
CAPITALAND COMMERCIAL TRUST
2016 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION
ANNOUNCEMENT

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SUMMARY OF CCT GROUP RESULTS

	3Q 2016	3Q 2015	Change %	YTD Sep 2016	YTD Sep 2015	Change %
Gross Revenue (S\$'000)	74,422	68,345	8.9	208,851	205,620	1.6
Net Property Income (S\$'000)	57,028	52,671	8.3	160,507	160,498	0.0
Distributable Income (S\$'000)	68,296	63,150	8.1	198,229	190,328	4.2
Distribution Per Unit ("DPU") (cents)	2.30 ⁽¹⁾	2.14	7.5	6.69 ⁽¹⁾	6.45	3.7

Note:

- (1) The estimated DPU of 2.30 cents for 3Q 2016 and 6.69 cents for YTD September 2016 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.

INTRODUCTION

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

As of 30 September 2016, CCT's portfolio consists of Capital Tower, Six Battery Road, One George Street, HSBC Building, Bugis Village, Golden Shoe Car Park, Wilkie Edge, Twenty Anson, CapitaGreen held through MSO Trust and 60% interest in Raffles City Singapore held through RCS Trust. In addition, CCT owns approximately 17.7% stake in MRCB-Quill REIT ("MQREIT"), a commercial REIT listed in Malaysia.

On 31 August 2016, CCT's acquisition of the remaining 60% interest in MSO Trust which holds CapitaGreen was completed. Henceforth, CCT owns 100% of MSO Trust and the financials of MSO Trust have since been consolidated to CCT Group's financial results.

On 19 October 2016, CapitaLand Commercial Trust Management Limited, the Manager of CCT announced that the Manager has submitted plans to the relevant government authorities to redevelop Golden Shoe Car Park. Please refer to the news release of even date for the full details.

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1(a)(i) Statement of Total Return & Distribution Statement (3Q 2016 vs 3Q 2015)

Statement of Total Return	Note	Group			Trust		
		3Q 2016	3Q 2015	Change	3Q 2016	3Q 2015	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross rental income	1	68,264	61,688	10.7	61,599	61,688	(0.1)
Car park income		2,944	2,819	4.4	2,833	2,819	0.5
Other income	2	3,214	3,838	(16.3)	2,997	3,765	(20.4)
Gross revenue		74,422	68,345	8.9	67,429	68,272	(1.2)
Property management fees		(1,620)	(1,484)	9.2	(1,454)	(1,483)	(2.0)
Property tax	3	(6,086)	(6,150)	(1.0)	(5,438)	(6,150)	(11.6)
Other property operating expenses	4	(9,688)	(8,040)	20.5	(8,858)	(8,023)	10.4
Property operating expenses		(17,394)	(15,674)	11.0	(15,750)	(15,656)	0.6
Net property income	5	57,028	52,671	8.3	51,679	52,616	(1.8)
Interest income	6	1,020	1,004	1.6	2,123	987	NM
Investment income	7	1,661	871	90.7	28,161	21,596	30.4
Amortisation of intangible asset	8	(438)	(757)	(42.1)	(438)	(757)	(42.1)
Costs associated with acquisition of subsidiary	9	(10,935)	-	NM	(10,935)	-	NM
Asset management fees:							
- Base fees		(1,469)	(1,313)	11.9	(1,335)	(1,313)	1.7
- Performance fees	10	(1,825)	(2,298)	(20.6)	(1,751)	(2,298)	(23.8)
Trust expenses		(620)	(654)	(5.2)	(596)	(655)	(9.0)
Finance costs	11	(12,422)	(9,304)	33.5	(10,124)	(9,304)	8.8
Net income before share of profit of joint ventures		32,000	40,220	(20.4)	56,784	60,872	(6.7)
Share of profit (net of tax) of:							
- Joint ventures	12	22,158	16,502	34.3	-	-	-
Net income		54,158	56,722	(4.5)	56,784	60,872	(6.7)
Loss on acquisition of subsidiary - net	13	(2,562)	-	NM	-	-	-
Total return for the period before tax		51,596	56,722	(9.0)	56,784	60,872	(6.7)
Tax expense	14	(165)	(4)	NM	(237)	(3)	NM
Total return for the period after tax		51,431	56,718	(9.3)	56,547	60,869	(7.1)
<u>Distribution Statement</u>							
Net income before share of profit of joint ventures		32,000	40,220	(20.4)	56,784	60,872	(6.7)
Net tax and other adjustments	15	11,699	2,205	NM	11,512	2,278	NM
Distribution from joint ventures	16	24,597	20,725	18.7	-	-	-
Distributable income to unitholders		68,296	63,150	8.1	68,296	63,150	8.1

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Notes:

- (1) Gross rental revenue for 3Q 2016 was S\$68.3 million, an increase of S\$6.6 million or 10.7% from 3Q 2015. The increase was due to contribution of S\$6.7 million from CapitaGreen which was acquired on 31 August 2016.
- (2) Other income includes the following:
 - (a) Yield stabilization income of S\$0.4 million was accrued in 3Q 2016 for Twenty Anson (3Q 2015: S\$0.8 million). The amount was accrued pursuant to a Deed of Yield Stabilization ('YS Deed') dated 22 March 2012 whereby a yield stabilization sum of S\$17.1 million was provided to achieve a stabilized yield of up to 5.5% per annum for Twenty Anson's purchase value of S\$430.0 million. The yield stabilization income was computed based on 4.0% per annum of net property income yield for 3Q 2016 and 3Q 2015. As at 30 September 2016, the balance yield stabilization sum was S\$2.6 million (30 September 2015: S\$3.7 million); and
 - (b) Recovery from tenants and licence. The amount was lower in 3Q 2016 vis-à-vis 3Q 2015 due to lower tenant recoveries.
- (3) Lower property tax for 3Q 2016 was largely due to lower annual value assessed by Inland Revenue of Singapore for Capital Tower.
- (4) Other property operating expenses in 3Q 2016 was higher as compared with that of 3Q 2015 mainly due to an increase in property reimbursement expenses. For the Group, consolidation of MSO Trust's expenses for September 2016 had also contributed to the increase.
- (5) The following items have been included in arriving at net property income:

	Group			Trust		
	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %
Depreciation & amortisation of lease incentives	447	386	15.8	343	386	(11.1)

- (6) Interest income includes the following:

	Group			Trust		
	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %
Interest income from cash balance	187	81	NM	151	64	NM
Interest income from unitholder's loan to MSO Trust ^(6a)	833	923	(9.8)	1,972	923	NM
Total	1,020	1,004	1.6	2,123	987	NM

- (6a) At the Trust level, the increase in interest income for the Trust in 3Q 2016 vs 3Q 2015 was mainly due to higher interest rate and higher amount of loans extended to MSO Trust. At the Group level, interest income was earned for only two months in 3Q 2016 prior to the acquisition of 60% units of MSO Trust vis-a-vis the full quarter in 3Q 2015.
- (7) Investment income in 3Q 2016 for the Trust relates to distributions from RCS Trust, MSO Trust and MQREIT, while that for 3Q 2015 relates to distributions from RCS Trust and MQREIT. At the Group level, investment income for the Group relates to distribution from MQREIT. 3Q 2015 investment income was lower for CCT Group versus 3Q 2016 because MQREIT paid a partial advance distribution in 1Q 2015.
- (8) This relates to the amortisation of yield stabilization sum in relation to Twenty Anson. The amount was computed based on a net property yield of 4.0% per annum for Twenty Anson.
- (9) This relates to cost incurred in the acquisition of 60% units in MSO Trust, comprising mainly of acquisition fees. The amount does not affect distributable income.
- (10) The decrease in performance fees for 3Q 2016 vs 3Q 2015 for the Trust and Group was mainly due to a lower net investment income after deducting the costs associated with acquisition of 60% units in MSO Trust.

