890	4,690,828	1.0
Unitholders' funds		5,196,856	5,153,488	0.8	4,736,890	4,690,828	1.0

NM – Not Meaningful

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Notes:

- (1) The increase in the Group's and the Trust's investment properties was mainly due to the increase in property values based on valuations done as at 30 June 2015.
- (2) This relates to the investments in wholly-owned subsidiaries, CCT MTN Pte. Ltd. of S\$1 and FOPL of S\$435.6 million.
- (3) The investment in MQREIT is reclassified from an investment in associate as at 31 December 2014 to available-for-sale investment.
- (4) This relates to 60% interest in RCS Trust and 40% interest in MSO Trust (including the unitholders' loans to MSO Trust).
- (5) This relates primarily to the unamortised yield stabilization sum receivable by the Group in relation to Twenty Anson. The intangible asset is amortised over the yield stabilization period of 3.5 years commencing on 22 March 2012.
- (6) This relates to the fair value of interest rates swaps.
- (7) Total assets were S\$6,557.7 million as at 30 June 2015 (31 December 2014: S\$6,521.1 million). Total deposited property value, including CCT's 60% interest in RCS Trust and 40% interest in MSO Trust as at 30 June 2015 was S\$7,676.2 million (31 December 2014: S\$7,633.6 million).
- (8) As at 30 June 2015, this relates to the S\$200.0 million fixed rate note that is maturing in December 2015. CCT has available credit facilities to refinance the fixed rate note. The S\$70.0 million fixed rate note that had matured in February 2015 was refinanced.
- (9) Interest-bearing liabilities under non-current liabilities as at 30 June 2015 comprised:
 - a) Unsecured fixed rate notes totaling S\$50.0 million and JPY24.9 billion (hedged via cross currency swaps to S\$323.3 million); and
 - b) Unsecured bank borrowings of S\$540.0 million.
- (10) This relates to the liability component of the CB 2017 of S\$175.0 million which was measured at amortised cost.
- (11) This relates to the fair values of cross currency swaps.

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

	Group			Trust		
	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000	Change %	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000	Change %
Unsecured borrowings						
Amount repayable after one year	1,032,467	975,769	5.8	1,032,467	975,769	5.8
Less: Unamortised portion of transactions costs	(4,812)	(5,591)	(13.9)	(4,812)	(5,591)	(13.9)
Net repayable after one year	1,027,655	970,178	5.9	1,027,655	970,178	5.9
Amount repayable within one year	200,000	270,000	(25.9)	200,000	270,000	(25.9)
Total unsecured borrowings	1,227,655	1,240,178	(1.0)	1,227,655	1,240,178	(1.0)

NM - Not Meaningful

For information only ⁽¹⁾

CCT's 60% share of RCS Trust's and CCT's 40% share of MSO Trust's aggregate amount of borrowings are as follows:

	For information only		
	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000	Change %
Secured borrowings			
Amount repayable after one year	-	946,000	NM
Less: Unamortised portion of transactions costs	-	(3,477)	NM
Net repayable after one year	-	942,523	NM
Amount repayable within one year	977,000 ⁽²⁾	-	NM
Less: Unamortised portion of transactions costs	(2,399)	-	NM
Net repayable within one year	974,601	-	NM
Total secured borrowings	974,601	942,523	3.4

Notes:

(1) CCT's share in the aggregate borrowings of RCS Trust and MSO Trust are not included under total borrowings in the statement of financial position.

(2) Secured borrowings of S\$977.0 million comprised of the following:

(a) MSO Trust's borrowings of S\$356.0 million (CCT's 40.0% share) due in December 2015. Refinancing is expected to complete before the maturity date; and

(b) RCS Trust's borrowings of S\$621.0 million (CCT's 60% share). The expected maturity date is in June 2016.