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(11) Finance costs include the following:

	Group			Trust		
	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %
Interest cost ^(11a)	11,316	8,253	37.1	9,095	8,253	10.2
Amortisation and transaction costs	1,106	1,051	5.2	1,029	1,051	(2.1)
Total	12,422	9,304	33.5	10,124	9,304	8.8

- (11a) At the Trust level, higher interest cost for 3Q 2016 from 3Q 2015 was due to the increase in borrowings to acquire 60% units in MSO Trust. At the Group level, MSO Trust's interest cost for September 2016 was consolidated into CCT Group's interest cost and additional borrowings incurred for the acquisition of 60% of MSO Trust resulted in higher interest cost year-on-year.
- (12) Share of profit of joint ventures relates to CCT's 60% interest in RCS Trust and 40% interest in MSO Trust (for MSO Trust, it is for the period 1 July to 31 August 2016), which are derived as follows:

	Group		
	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %
Gross revenue ^(12a)	40,275	37,623	7.0
Property operating expenses ^(12b)	(9,544)	(10,607)	(10.0)
Net property income ^(12a)	30,731	27,016	13.8
Finance costs ^(12c)	(6,086)	(8,040)	(24.3)
Trust and other expenses ^(12d)	(2,487)	(2,474)	0.5
Profit of joint ventures (net of tax)	22,158	16,502	34.3

- (12a) The increase in gross revenue and net property income were largely due to contributions from progressive commencement of leases at CapitaGreen, notwithstanding that CapitaGreen's contribution to joint ventures' revenue was only for two months in 3Q 2016 (revenue of CapitaGreen for September 2016 was consolidated to CCT Group). In 3Q 2016, CCT's 40% interest in gross revenue of CapitaGreen was S\$5.4 million (3Q 2015: S\$3.2 million), and net property income was S\$4.8 million in 3Q 2016 (3Q 2015: S\$1.5 million).
- (12b) Lower property operating expenses for 3Q 2016 versus 3Q 2015 as only two months of MSO Trust's expenses were accounted in 3Q 2016 versus the full quarter for 3Q 2015. In addition, there was a one-off property tax reversal of S\$1.0 million (CCT's 40% interest) for CapitaGreen in August 2016 due to successful appeal for lower annual values for the property tax assessment.
- (12c) Lower finance costs in 3Q 2016 from 3Q 2015 were due to lower finance costs by RCS Trust.
- (12d) Includes asset management fees.
- (13) On 31 August 2016, the Group completed the acquisition of 60% interest in MSO Trust and MSO Trust is now a wholly owned subsidiary of CCT. A net loss on acquisition of subsidiary of S\$2.6 million was recognised as a result of the realisation of its initial 40% share of MSO Trust's hedging reserve of S\$8.6 million, prior to the acquisition of 60% interest in MSO Trust. This was offset by the provisional gain of S\$6.0 million for the acquisition as the consideration paid for the acquisition of 60% interest in MSO Trust was lower than the fair value of the net asset. The provisional gain may be adjusted upon finalization of audited MSO Trust's financial results as at 31 August 2016. This amount does not affect distributable income.
- (14) This relates to the tax on the distribution received from MQREIT and the yield stabilization income for Twenty Anson.

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

	Group			Trust		
	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %
Asset management fee payable in Units	904	956	(5.4)	904	956	(5.4)
Trustee's fees	180	165	9.1	180	165	9.1
Amortisation and transaction costs	1,106	1,051	5.2	1,029	1,051	(2.1)
Costs associated with acquisition of subsidiary	10,935	-	NM	10,935	-	NM
Net profits from subsidiaries ^(15a)	(31)	(70)	(55.7)	-	-	-
Tax-exempt income retained ^(15b)	(1,831)	(763)	NM	(1,831)	(763)	NM
Temporary differences and other adjustments	436	866	(49.7)	295	869	(66.1)
Total	11,699	2,205	NM	11,512	2,278	NM

(15a) This relates mainly to profits from FirstOffice Pte. Ltd. ("FOPL"), a special-purpose vehicle that holds Twenty Anson before the property was transferred to CCT in July 2015.

(15b) For 3Q 2016, this relates to net tax-exempt income from MQREIT (S\$1.5 million) and Twenty Anson's yield stabilisation sum (S\$0.3 million) retained for the Group and the Trust. Amount for 3Q 2015 relates to retained net tax-exempt income from MQREIT, which was lower than that of 3Q 2016 as MQREIT had paid partial advance distribution in 1Q 2015. The retained amount may be used for anticipated capital expenditure and/or distribution to unitholders.

(16) This relates to CCT's 60% interest in RCS Trust's distribution and 40% interest in MSO Trust's distribution in 3Q 2016 (prior to the completion of acquisition of MSO Trust on 31 August 2016). For 3Q 2015, it relates only to CCT's 60% interest in RCS Trust's distribution.

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1(a)(ii) Statement of Total Return & Distribution Statement (YTD Sep 2016 vs YTD Sep 2015)

Statement of Total Return	Note	Group			Trust		
		YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Change %	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Change %
Gross rental income	1	190,945	187,037	2.1	184,280	177,169	4.0
Car park income		8,626	8,662	(0.4)	8,515	8,559	(0.5)
Other income	2	9,280	9,921	(6.5)	9,063	9,023	0.4
Gross revenue		208,851	205,620	1.6	201,858	194,751	3.6
Property management fees		(4,531)	(4,530)	0.0	(4,365)	(4,265)	2.3
Property tax	3	(18,028)	(17,497)	3.0	(17,380)	(16,622)	4.6
Other property operating expenses	4	(25,785)	(23,095)	11.6	(24,955)	(21,950)	13.7
Property operating expenses		(48,344)	(45,122)	7.1	(46,700)	(42,837)	9.0
Net property income	5	160,507	160,498	0.0	155,158	151,914	2.1
Interest income	6	3,676	2,928	25.5	4,730	8,983	(47.3)
Investment income	7	3,369	871	NM	75,775	66,411	14.1
Amortisation of intangible asset	8	(769)	(1,135)	(32.2)	(769)	(1,135)	(32.2)
Costs associated with acquisition of subsidiary	9	(10,935)	-	NM	(10,935)	-	NM
Asset management fees:							
- Base fees		(4,093)	(3,806)	7.5	(3,959)	(3,806)	4.0
- Performance fees	10	(6,404)	(7,070)	(9.4)	(6,330)	(7,070)	(10.5)
Trust expenses	11	(1,829)	(2,306)	(20.7)	(1,799)	(2,260)	(20.4)
Finance costs	12	(31,485)	(26,439)	19.1	(29,174)	(26,425)	10.4
Net income before share of profit of associate and joint ventures		112,037	123,541	(9.3)	182,697	186,612	(2.1)
Share of profit (net of tax) of:							
- Associate	13	-	1,820	NM	-	-	-
- Joint ventures	14	78,310	66,470	17.8	-	-	-
Net income		190,347	191,831	(0.8)	182,697	186,612	(2.1)
Dilution (loss) / gain on investment in associate	15	-	(18,903)	NM	-	2,629	NM
Impairment of available-for-sale investment	16	(8,916)	-	NM	(8,916)	-	NM
Loss on acquisition of subsidiary - net	17	(2,562)	-	NM	-	-	NM
Net gain in fair value of investment properties	18	8,643	37,393	(76.9)	8,643	37,890	(77.2)
Total return for the period before tax		187,512	210,321	(10.8)	182,424	227,131	(19.7)
Tax expense	19	(391)	(91)	NM	(461)	(3)	NM
Total return for the period after tax		187,121	210,230	(11.0)	181,963	227,128	(19.9)
Distribution Statement							
Net income before share of profit of associate and joint ventures		112,037	123,541	(9.3)	182,697	186,612	(2.1)
Net tax and other adjustments	20	15,689	3,965	NM	15,532	3,716	NM
Distribution from joint ventures	21	70,503	62,822	12.2	-	-	-
Distributable income to unitholders		198,229	190,328	4.2	198,229	190,328	4.2

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Notes:

- (1) Gross rental revenue for CCT Group for YTD September 2016 was S\$190.9 million, an increase of S\$ 3.9 million or 2.1% from YTD September 2015. CapitaGreen's gross rental revenue of S\$6.7 million for September 2016 contributed to the increase, albeit the increase was offset by lower gross rental revenue from other properties arising from lower occupancies and/or rental rates.
- (2) Other income includes the following:
 - (a) Yield stabilization income of S\$0.8 million was accrued in YTD September 2016 for Twenty Anson (YTD September 2015: S\$1.1 million). Please refer to note (2)(a) of page 4 for additional information; and
 - (b) Recovery from tenants, licence and other income which was lower in YTD September 2016 versus YTD September 2015 due mainly to lower tenant recoveries.
- (3) At the Group level, the higher property tax for YTD September 2016 from the same period last year was primarily due to consolidation of MSO Trust's property tax for September 2016. At the Trust level, the higher property tax for YTD September 2016 was from Twenty Anson when the property was transferred from FirstOffice Pte Ltd (a special purpose vehicle) to CCT in July 2015.
- (4) At the Group level, the increase in other property operating expenses for YTD September 2016 vis-a-vis YTD September 2015 was due to the consolidation of MSO Trust's property operating expenses. In addition, higher leasing commission, property reimbursement expenses and ad-hoc maintenance and repairs also resulted in the increase.
- (5) The following items have been included in arriving at net property income:

	Group			Trust		
	YTD Sep 2016	YTD Sep 2015	Change	YTD Sep 2016	YTD Sep 2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation and amortisation of lease incentives	1,228	1,154	6.4	1,125	1,062	5.9

- (6) Interest income includes the following:

	Group			Trust		
	YTD Sep 2016	YTD Sep 2015	Change	YTD Sep 2016	YTD Sep 2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from cash balance	397	227	74.9	312	171	82.5
Interest income from unitholder's loan to MSO Trust ^(6a)	3,279	2,701	21.4	4,418	2,701	63.6
Interest income from shareholder's loan to FOPL ^(6b)	-	-	-	-	6,111	NM
Total	3,676	2,928	25.5	4,730	8,983	(47.3)

- (6a) Interest income from unitholder's loan to MSO Trust was due to higher interest rate applied to the unitholder's loans and more unitholder's loans provided to MSO Trust.
- (6b) FOPL repaid the shareholder's loan from CCT on 1 July 2015, resulting in nil interest income for YTD September 2016 as compared with S\$6.1 million for YTD September 2015.
- (7) At the Trust level, investment income for YTD September 2016 relates to distributions from RCS Trust, MSO Trust and MQREIT, while YTD September 2015 relates to only distributions from RCS Trust and MQREIT.
 At the Group level, investment income for YTD September 2016 relates to distribution from MQREIT. Investment income for YTD September 2015 was lower than that of YTD September 2016 because prior to 1Q 2015, MQREIT was classified as an associate and hence the distributions from MQREIT prior to 1Q 2015 was eliminated at the Group level.
- (8) 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.

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- (9) This relates to cost incurred in the acquisition of 60% units in MSO Trust, comprising mainly of acquisition fees. The amount does not affect distributable income.
- (10) The decrease in performance fees for YTD September 2016 vs YTD September 2015 for the Trust and Group was mainly due to a lower net investment income after deducting the costs associated with acquisition of 60% units in MSO Trust.
- (11) Trust expenses were lower for YTD September 2016 as compared with YTD September 2015 due mainly to lower unitholders expenses incurred.
- (12) Finance costs include the following:

	Group			Trust		
	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Change %	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Change %
Interest cost ^(12a)	27,676	23,711	16.7	25,455	23,711	7.4
Amortisation and transaction costs	3,809	2,728	39.6	3,719	2,714	37.0
Total	31,485	26,439	19.1	29,174	26,425	10.4

- (12a) The increase in interest cost for YTD September 2016 was due to CCT's acquisition of 60% units of MSO Trust funded by borrowings. For the Group, consolidation of MSO Trust's interest cost from bank borrowings for September 2016 (S\$2.2 million) also contributed to the increase.
- (13) Share of profit of associate in YTD September 2015 relates to CCT's then 30% share of MQREIT's results. Investment by CCT in MQREIT was reduced to 17.7% and reclassified to an available-for-sale investment in 1Q 2015. Therefore, there was no share of profit of associate in YTD September 2016.
- (14) Share of profit of joint ventures relates to CCT's 60% interest of RCS Trust and CCT's 40% interest of MSO Trust (prior to 31 August 2016), which are derived as follows:

	Group		
	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Change %
Gross revenue ^(14a)	125,612	109,388	14.8
Property operating expenses ^(14b)	(30,406)	(32,781)	(7.2)
Net property income ^(14a)	95,206	76,607	24.3
Finance costs ^(14c)	(24,626)	(23,407)	5.2
Net change in fair value of investment properties ^(14d)	15,473	20,725	(25.3)
Trust and other expenses ^(14e)	(7,743)	(7,455)	3.9
Net profit of joint ventures (after tax)	78,310	66,470	17.8

- (14a) The increase in gross revenue and net property income were largely due to contributions from progressive commencement of leases at CapitaGreen. CCT's 40% interest in gross revenue of MSO Trust was S\$19.9 million for the periods from January 2016 to August 2016 compared with YTD September 2015 of S\$4.0 million. CCT's 40% interest in MSO Trust's net property income was S\$15.7 million for the periods January 2016 to August 2016 in contrast to a loss of S\$1.3 million for YTD September 2015.
- (14b) Lower property operating expenses were due to operating expenses of CapitaGreen for the month of September 2016 being excluded as well as a one-off reversal of property tax of S\$1.0 million (CCT's 40% interest) in August 2016 arising from successful appeal for lower annual values for property tax assessment. In addition, lower utilities, marketing and consultancy expenses also contributed to the decline in property operating expense.
- (14c) YTD September 2016 finance cost of S\$24.6 million, an increase of S\$1.2 million or 5.2% from YTD September 2015 due largely to MSO Trust's finance costs which grew S\$3.2 million year-on-year due to higher interest rates for its borrowings. This is offset by lower finance cost of RCS Trust which saw a decline of S\$1.9 million year-on-year.
- (14d) The net change in fair value of investment properties in YTD September 2016 comprises S\$0.9 million gain for Raffles City Singapore (CCT's 60% interest) and S\$14.6 million gain for CapitaGreen (CCT's 40% interest) (YTD September 2015: S\$4.7 million gain for Raffles City Singapore and S\$16.0 million gain for CapitaGreen).
- (14e) Includes asset management fees.