NM – Not Meaningful

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1(c)(i) Statement of Cash Flow (2Q 2015 vs 2Q 2014)

Operating activities

Total return for the period before tax

Adjustments for :

Share of profit of joint ventures

Amortisation of lease incentives

Amortisation of intangible asset

Depreciation of plant and equipment

Finance costs

Interest income

Premium on repurchase of convertible bonds

Asset management fees paid and payable in Units

Net increase in fair value of investment properties

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

Income tax paid

Net cash from operating activities

Investing activities

Capital expenditure on investment properties

Purchase of plant and equipment

Distributions from associate and joint venture

Interest income received

Net cash from investing activities

Financing activities

Interest paid

Distribution to unitholders

Repurchase of convertible bonds

Repayment of interest-bearing liabilities

Proceeds from interest-bearing liabilities

Net cash used in financing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

Note	Group	
	2Q 2015 S\$'000	2Q 2014 S\$'000
	114,223	150,051
	(35,100)	(60,250)
	308	(491)
	206	1,219
	74	80
	8,625	9,450
	(926)	(916)
	-	1,933
	968	930
	(37,393)	(53,342)
	50,985	48,664
	(25)	(1,253)
	(2,021)	(805)
	199	(1,103)
	49,138	45,503
	(88)	(3)
	49,050	45,500
	(2,815)	(5,806)
	(32)	(31)
	21,533	20,148
	225	40
	18,911	14,351
	(9,392)	(10,243)
	(6,744)	(5,944)
	-	(115,697)
1	(105,000)	-
2	90,000	60,000
	(31,136)	(71,884)
	36,825	(12,033)
	54,927	60,528
	91,752	48,495

Notes:

(1) This relates to the repayment of CCT's bank borrowings.

(2) This relates to the proceeds from CCT's bank borrowings.

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1(c)(ii) Statement of Cash Flow (1H 2015 vs 1H 2014)

	Note	Group	
		1H 2015 S\$'000	1H 2014 S\$'000
Operating activities			
Total return for the period before tax		153,599	205,912
Adjustments for :			
Share of results of associate and joint ventures		(51,788)	(79,454)
Amortisation of lease incentives		621	(984)
Amortisation of intangible asset		378	2,407
Depreciation of plant and equipment		147	157
Finance costs		17,135	19,150
Interest income		(1,924)	(1,845)
Premium on repurchase of convertible bonds		-	1,933
Asset management fees paid and payable in Units		1,918	1,841
Net gain in fair value of investment properties		(37,393)	(53,342)
Dilution loss on investment in associate		18,903	-
Foreign exchange loss		268	189
Operating income before working capital changes		101,864	95,964
Changes in working capital			
Trade and other receivables		(881)	(796)
Trade and other payables		(1,016)	(2,614)
Security deposits		1,314	605
Cash generated from operations		101,281	93,159
Income tax paid		(88)	(4)
Net cash generated from operating activities		101,193	93,155
Investing activities			
Capital expenditure on investment properties		(9,433)	(11,136)
Purchase of plant and equipment		(103)	(63)
Distributions from associate & joint venture		45,128	43,219
Interest received		420	104
Net cash from investing activities		36,012	32,124
Financing activities			
Interest paid		(16,676)	(16,246)
Borrowing transaction costs paid		-	(12)
Distribution to unitholders		(124,862)	(118,893)
Repurchase of convertible bonds		-	(115,697)
Repayment of interest-bearing liabilities	1	(195,000)	-
Proceeds from interest-bearing liabilities	2	190,000	90,000
Net cash used in financing activities		(146,538)	(160,848)
Net decrease in cash and cash equivalents		(9,333)	(35,569)
Cash and cash equivalents at beginning of the period		101,085	84,064
Cash and cash equivalents at end of the period		91,752	48,495

Notes:

- (1) This relates to the repayment of CCT's S\$70.0 million fixed rate note and S\$125.0 million bank borrowings.
- (2) This relates to the CCT's S\$90.0 million bank borrowings and issuance of JPY8.6 billion floating rate note due 2023 pursuant to the S\$2.0 billion Multicurrency Medium Term Note Programme. The JPY8.6 billion proceeds have been hedged via cross currency interest rate swap to notional principal amount of S\$100.0 million at fixed interest rate of 3.05% per annum.