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- (15) Dilution (loss) / gain on investment in associate for YTD September 2015 relates to the marked-to-market (loss) / gain on the investment of MQREIT when it was reclassified from to an available-for-sale investment in 1Q 2015.
- (16) The impairment loss of available-for-sale investment was due to prolonged adverse movement of MYR/S\$ exchange rate and the drop in quoted price of MQREIT units which was recognized in 2Q 2016. This amount does not have an impact on CCT's distributable income.
- (17) On 31 August 2016, the Group completed the acquisition of 60% interest in MSO Trust and MSO Trust is now a wholly owned subsidiary of CCT. A net loss on acquisition of subsidiary of S\$2.6 million was recognised as a result of the realisation of its initial 40% share of MSO Trust's hedging reserve of S\$8.6 million, prior to the acquisition of 60% interest in MSO Trust. This was offset by the provisional gain of S\$6.0 million from the acquisition as the consideration paid for the acquisition of 60% interest of MSO Trust was lower than the fair value of the net asset. The provisional gain may be adjusted upon finalization of audited MSO Trust's financial results as at 31 August 2016. This amount does not affect distributable income.
- (18) This relates to the net increase in property values over its carrying values, arising from the independent valuations carried out half yearly.
- (19) This relates to the tax on the distribution received from MQREIT and the yield stabilization sum for Twenty Anson.
- (20) Included in net tax and other adjustments are the following:

	Group			Trust		
	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Change %	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Change %
Asset management fee paid and payable in Units	2,779	2,874	(3.3)	2,779	2,874	(3.3)
Trustee's fees	509	478	6.5	509	478	6.5
Amortisation and transaction costs	3,809	2,728	39.6	3,719	2,714	37.0
Costs associated with acquisition of subsidiary	10,935	-	NM	10,935	-	NM
Net profits from subsidiaries ^(20a)	(62)	(2,472)	(97.5)	-	-	-
Tax-exempt income retained ^(20b)	(3,674)	(763)	NM	(3,674)	(3,187)	15.3
Other items	1,393	1,120	24.4	1,264	837	51.0
Total	15,689	3,965	NM	15,532	3,716	NM

- (20a) Included in net profits from subsidiaries in YTD September 2015 were mainly profits from FOPL of S\$2.5 million. The profits of FOPL was negligible in YTD September 2016 after the transfer of Twenty Anson to CCT in 2015.
- (20b) For YTD September 2016, this relates to net tax-exempt distribution income from MQREIT (S\$3.0 million) and from Twenty Anson's yield stabilisation sum (S\$0.7 million) retained for the Group and the Trust. For YTD September 2015, it relates to the net tax-exempt distribution from MQREIT for the Trust. The retained amount may be used for anticipated capital expenditure and/or distribution to unitholders.
- (21) This relates to CCT's 60% interest in RCS Trust's and 40% interest in MSO Trust's distribution (when MSO Trust was classified as a joint venture) in YTD September 2016. For YTD September 2015, it relates only to CCT's 60% interest in RCS Trust's distribution.

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST
2016 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
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1(b)(i) Statement of Financial Position as at 30 September 2016 vs 31 December 2015

	Note	Group			Trust		
		30 Sep 2016	31 Dec 2015	Change	30 Sep 2016	31 Dec 2015	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Plant and equipment		1,303	1,272	2.4	1,240	1,272	(2.5)
Investment properties	1	6,570,898	4,961,700	32.4	4,970,398	4,961,700	0.2
Subsidiaries	2	-	-	-	714,968	167,657	NM
Available-for-sale investment	3	49,087	41,621	17.9	49,087	41,621	17.9
Joint ventures	4	1,203,181	1,452,447	(17.2)	863,189	997,780	(13.5)
Intangible asset	5	2,646	3,416	(22.5)	2,646	3,416	(22.5)
Financial derivatives	6	22,439	5,611	NM	22,439	5,611	NM
Total non-current assets		7,849,554	6,466,067	21.4	6,623,967	6,179,057	7.2
Current assets							
Trade and other receivables		36,847	43,540	(15.4)	35,010	43,451	(19.4)
Cash and cash equivalents		109,328	81,212	34.6	74,185	67,151	10.5
Financial derivatives	6	8	1,726	(99.5)	8	1,726	(99.5)
Total current assets		146,183	126,478	15.6	109,203	112,328	(2.8)
Total assets	7	7,995,737	6,592,545	21.3	6,733,170	6,291,385	7.0
Current liabilities							
Trade and other payables	8	86,633	37,263	NM	217,368	199,900	8.7
Current portion of security deposits		9,355	8,611	8.6	9,355	8,611	8.6
Convertible bonds	9	172,878	-	NM	172,878	-	NM
Financial derivatives	6	883	-	NM	883	-	NM
Current tax payable		655	64	NM	131	60	NM
Total current liabilities		270,404	45,938	NM	400,615	208,571	92.1
Non-current liabilities							
Non-current portion of security deposits		49,800	31,848	56.4	31,493	31,848	(1.1)
Interest-bearing liabilities	10	2,463,585	1,083,623	NM	1,577,320	1,083,623	45.6
Convertible bonds	9	-	171,281	NM	-	171,281	NM
Financial derivatives	6	35,314	25,719	37.3	12,420	25,719	(51.7)
Total non-current liabilities		2,548,699	1,312,471	94.2	1,621,233	1,312,471	23.5
Total liabilities		2,819,103	1,358,409	NM	2,021,848	1,521,042	32.9
Net assets		5,176,634	5,234,136	(1.1)	4,711,322	4,770,343	(1.2)
Unitholders' funds		5,176,634	5,234,136	(1.1)	4,711,322	4,770,343	(1.2)

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST

2016 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

Notes:

- (1) At the Group level, the value of the investment properties as at 30 September 2016 was S\$6.6 billion, a significant increase of S\$1.6 billion or 32.4% over the values as at 31 December 2015. This was due to the consolidation of CapitaGreen of S\$1.6 billion as at 30 September 2016 upon completion of the acquisition of 60% interest in MSO Trust.
- (2) At the Trust level, this relates to the investments in wholly owned subsidiaries, CCT MTN Pte. Ltd., FOPL and MSO Trust (including unitholder's loan to MSO Trust) as at 30 September 2016 (31 December 2015: CCT MTN Pte. Ltd. and FOPL).
- (3) This relates to CCT's 17.7% stake in MQREIT.
- (4) This relates to 60% interest in RCS Trust as at 30 September 2016. As at 31 December 2015, this includes 60% interest in RCS Trust and 40% interest in MSO Trust (including unitholder's loan to MSO Trust).
- (5) This relates primarily to the unamortised yield stabilization sum in relation to Twenty Anson.
- (6) This relates to the fair values of cross currency swaps or interest rate swaps.
- (7) Total assets were S\$7,995.7 million as at 30 September 2016 (31 December 2015: S\$6,592.5 million). Total deposited property value, including CCT's 60% interest in RCS Trust as at 30 September 2016 was S\$8,681.4 million (31 December 2015: S\$7,721.5 million).
- (8) At the Trust level, included in Trade and other payables is the balance purchase consideration of S\$163.1 million payable by the Trust to its subsidiary, FOPL, in respect of the transfer of Twenty Anson on 1 July 2015. At the Group level, trade and other payables as at 30 September 2016 was S\$86.6 million, an increase of S\$49.4 million due mainly to the consolidation of MSO Trust's Trade and other payables of S\$32.2 million.
- (9) This relates to the liability component of CB 2017 of principal amount S\$175.0 million which was measured at amortised cost. The amount has been reclassified from non-current liability to current liability as the maturity date is on 12 September 2017. There are sufficient bank facilities to refinance the liability.
- (10) Interest-bearing liabilities as at 30 September 2016 were S\$2.5 billion, an increase of S\$1.4 billion from 31 December 2015. The increase was largely due to the additional borrowings required for financing the acquisition of 60% interest in MSO Trust that holds CapitaGreen as well as consolidation of MSO Trust's borrowings.

The interest-bearing liabilities as at 30 September 2016 comprised:

- a) Unsecured fixed rate notes totaling S\$225.0 million; JPY24.9 billion and HKD585.0 million (hedged via cross currency swaps to S\$425.8 million);
- b) Unsecured bank borrowings of S\$921.6 million; and
- c) Secured bank borrowings of S\$890.0 million of MSO Trust.

Interest-bearing liabilities under non-current liabilities as at 31 December 2015 comprised:

- a) Unsecured fixed rate notes totaling S\$150.0 million and JPY24.9 billion (hedged via cross currency swaps to S\$323.3 million); and
- b) Unsecured bank borrowings of S\$650.0 million.

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

	Group			Trust		
	30 Sep 2016 S\$'000	31 Dec 2015 S\$'000	Change %	30 Sep 2016 S\$'000	31 Dec 2015 S\$'000	Change %
Secured borrowings						
Amount repayable after one year ⁽¹⁾	890,000	-	NM	-	-	-
Less: Unamortised portion of transactions costs ⁽¹⁾	(3,735)	-	NM	-	-	-
Net secured borrowings after one year	886,265	-	NM	-	-	-
Unsecured borrowings						
Amount repayable after one year	1,579,538	1,258,918	25.5	1,579,538	1,258,918	25.5
Less: Unamortised portion of transactions costs	(2,218)	(4,014)	(44.7)	(2,218)	(4,014)	(44.7)
Net unsecured borrowings after one year	1,577,320	1,254,904	25.7	1,577,320	1,254,904	25.7
Amount repayable within one year	173,469	-	NM	-	-	-
Less: Unamortised portion of transactions costs	(591)	-	NM	-	-	-
Net unsecured borrowings within one year	172,878	-	NM	-	-	-
Total unsecured borrowings	1,750,198	1,254,904	39.5	1,577,320	1,254,904	25.7
Total secured and unsecured borrowings	2,636,463	1,254,904	NM	1,577,320	1,254,904	25.7

Note :

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

For information only ⁽¹⁾

Unsecured borrowings
Amount repayable after one year
Less: Unamortised portion of transactions costs
Net repayable after one year
Total unsecured borrowings

Secured borrowings
Amount repayable after one year
Less: Unamortised portion of transactions costs
Net repayable after one year
Amount repayable within one year
Less: Unamortised portion of transactions costs
Net repayable within one year
Total secured borrowings

For information only		
30 Sep 2016 S\$'000	31 Dec 2015 S\$'000	Change %
645,900 ⁽²⁾	-	NM
(1,602)	-	NM
644,298	-	NM
644,298	-	NM
-	356,000 ⁽³⁾	NM
-	(1,764)	NM
-	354,236	NM
-	626,400 ⁽²⁾	NM
-	(742)	NM
-	625,658	NM
-	979,894	NM

Notes:

(1) As at 30 September 2016, this relates to CCT's interest in the aggregate borrowings of RCS Trust which are not included under total borrowings in the statement of financial position of the Group (31 December 2015: relates to CCT's interest in the aggregate borrowings of both RCS Trust and MSO Trust).

(2) This relates to CCT's 60% interest of RCS Trust's borrowings.

(3) This relates to CCT's 40% interest of MSO Trust's borrowings.

NM – Not Meaningful

CAPITALAND COMMERCIAL TRUST
2016 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
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1(c)(i) Statement of Cash Flow (3Q 2016 vs 3Q 2015)

	Note	Group	
		3Q 2016 S\$'000	3Q 2015 S\$'000
Operating activities			
Total return for the period before tax		51,596	56,722
Adjustments for :			
Share of profit of joint ventures		(22,158)	(16,502)
Amortisation of lease incentives		375	308
Amortisation of intangible asset		438	757
Depreciation of plant and equipment		72	78
Finance costs		12,422	9,304
Interest income		(1,020)	(1,004)
Asset management fees paid and payable in Units		904	956
Distributions from available-for-sale investment		(1,661)	(871)
Loss on acquisition of subsidiary - net		2,562	-
Costs associated with acquisition of subsidiary		10,935	-
Foreign Exchange loss		-	85
Operating income before working capital changes		54,465	49,833
Changes in working capital			
Trade and other receivables		(463)	(1,009)
Trade and other payables		(39,632)	2,154
Security deposits		18	(1,000)
Cash generated from operating activities		14,388	49,978
Tax expenses paid		(76)	-
Net cash from operating activities		14,312	49,978
Investing activities			
Capital expenditure on investment properties		1,434	(5,133)
Purchase of plant and equipment		(14)	(23)
Distribution received from available-for-sale investment		1,661	786
Distributions received from joint ventures		24,252	21,315
Interest income received		15,520	454
Acquisition of subsidiary		(342,258)	-
Loan to joint venture		-	(4,000)
Net cash (used in) / from investing activities		(299,405)	13,399
Financing activities			
Interest paid		(10,384)	(7,266)
Distribution to unitholders		(123,358)	(120,711)
Proceeds from interest-bearing liabilities	1	500,050	124,000
Repayment of interest-bearing liabilities	2	(75,000)	(90,000)
Net cash from / (used in) financing activities		291,308	(93,977)
Net increase / (decrease) in cash and cash equivalents		6,215	(30,600)
Cash and cash equivalents at beginning of period		103,113	91,752
Cash and cash equivalents at end of period		109,328	61,152

Notes:

- (1) This relates to the proceeds from bank borrowings of S\$425.1 million and fixed rate notes of S\$75.0 million.
(2) This relates to the repayment of bank borrowings.

CAPITALAND COMMERCIAL TRUST
2016 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
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1(c)(ii) Statement of Cash Flow (YTD September 2016 vs YTD September 2015)

	Note	Group	
		YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000
Operating activities			
Total return for the period before tax		187,512	210,321
Adjustments for :			
Share of profit of associate and joint ventures		(78,310)	(68,290)
Amortisation of lease incentives		983	929
Amortisation of intangible asset		769	1,135
Depreciation of plant and equipment		245	225
Finance costs		31,485	26,439
Interest income		(3,676)	(2,928)
Impairment on available-for-sale investment		8,916	-
Asset management fees paid and payable in Units		2,779	2,874
Net gain in fair value of investment properties		(8,643)	(37,393)
Dilution loss on investment in associate		-	18,903
Distribution from available-for-sale investment		(3,369)	(871)
Loss on acquisition of subsidiary - net		2,562	-
Costs associated with acquisition of subsidiary		10,935	-
Foreign exchange loss		-	353
Operating income before working capital changes		152,188	151,697
Changes in working capital			
Trade and other receivables		(1,479)	(1,890)
Trade and other payables		(39,138)	1,136
Security deposits		458	315
Cash generated from operations		112,029	151,258
Tax expenses paid		(308)	(88)
Net cash generated from operating activities		111,721	151,170
Investing activities			
Capital expenditure on investment properties		(2,234)	(14,566)
Purchase of plant and equipment		(197)	(126)
Distribution received from available-for-sale investment		3,369	786
Distributions received from associate & joint ventures		67,920	66,443
Interest income received		19,040	769
Acquisition of subsidiary		(342,258)	-
Loan to joint venture		-	(4,000)
Net cash (used in) / from investing activities		(254,360)	49,306
Financing activities			
Interest paid		(27,666)	(23,836)
Distribution to unitholders		(250,629)	(245,573)
Proceeds from interest-bearing liabilities	1	724,050	314,000
Repayment of interest-bearing liabilities	2	(275,000)	(285,000)
Net cash from / (used in) financing activities		170,755	(240,409)
Net increase / (decrease) in cash and cash equivalents		28,116	(39,933)
Cash and cash equivalents at beginning of the period		81,212	101,085
Cash and cash equivalents at end of the period		109,328	61,152

Notes:

- (1) This relates to the proceeds from bank borrowings of S\$546.6 million and issuance of S\$75.0 million and HKD585.0 million fixed rate notes. The HKD585.0 million fixed rate notes have been hedged via cross currency interest rate swaps to notional principal amount of S\$102.5 million at an interest rate of 2.7% per annum.
- (2) This relates to the repayment of bank borrowings.

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1(d)(i) Statement of movement in unitholders' funds (3Q 2016 vs 3Q 2015)

	Note	Group		Trust	
		3Q 2016 S\$'000	3Q 2015 S\$'000	3Q 2016 S\$'000	3Q 2015 S\$'000
Net assets as at beginning of period		5,226,849	5,196,856	4,763,185	4,736,890
Operations					
Total return for the period		51,431	56,718	56,547	60,869
Unitholders' transactions					
Creation of units:					
- Units issued in respect of RCS Trust's asset management fees		1,190	2,217	1,190	2,217
- Asset management fee paid and payable in Units		2,171	968	2,171	968
- Acquisition fees paid in Units		8,003	-	8,003	-
Distributions to unitholders		(129,783)	(127,081)	(129,783)	(127,081)
Net decrease in net assets resulting from unitholders' transactions		(118,419)	(123,896)	(118,419)	(123,896)
Movement in reserves					
- Available-for-sale reserve	1	3,895	(5,905)	3,895	(5,905)
- Hedging reserves	2	12,878	13,226	6,114	12,923
Net increase in net assets resulting from movement in reserves		16,773	7,321	10,009	7,018
Net decrease in net assets		(50,215)	(59,857)	(51,863)	(56,009)
Net assets as at end of the period		5,176,634	5,136,999	4,711,322	4,680,881

Notes:

- (1) This relates to marked to market movement of MQREIT.
- (2) The movement in hedging reserves for the Trust relates to the fair value changes of the cross currency and interest rate swaps and the revaluation of JPY and HKD notes. Included in movement for the Group was the subsidiary's (MSO Trust) and the Group's share of the movement in hedging reserves of the joint ventures.

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1(d)(ii) Statement of movement in unitholders' funds (YTD Sep 2016 vs YTD Sep 2015)

	Note	Group		Trust	
		YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000
Net assets as at beginning of the period		5,234,136	5,153,488	4,770,343	4,690,828
Operations					
Total return for the period		187,121	210,230	181,963	227,128
Unitholders' transactions					
Creation of new units:					
- Units issued in respect of RCS Trust's asset management fees		4,608	6,635	4,608	6,635
- Asset management fee paid and payable in Units		3,442	2,844	3,442	2,844
- Acquisition fees paid in Units		8,003	-	8,003	-
Distributions to unitholders		(257,054)	(251,943)	(257,054)	(251,943)
Net decrease in net assets resulting from unitholders' transactions		(241,001)	(242,464)	(241,001)	(242,464)
Movement in reserves					
- Available-for-sale reserve	1	16,382	(9,741)	16,382	(9,741)
- Foreign currency translation reserves	2	-	10,010	-	-
- Hedging reserves	3	(20,004)	15,476	(16,365)	15,130
Net (decrease) / increase in net assets resulting from movement in reserves		(3,622)	15,745	17	5,389
Net decrease in net assets		(57,502)	(16,489)	(59,021)	(9,947)
Net assets as at end of the period		5,176,634	5,136,999	4,711,322	4,680,881

Notes:

- 1) This relates to marked to market movement of MQREIT. Included in the movement in YTD September 2016 was the reclassification of S\$8.9 million to the income statement due to the assessment on impairment of this available-for-sale investment during the year.
- 2) The movement in foreign currency translation reserves in YTD September 2015 relates to movement in translating CCT's 30% interest in MQREIT, which was denominated in Malaysian Ringgit, when it was classified as an investment in associate.
- 3) The movement in hedging reserves for the Trust relates to the fair value changes of the cross currency and interest rate swaps and the revaluation of JPY and HKD notes. Included in movement for the Group was the subsidiary's (MSO Trust) and the Group's share of movement in hedging reserves of the joint ventures.

Convertible Bonds

Principal Amount Outstanding	Maturity Date	Conversion Price per Unit as at 30 Sep 2016
<u>CB 2017</u> S\$175.0 million 2.5 per cent.	12 September 2017	1.4816

Assuming all the CB 2017 were fully converted based on the conversion price, the number of new units to be issued would be 118,115,550, representing 4.0% of the total number of CCT units in issue as at 30 September 2016 (2,962,543,658 Units). In comparison, this was against 113,569,991 Units at the conversion price of S\$1.5409 as at 30 September 2015, representing 3.8% of the total number of CCT units in issue as at 30 September 2015 (2,950,563,218 Units).