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1(d)(i) Statement of movement in unitholders' funds (2Q 2015 vs 2Q 2014)

	Note	Group		Trust	
		2Q 2015 S\$'000	2Q 2014 S\$'000	2Q 2015 S\$'000	2Q 2014 S\$'000
Net assets at beginning of period		5,086,630	4,852,275	4,641,447	4,523,999
Operations					
Total return for the period		114,222	150,050	99,726	109,773
Unitholders' transactions					
Creation of units:					
- Units issued in respect of RCS Trust's asset management fees		2,210	2,151	2,210	2,151
- Asset management fee paid in Units		950	911	950	911
- Conversion of convertible bonds		-	65,931	-	65,931
Net increase in net assets resulting from unitholders' transactions		3,160	68,993	3,160	68,993
Movement in reserves					
- Available-for-sale reserve	1	(3,835)	-	(3,835)	-
- Capital reserves	2	-	(38,051)	-	(38,051)
- Foreign currency translation reserves		-	781	-	-
- Hedging reserves	3	(3,321)	(402)	(3,608)	(465)
Net decrease in net assets resulting from movement in reserves		(7,156)	(37,672)	(7,443)	(38,516)
Net increase in net assets		110,226	181,371	95,443	140,250
Net assets at end of period		5,196,856	5,033,646	4,736,890	4,664,249

Notes:

- (1) This relates to marked to market movement of MQREIT which has been classified as an available-for-sale investment.
- (2) The movement in capital reserves for the Trust and the Group in 2Q 2014 relates to the option value of principal amount of S\$61.5 million that were converted into 51.6 million Units and also the variance between the consideration paid and its principal amount of S\$83.25 million CB 2015 that were repurchased.
- (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 notes. Included in movement for the Group was the Group's 40% share of MSO Trust's movement in hedging reserves.

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1(d)(ii) Statement of changes in unitholders' funds (1H 2015 vs 1H 2014)

	Note	Group		Trust	
		1H 2015 S\$'000	1H 2014 S\$'000	1H 2015 S\$'000	1H 2014 S\$'000
Balance as at beginning of the period		5,153,488	4,912,713	4,690,828	4,582,357
Operations					
Net increase in net assets resulting from operations		153,512	205,911	166,259	167,326
Unitholders' transactions					
Creation of new units:					
- Units issued in respect of RCS Trust's asset management fees		4,419	4,301	4,419	4,301
- Asset management fee paid in Units		1,875	1,786	1,875	1,786
- Conversion of convertible bonds		-	65,931	-	65,931
Distributions to unitholders		(124,862)	(118,893)	(124,862)	(118,893)
Net decrease in net assets resulting from unitholders' transactions		(118,568)	(46,875)	(118,568)	(46,875)
Movement in reserves					
- Available-for-sale reserve	1	(3,835)	-	(3,835)	-
- Capital reserves	2	-	(38,051)	-	(38,051)
- Hedging reserves	3	2,249	(346)	2,206	(508)
- Foreign currency translation reserves	4	10,010	294	-	-
Net increase / (decrease) in net assets resulting from movement in reserves		8,424	(38,103)	(1,629)	(38,559)
Total increase in net assets		43,368	120,933	46,062	81,892
Balance as at end of the period		5,196,856	5,033,646	4,736,890	4,664,249

Notes:

- (1) This relates to marked to market movement of MQREIT which has been classified as an available-for-sale investment.
- (2) The movement in capital reserves for the Trust and the Group in 1H 2014 relates to the option value of principal amount of S\$61.5 million that were converted into 51.6 million Units and also the variance between the consideration paid and its principal amount of S\$83.25 million CB 2015 that were repurchased
- (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 notes. Included in movement for the Group was the Group's 40% share of MSO Trust's movement in hedging reserves.
- (4) For 1H 2015, the foreign currency translation reserves was in relation to MQREIT being reclassified from an investment as an associate to available-for-sale investment.

Convertible Bonds

CCT has the following Convertible Bonds outstanding as at 30 June 2015:

Principal Amount Outstanding	Maturity Date	Conversion Price per Unit as at 30 June 2015
<u>CB 2017</u> S\$175.0 million 2.5 per cent.	12 September 2017	1.5409

Assuming all the CB 2017 are fully converted based on the conversion price, the number of new units to be issued would be 113,569,991, representing 3.9% of the total number of CCT units in issue as at 30 June 2015 (2,948,513,510 Units). In comparison, this was against 148,457,640 Units (outstanding principal amount of S\$45.5 million of CB 2015 at the conversion price of \$1.1926 per unit and outstanding principal amount of S\$175.0 million of CB 2017 at the conversion price of S\$1.5865 as at 30 June 2014), representing 5.1% of the total number of CCT units in issue as at 30 June 2014 (2,934,542,512 Units).