CAPITALAND COMMERCIAL TRUST
2016 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND
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1(e)(i) Details of any change in the units (3Q 2016 vs 3Q 2015)

	Group and Trust	
	3Q 2016 Units	3Q 2015 Units
Units in issue as at beginning of period	2,956,335,012	2,948,513,510
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (CCT's 60% interest) ⁽¹⁾	831,170	1,426,523
- As payment of asset management fees in relation to Wilkie Edge and One George Street ⁽¹⁾	211,240	623,185
- Acquisition fees paid in Units ⁽²⁾	5,166,236	-
Total issued units as at end of period	2,962,543,658	2,950,563,218
New units to be issued:		
- for settlement of the asset management fees in relation to Wilkie Edge and One George Street ⁽³⁾	1,172,784	-
Total Units issued and issuable as at the end of the period	2,963,716,442	2,950,563,218

Notes:

- (1) For 3Q 2016, it relates to payment of base component of asset management fees for 2Q 2016. For 3Q 2015, it relates to payment of both base and performance component of asset management fees for 2Q 2015.
- (2) This relates to the acquisition for 60% units in MSO Trust.
- (3) Estimated new units to be issued in 1Q 2017 for payment of performance fees component of the asset management fees for YTD September 2016.

1(e)(ii) Details of any change in the units (YTD September 2016 vs YTD September 2015)

	Group and Trust	
	YTD Sep 2016 Units	YTD Sep 2015 Units
Units in issue as at beginning of period	2,952,931,319	2,944,849,310
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (CCT's 60% interest) ⁽¹⁾	3,306,539	3,999,037
- As payment of asset management fees in relation to Wilkie Edge and One George Street ⁽¹⁾	1,139,564	1,714,871
- Acquisition fees paid in Units ⁽²⁾	5,166,236	-
Units in issue as at end of period	2,962,543,658	2,950,563,218
New units to be issued:		
- in settlement of the asset management fees in relation to Wilkie Edge and One George Street ⁽³⁾	1,172,784	-
Total Units issued and issuable as at the end of the period	2,963,716,442	2,950,563,218

- (1) For YTD September 2016, it relates to payment of base and performance component of asset management fees for 4Q 2015 and payment of base component of asset management fees for 1Q 2016 and 2Q 2016 which were issued during the period. For YTD September 2015, it relates to payment of both base and performance component of asset management fees for 4Q 2014, 1Q 2015 and 2Q 2015 which were issued in during the period.
- (2) This relates to the acquisition for 60% units in MSO Trust.
- (3) Estimated new units to be issued in 1Q 2017 for payment of performance fees component of the asset management fees for YTD September 2016.

CAPITALAND COMMERCIAL TRUST
2016 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**

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 2015.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Nil

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

EPU (3Q 2016 vs 3Q 2015)

	Note	Group		Trust	
		3Q 2016	3Q 2015	3Q 2016	3Q 2015
<u>Basic EPU</u>					
Weighted average number of Units in issue		2,958,035,930	2,949,805,717	2,958,035,930	2,949,805,717
Based on weighted average number of Units in issue	1	1.74¢	1.92¢	1.91¢	2.06¢
<u>Diluted EPU</u>					
Weighted average number of Units in issue (diluted)		3,080,256,180	3,063,375,708	3,080,245,880	3,063,375,708
Based on weighted average number of Units in issue (diluted)	2	1.72¢	1.90¢	1.89¢	2.04¢

EPU (YTD September 2016 vs YTD September 2015)

	Note	Group		Trust	
		YTD Sep 2016	YTD Sep 2015	YTD Sep 2016	YTD Sep 2015
<u>Basic EPU</u>					
Weighted average number of Units in issue		2,956,197,968	2,947,932,900	2,956,197,968	2,947,932,900
Based on weighted average number of Units in issue	1	6.33¢	7.13¢	6.16¢	7.70¢
<u>Diluted EPU</u>					
Weighted average number of Units in issue (diluted)		3,078,425,059	3,061,502,891	3,078,421,588	3,061,502,891
Based on weighted average number of Units in issue (diluted)	2	6.24¢	7.02¢	6.07¢	7.58¢

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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 and assumed issuance of Units for the payment of unpaid asset management fees.

Distribution per unit ("DPU")

In computing 3Q 2016 and YTD September 2016 DPU, the number of Units as at 30 September 2016 was used for the computation.

	3Q 2016	3Q 2015	YTD Sep 2016	YTD Sep 2015
Number of Units in issue	2,962,543,658	2,950,563,218	2,962,543,658	2,950,563,218
DPU for period	2.30¢ ¹	2.14¢	6.69¢ ¹	6.45¢

Note:

- (1) The estimated DPU for 3Q 2016 and YTD September 2016 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.

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 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Number of Units in issue at end of the period		2,962,543,658	2,952,931,319	2,962,543,658	2,952,931,319
NAV (S\$'000)		5,176,634	5,234,136	4,711,322	4,770,343
NTA (S\$'000)		5,173,988	5,230,720	4,708,676	4,766,927
NAV per Unit	1	\$1.75	\$1.77	\$1.59	\$1.62
NTA per Unit	1	\$1.75	\$1.77	\$1.59	\$1.61
Adjusted NAV / NTA per Unit (excluding the distributable income to unitholders)		\$1.72	\$1.73	\$1.57	\$1.57

Note:

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

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8 Review of the performance

Statement of Total Return

Gross revenue	
Property operating expenses	
Net property income	
Interest income	
Investment income	
Amortisation of intangible asset	
Costs associated with acquisition of subsidiary	
Asset management fees:	
- Base fees	
- Performance fees	
Trust expenses	
Finance costs	
Net income before share of profit of associate and joint ventures	
Share of profit (net of tax) of:	
- Associate	
- Joint ventures	
Net income	
Dilution loss on investment in associate	
Impairment on available-for-sale investment	
Loss on acquisition of subsidiary - net	
Net gain in fair value of investment properties	
Total return for the period before tax	
Tax expense	
Total return for the period after tax	

Distribution Statement

Net income before share of profit of associate and joint ventures	
Net tax and other adjustments	
Distribution from joint ventures	
Distributable income to unitholders	
DPU for the period	
Annualised	

Group					
3Q 2016	3Q 2015	Change	YTD Sep 2016	YTD Sep 2015	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%
74,422	68,345	8.9	208,851	205,620	1.6
(17,394)	(15,674)	11.0	(48,344)	(45,122)	7.1
57,028	52,671	8.3	160,507	160,498	0.0
1,020	1,004	1.6	3,676	2,928	25.5
1,661	871	90.7	3,369	871	NM
(438)	(757)	(42.1)	(769)	(1,135)	(32.2)
(10,935)	-	NM	(10,935)	-	NM
(1,469)	(1,313)	11.9	(4,093)	(3,806)	7.5
(1,825)	(2,298)	(20.6)	(6,404)	(7,070)	(9.4)
(620)	(654)	(5.2)	(1,829)	(2,306)	(20.7)
(12,422)	(9,304)	33.5	(31,485)	(26,439)	19.1
32,000	40,220	(20.4)	112,037	123,541	(9.3)
-	-	-	-	1,820	NM
22,158	16,502	34.3	78,310	66,470	17.8
54,158	56,722	(4.5)	190,347	191,831	(0.8)
-	-	-	-	(18,903)	NM
-	-	-	(8,916)	-	NM
(2,562)	-	NM	(2,562)	-	NM
-	-	-	8,643	37,393	(76.9)
51,596	56,722	(9.0)	187,512	210,321	(10.8)
(165)	(4)	NM	(391)	(91)	NM
51,431	56,718	(9.3)	187,121	210,230	(11.0)
32,000	40,220	(20.4)	112,037	123,541	(9.3)
11,699	2,205	NM	15,689	3,965	NM
24,597	20,725	18.7	70,503	62,822	12.2
68,296	63,150	8.1	198,229	190,328	4.2
2.30¢	2.14¢	7.5	6.69¢	6.45¢	3.7
9.15¢	8.49¢	7.8	8.94¢	8.62¢	3.7