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1(e)(i) Details of any change in the units (2Q 2015 vs 2Q 2014)

Units in issue as at beginning of period

Issue of new Units:

- in settlement of the asset management fee in relation to RCS Trust
- in settlement of the asset management fees in relation to Wilkie Edge and One George Street
- conversion of convertible bonds

Units in issue as at end of period

Group and Trust	
2Q 2015 Units	2Q 2014 Units
2,946,694,080	2,880,900,252
1,272,696	1,457,262
546,734	616,999
-	51,567,999
2,948,513,510	2,934,542,512

1(e)(ii) Details of any change in the units (1H 2015 vs 1H 2014)

Units in issue as at beginning of period

Issue of new Units:

- in settlement of the asset management fee in relation to CCT's 60% interest in Raffles City Singapore through RCS Trust
- in settlement of the asset management fees in relation to Wilkie Edge and One George Street
- conversion of convertible bonds

Units in issue as at end of period

Group and Trust	
1H 2015 Units	1H 2014 Units
2,944,849,310	2,878,774,346
2,572,514	2,968,194
1,091,686	1,231,973
-	51,567,999
2,948,513,510	2,934,542,512

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 2014.

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 (2Q 2015 vs 2Q 2014)

Note	Group		Trust	
	2Q 2015	2Q 2014	2Q 2015	2Q 2014
<u>Basic EPU</u>				
Weighted average number of Units in issue	2,947,933,692	2,893,901,713	2,947,933,692	2,893,901,713
Based on weighted average number of Units in issue	1 3.87¢	5.19¢	3.38¢	3.79¢
<u>Diluted EPU</u>				
Weighted average number of Units in issue (diluted)	3,061,503,683	3,144,947,106	3,061,503,683	3,144,947,106
Based on weighted average number of Units in issue (diluted)	2 3.78¢	4.89¢	3.31¢	3.61¢

EPU (1H 2015 vs 1H 2014)

Note	Group		Trust	
	1H 2015	1H 2014	1H 2015	1H 2014
<u>Basic EPU</u>				
Weighted average number of Units in issue	2,946,980,971	2,887,037,557	2,946,980,971	2,887,037,557
Based on weighted average number of Units in issue	1 5.21¢	7.13¢	5.64¢	5.80¢
<u>Diluted EPU</u>				
Weighted average number of Units in issue (diluted)	3,057,286,675	3,147,423,914	3,057,286,675	3,147,423,914
Based on weighted average number of Units in issue (diluted)	2 5.13¢	6.79¢	5.54¢	5.56¢

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 dilutive potential Units arising from the assumed conversion of the outstanding convertible bonds to Units.

Distribution per unit ("DPU")

In computing 2Q 2015 and 1H 2015 DPU, the number of Units as at 30 June 2015 was used for the computation.

	2Q 2015	2Q 2014	1H 2015	1H 2014
Number of Units in issue	2,948,513,510	2,934,542,512	2,948,513,510	2,934,542,512
DPU for period	2.19¢ ¹	2.18¢	4.31¢ ¹	4.22¢

Notes:

- (1) The estimated DPU for 2Q 2015 and 1H 2015 were computed on the basis that none of the CB 2017 is converted into Units. Accordingly, the actual quantum of DPU may differ if the CB 2017 is converted into Units on or before book closure dates.

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

	Note	Group		Trust	
		30 June 2015	31 Dec 2014	30 June 2015	31 Dec 2014
Number of Units in issue at end of the period		2,948,513,510	2,944,849,310	2,948,513,510	2,944,849,310
NAV (S\$'000)		5,196,856	5,153,488	4,736,890	4,690,828
NAV per Unit	1	\$1.76	\$1.75	\$1.61	\$1.59
Adjusted NAV per Unit (excluding the distributable income to unitholders)		\$1.72	\$1.71	\$1.56	\$1.55

Note:

(1) NAV per Unit was computed based on net asset value over the number of Units in issue as at end of the period.

8 Review of the performance

Statement of Total Return

Gross revenue	69,113	65,826	5.0	137,275	129,827	5.7
Property operating expenses	(15,254)	(13,829)	10.3	(29,448)	(27,127)	8.6
Net property income	53,859	51,997	3.6	107,827	102,700	5.0
Interest income	926	916	1.1	1,924	1,845	4.3
Amortisation of intangible asset	(206)	(1,219)	(83.1)	(378)	(2,407)	(84.3)
Asset management fees:						
- Base fees	(1,262)	(1,217)	3.7	(2,493)	(2,406)	3.6
- Performance fees	(2,315)	(2,127)	8.8	(4,772)	(4,266)	11.9
Trust expenses	(647)	(508)	27.4	(1,652)	(1,267)	30.4
Finance costs	(8,625)	(9,450)	(8.7)	(17,135)	(19,150)	(10.5)
Net income before share of profit of associate and joint ventures	41,730	38,392	8.7	83,321	75,049	11.0
Share of profit (net of tax) of:						
- Associate	-	953	NM	1,820	2,005	(9.2)
- Joint ventures	35,100	59,297	(40.8)	49,968	77,449	(35.5)
Net income	76,830	98,642	(22.1)	135,109	154,503	(12.6)
Dilution loss on investment in associate	-	-	-	(18,903)	-	NM
Premium on repurchase of convertible bonds	-	(1,933)	NM	-	(1,933)	NM
Net gain in fair value of investment properties	37,393	53,342	(29.9)	37,393	53,342	(29.9)
Total return for the period before tax	114,223	150,051	(23.9)	153,599	205,912	(25.4)
Tax expense	(1)	(1)	-	(87)	(1)	NM
Total return for the period after tax	114,222	150,050	(23.9)	153,512	205,911	(25.4)

Distribution Statement

Net income before share of profit of associate and joint ventures	41,730	38,392	8.7	83,321	75,049	11.0
Net tax and other adjustments	1,381	2,614	(47.2)	1,760	5,737	(69.3)
Tax-exempt income distribution	-	2,350	NM	-	2,350	NM
Distribution from joint venture	21,314	20,744	2.7	42,097	40,893	2.9
Distributable income to unitholders	64,425	64,100	0.5	127,178	124,029	2.5
DPU for the period	2.19¢	2.18¢	0.5	4.31¢	4.22¢	2.1
Annualised	8.78¢	8.74¢	0.5	8.69¢	8.51¢	2.1

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST

2015 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

Review of CCT Group's performance 2Q 2015 vs 2Q 2014

- a) Gross revenue of S\$69.1 million in 2Q 2015 was higher than 2Q 2014 by S\$3.3 million or 5.0%. The increase in revenue was due to positive rent reversions and/or higher occupancies of CCT properties.
- b) Property operating expenses for 2Q 2015 of S\$15.3 million increased compared with 2Q 2014 by S\$1.4 million or 10.3% due mainly to higher property tax and ad hoc maintenance expenses. However, lower utility expense partially offset the increase.
- c) Amortisation expense relates to the amortisation of intangible asset (refer to note 5 of 1(b)(i)). The amount for 2Q 2015 of S\$0.2 million was lower than that of 2Q 2014 due to lower yield stabilization required. Amortisation expense does not affect distributable income.
- d) Trust expenses in 2Q 2015 of S\$0.6 million were higher than 2Q 2014 by S\$0.1 million or 27.4% due mainly to higher unitholders expenses and higher professional fees incurred.
- e) Finance costs of S\$8.6 million for 2Q 2015 were S\$0.8 million or 8.7% lower compared with 2Q 2014, due mainly to lower amortisation and transaction costs.
- f) Share of profit of joint ventures relates to 60% share of results of RCS Trust and 40% share of results of MSO Trust. The drop was mainly due to a lower gain in the property values of Raffles City. The operational expenses and finance costs of MSO Trust, previously capitalised prior to CapitaGreen's TOP on 18 December 2014, had also contributed to the decrease in share of profit of joint ventures.
- g) Net gain in fair value of investment properties relates to the increase in property values as at 30 June 2015 based on independent valuations over its carrying values.
- h) The distributable income to unitholders in 2Q 2015 of S\$64.4 million was 0.5% higher than 2Q 2014 of S\$64.1 million mainly due to higher net property income from CCT Group and higher distributable income from RCS Trust, offset by higher interest expense. This is despite no distribution of tax-exempt income in 2Q 2015, in contrast to a distribution of tax-exempt income of S\$2.4 million in 2Q 2014.