NM – Not Meaningful

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Review of CCT Group's performance 3Q 2016 vs 3Q 2015

- a) Gross revenue for 3Q 2016 was S\$74.4 million, an increase of S\$6.1 million or 8.9% over 3Q 2015. Revenue from CapitaGreen (acquired on 31 August 2016) and Capital Tower increased S\$7.0 million and S\$0.8 million respectively. However, the increase was offset by lower revenue from the other properties in CCT portfolio.
- b) Property operating expenses for 3Q 2016 were S\$17.4 million, an increase of S\$1.7 million or 11.0% from 3Q 2015. The increase was mainly due to consolidation of property expenses of CapitaGreen of S\$1.6 million.
- c) Amortisation expense of S\$0.4 million for 3Q 2016 relates to the amortisation of intangible asset, which was S\$0.3 million or 42.1% lower than 3Q 2015 due mainly to lower yield stabilization sum required for Twenty Anson. Amortisation does not affect distributable income.
- d) Costs associated with acquisition of subsidiary relates mainly to acquisition fees incurred in respect of the acquisition of 60% units in MSO Trust.
- e) Finance costs of S\$12.4 million for 3Q 2016 were S\$3.1 million or 33.5% higher than the same quarter last year. MSO Trust's interest expense of S\$2.3 million accounted for the bulk of the increase while increased borrowings for the acquisition of 60% interest in MSO Trust (holds CapitaGreen) also resulted in higher finance costs.
- f) Share of profit of joint ventures for 3Q 2016 relates to CCT's 60% interest in RCS Trust and 40% interest in MSO Trust (MSO Trust's share of profits were for the months of July 2016 and August 2016).
- g) The distributable income to unitholders of S\$68.3 million for 3Q 2016 was S\$5.1 million or 8.1% higher than that of 3Q 2015. The increase was mainly due to higher distributions from MSO Trust (holds CapitaGreen) and RCS Trust.

Review of CCT Group's performance YTD September 2016 vs YTD September 2015

- a) Gross revenue for YTD September 2016 was S\$208.9 million, an increase of S\$3.2 million or 1.6% from YTD September 2015. The increase was mainly due to contribution of S\$7.0 million from CapitaGreen and higher revenue from Six Battery Road and Bugis Village. The increase was offset by lower revenue from the other properties in CCT portfolio.
- b) Property operating expenses for YTD September 2016 of S\$48.3 million were higher than YTD September 2015 by S\$3.2 million or 7.1%. The increase was mainly due to consolidation of property expenses of CapitaGreen for the month of September of S\$1.6 million as well as higher leasing commission, property reimbursement expenses, maintenance and repairs.
- c) Amortisation expense relates to the amortisation of intangible asset. The amount for YTD September 2016 of S\$0.8 million was lower than YTD September 2015 of S\$1.1 million mainly due to less yield stabilization sum required for Twenty Anson. Amortisation expense does not affect distributable income.
- d) Costs associated with acquisition of subsidiary relates mainly to acquisition fees incurred in respect of the acquisition of 60% units in MSO Trust.
- e) Trust expenses in YTD September 2016 of S\$1.8 million were lower than YTD September 2015 by S\$0.5 million or 20.7% mainly due to lower professional fees and unitholders expenses.
- f) Finance costs for YTD September 2016 were S\$31.5 million, an increase of S\$5.0 million or 19.1% higher from the same period last year. The increase in finance costs was due to higher borrowings incurred for the acquisition of 60% units in MSO Trust (holds CapitaGreen) as well as the consolidation of MSO Trust's finance costs of S\$2.3 million.
- g) Share of profit of joint ventures for YTD September 2016 relates to CCT's 60% interest in RCS Trust and 40% interest in MSO Trust (MSO Trust's share of profit was for the periods from January to August 2016). The increase of S\$11.8 million or 17.8% year-on-year was wholly from MSO Trust whose profits increased by S\$12.3 million or 190.7% year-on-year due to the progressive commencement of leases at CapitaGreen. RCS Trust's profits were lower year-on-year due to lower revaluation gains of Raffles City Singapore.
- h) The distributable income to unitholders in YTD September 2016 of S\$198.2 million was S\$7.9 million or 4.2% higher than YTD September 2015 of S\$190.3 million. The increase was contributed by MSO Trust (holds CapitaGreen) and RCS Trust.

9 Variance from Previous Forecast / Prospect Statement

CCT has not disclosed any forecast for the reporting period.

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10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

CCT distributable income for 3Q 2016 of S\$68.3 million increased by 8.1% from that of 3Q 2015. The increase arose from better performance of gross revenue of S\$74.4 million and net property income of S\$57.0 million which grew by 8.9% and 8.3% respectively from 3Q 2015. The strong growth in revenue and net property income was attributed to CapitaGreen's 100% contribution to CCT Group's revenue and net property income since the completion of the acquisition of the remaining 60% interest on 31 August 2016. Higher distributions from RCS Trust that holds Raffles City Singapore also added to the sterling performance.

The completion of CapitaGreen's acquisition has given CCT's DPU a boost this quarter and will continue to contribute to CCT Group's performance. The redevelopment of CapitaGreen from the former Market Street Car Park is a testament to CCT's successful execution of portfolio reconstitution strategy.

With the hope of repeating the same success as CapitaGreen, the Manager has announced the intention to redevelop Golden Shoe Car Park ("GSCP") into a higher-value commercial development with potential commercial gross floor area of approximately one million square feet that is expected to generate long-term value to unitholders. The redevelopment is subject to authorities' approval for the conversion of the current zoning of "transport" to "commercial", the differential premium payable and financial feasibility. The operation of GSCP car park and commercial space will cease by 31 July 2017.

Despite market headwinds, CCT's portfolio has remained resilient with 97.4% occupancy rate which is still higher than market occupancy rate of 95.9% in 3Q 2016. Through proactive leasing efforts, negotiations for almost all leases expiring this year have been concluded. Only 8% of office portfolio lease by committed net lettable area will expire in 2017. We will continue with our proactive efforts to attract and retain tenants to mitigate leasing risk.

CCT has a cumulative amount of retained net tax-exempt income of S\$17.3 million, largely from MQREIT's distribution. The Manager will evaluate various options for the utilization of total amount of tax-exempt income retained, including for capital expenditure or future distributions to unitholders.

Outlook for Singapore Central Business District (CBD) Office Market

Singapore's Core CBD occupancy rate registered a moderate increase to 95.9% in 3Q 2016 despite the completion of a new office development in the quarter. Average monthly Grade A office market rent eased by 2.1% quarter-on-quarter to S\$9.30 per square foot, compared with the rate of decline of 4.0% the previous quarter.

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 immediate preceding financial period? No.

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

Not applicable.

13 General mandate relating to interested party transactions

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

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

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

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15 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 2016 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

Wen Khai Meng
Director

Lynette Leong Chin Yee
Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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

Toh Su Jin Jason
Company Secretary
19 October 2016