Review of CCT Group's performance 1H 2015 vs 1H 2014

- i) Gross revenue of S\$137.3 million in 1H 2015 was higher than that in 1H 2014 by S\$7.4 million or 5.7%. The increase in revenue was due to positive rent reversions and/or occupancies of CCT properties.
- j) Property operating expenses for 1H 2015 of S\$29.4 million were S\$2.3 million or 8.6% higher than 1H 2014 due mainly to higher property tax and ad hoc maintenance expenses. However, lower utility expense partially offset the increase.
- k) Amortisation expense relates to the amortisation of intangible asset (refer to note 5 of 1(b)(i)). The amount for 1H 2015 of S\$0.4 million was lower than that of 1H 2014 due to lower yield stabilization required. Amortisation expense does not affect distributable income.
- l) Trust expenses in 1H 2015 of S\$1.7 million were higher than 1H 2014 by S\$0.4 million or 30.4% due mainly to higher unitholders expenses and higher professional fees incurred.
- m) Finance costs of S\$17.1 million for 1H 2015 were S\$2.0 million or 10.5% lower compared with 1H 2014, due mainly to lower amortisation and transaction costs.
- n) Share of profit of joint ventures relates to 60% share of results of RCS Trust and 40% share of results of MSO Trust. The drop was mainly due to a lower gain in the property values of Raffles City. The operational expenses and finance costs of MSO Trust, previously capitalised prior to CapitaGreen's TOP on 18 December 2014, had also contributed to the decrease in share of profit of joint ventures.
- o) Dilution loss on investment in associate of S\$18.9 million relates to the loss recognised when CCT Group's investment in MQREIT was reclassified from investment in associate to an available-for-sale investment, which was marked-to-market. This loss does not have any impact on CCT Group's distributable income.
- p) Net gain in fair value of investment properties relates to the increase in property values as at 30 June 2015 based on independent valuations over its carrying values.
- q) The distributable income to unitholders in 1H 2015 of S\$127.2 million was 2.5% higher than 1H 2014 of S\$124.0 million mainly due to higher net property income from CCT Group and higher distributable income from RCS Trust, albeit offset by higher interest expense. This is despite no distribution of tax-exempt income in 1H 2015, in contrast to a distribution of tax-exempt income of S\$2.4 million in 1H 2014.

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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

Based on advance estimates by the Ministry of Trade and Industry Singapore, the Singapore economy grew by 1.7 per cent on a year-on-year basis in the second quarter of 2015, lower than the 2.8 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 4.6%, a reversal from the 4.2% expansion in the preceding quarter. However, at the Monetary Authority of Singapore ("MAS") Annual report 2014/15 media conference on 21 July 2015, the Managing Director of MAS mentioned that although the economic growth was weaker than expected, it is not expected to deteriorate further and they did not foresee any worsening of GDP in 2H 2015. The forecast 2015 GDP is expected to be 2-4%.

CCT's portfolio continued to enjoy positive rent reversions and improved occupancies for most of its buildings. Its newly completed grade A office building, CapitaGreen, continued its positive leasing momentum in 2Q 2015. As at 30 June 2015, CapitaGreen has secured leases for 80.4% of its net lettable area. CapitaGreen's committed tenants are predominantly from the Insurance, Banking and Financial Services sectors. CapitaGreen's contribution to CCT's distributable income is expected to commence in 2016.

CCT's portfolio committed occupancy including CapitaGreen was 98.0% which was above the market occupancy rate of 96.2% ⁽¹⁾ as at 30 June 2015. The lease of a major tenant at Capital Tower expired at end of 2Q 2015, and the Manager is exploring new, flexible alternatives of office space utilization to generate new demand for this vacated space.

The Trust's monthly average office portfolio gross rent grew 1.1% over the quarter from S\$8.78 per square foot as at end March 2015 to S\$8.88 per square foot as at end June 2015. Positive rent reversions and higher occupancies resulted in higher gross revenue in 2Q 2015 versus 2Q 2014, which also led to higher net property income. More distributable income from RCS Trust further contributed to the increase in distributable income for CCT Group.

With effect from 1 July 2015, Twenty Anson is owned directly by CCT, following the completion of the transfer of Twenty Anson to CCT from wholly-owned subsidiary, FirstOffice Pte Ltd ("FOPL"). When CCT acquired FOPL in March 2012, a yield stabilization sum ("YSS") of S\$17.1 million was provided to achieve a stabilized net property yield of up to 5.5% per annum for Twenty Anson. So far, the YSS has been supporting a stabilized net property yield of 4.0% per annum for Twenty Anson. The balance of this YSS was S\$4.4 million as at 30 June 2015 and was transferred to CCT on 1 July 2015 to continue to be used to stabilize the net property yield of Twenty Anson. As the Deed of Yield Stabilization expires on 21 September 2015, Management will explore options to utilize the remaining YSS post expiry.

MSO Trust (which owns CapitaGreen) is in advance negotiations with the banks on the refinancing of bank borrowings by MSO Trust. The refinancing is expected to be completed before end of 2015.

Outlook

CCT retained S\$2.4 million of tax-exempt income of MQREIT in 1H 2015 and hence the amount of retained tax-exempt income of MQREIT as at 30 June 2015 was S\$12.9 million. The Manager will evaluate various options for the utilization of this amount, including future distributions to unitholders.

CCT has delivered a stable set of results in the first half of 2015. This reflects the resilience of CCT's portfolio. The Singapore office market will be faced with an above-normal volume of new supply between the second half of 2016 and first half of 2017. In anticipation of challenging market conditions, the Manager has been repositioning and improving CCT's assets, as well as stepping up tenant engagement in order to sustain its high occupancies. Additionally, the Manager is actively monitoring trends and developments in office space usage and exploring flexible alternatives to generate new office space demand.

Note:

(1) Source: CBRE Pte. Ltd.

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11 Distributions

11(a) Current financial period

Any distributions declared for the current financial period?	Yes.
Name of distribution	Distribution for the period from 1 January 2015 to 30 June 2015
Distribution type	Taxable income
Estimated Distribution rate ⁽¹⁾	Taxable income distribution :- 4.31 cents per unit
Par value of units	Not meaningful
Tax rate	<u>Taxable income distribution</u> Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%.
Books closure date:	Monday, 3 August 2015
Date payable	Thursday, 27 August 2015

Note:

(1) The above estimated DPU for were computed on the basis that none of the outstanding CB 2017 is converted into Units. Accordingly, the actual quantum of DPU may differ if any of the outstanding CB 2017 is converted into Units on or before books closure date.

11(b) Corresponding period of the preceding financial period

Any distributions declared for the current financial period?	Yes.
Name of distribution	Distribution for the period from 1 January 2014 to 30 June 2014
Distribution type	i) Taxable income ii) Tax-exempt income
Estimated Distribution rate	i) Taxable income distribution :- 4.14 cents per unit iii) Tax-exempt income distribution :- 0.08 cents per unit
Par value of units	Not meaningful
Tax rate	<u>Taxable income distribution</u> Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%. <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all unitholders. Tax-exempt income relates to the net income from the income distribution received from MQREIT.
Books closure date:	Tuesday, 29 July 2014
Date payable:	Tuesday, 26 August 2014

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- 12 **If no distribution has been declared/recommended, a statement to that effect**
NA
- 13 **General mandate relating to interested party transactions**
CCT has not obtained a general mandate from unitholders for Interested Person Transactions.
- 14 **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 unaudited interim financial results of the Group and Trust (comprising the statements of financial position as at 30 June 2015, statements of total return & distribution statements, statements of movements in unitholders' funds and statement of cash flow of the Group for the six months ended on that date, together with their accompanying notes) to be false or misleading in any material respect.

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

Lynette Leong Chin Yee
Chief Executive Officer / Executive Director

Wen Khai Meng
Non-Executive 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.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board
CapitaLand Commercial Trust Management Limited
(Registration Number: 200309059W)
As Manager of CapitaLand Commercial Trust

Honey Vaswani
Assistant Company Secretary
24 July 2015