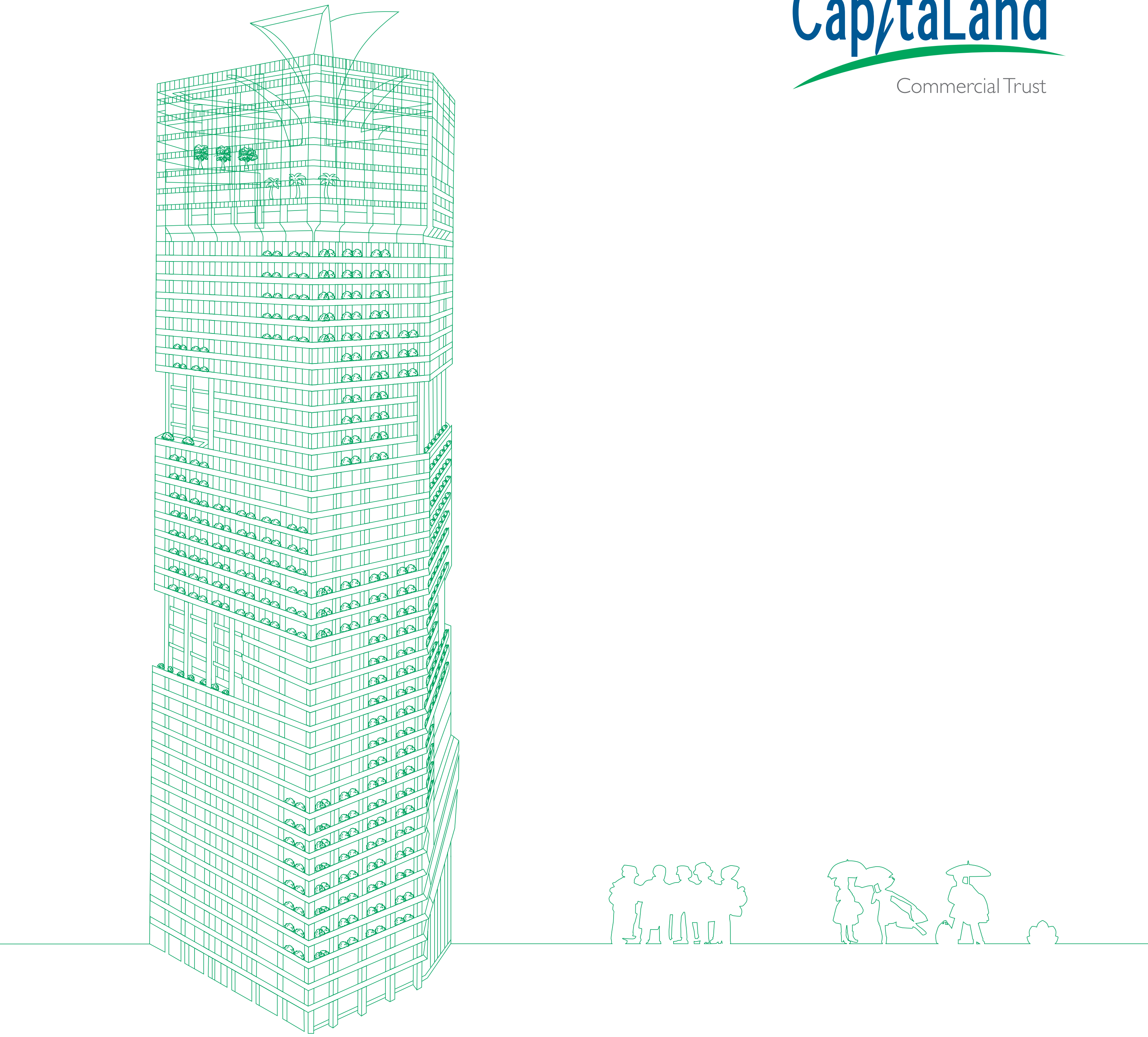


CREATING SPACES. INSPIRING BUSINESSES.

CAPITALAND COMMERCIAL TRUST
Annual Report 2015

CREATING SPACES. INSPIRING BUSINESSES.

Our proactive and disciplined approach towards asset, portfolio and capital management as well as acquisition and developments has driven CapitaLand Commercial Trust to generate higher distributions to Unitholders. In view of evolving working space needs, impending market challenges as well as our continuous pursuit of business and service excellence, we focus on creating spaces, environments and communities that would inspire businesses and enable us to attract and retain tenants. We believe this focus reinforces the resilience of our assets and portfolio, giving us the flexibility to grow the Trust and drive value creation for our Unitholders.

Cover
CapitaGreen, Singapore

Artwork
Living World Series by Ju Ming

Contents

Corporate Profile

CapitaLand Commercial Trust (CCT or the Trust) is the first and largest commercial real estate investment trust (REIT) on SGX-ST with a market capitalisation of S$4.0 billion as at 31 December 2015. CCT aims to own and invest in commercial real estate and real estate-related assets which are income producing. The total deposited property of CCT is S$7.7 billion as at 31 December 2015, comprising a portfolio of 10 prime commercial properties in Singapore, including joint ventures.

Listed on SGX-ST on 11 May 2004, CCT was created through a distribution in specie by CapitaLand Limited (CapitaLand) to its shareholders.

The Trust is managed by an external manager, CapitaLand Commercial Trust Management Limited (CCTML or the Manager), which is an indirect wholly owned subsidiary of CapitaLand, one of Asia's largest real estate companies.

Vision

To be a leading commercial REIT in Singapore and Asia, backed by a portfolio of quality income-producing commercial buildings, and led by a team of dedicated and experienced management personnel.

Mission

To deliver long-term sustainable distribution and total returns to Unitholders.

Any discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

2015 Highlights

Distributable Income
S$254.5 million

2.1% YoY

Distribution Per Unit
8.62 cents

1.9% YoY

Market Capitalisation
S$4.0 billion

Total Deposited Properties
S$7.7 billion

10 properties

Portfolio Occupancy Rate
97.1%

NAV Per Unit
S$1.73

1.2% YoY

Aggregate Leverage
29.5%

Average Cost of Debt
2.5% p.a.

Credit Rating
A-

with stable outlook by Standard & Poor's

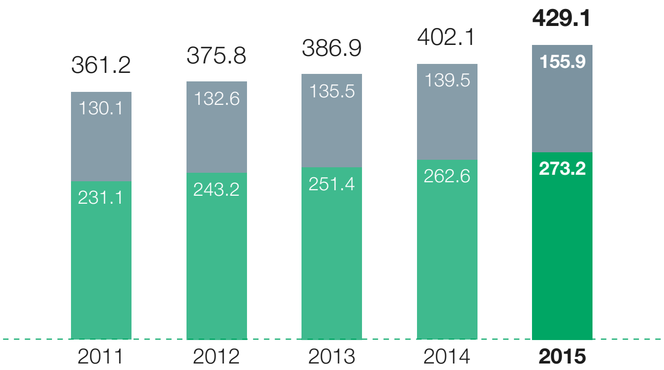
A3

with stable outlook by Moody's

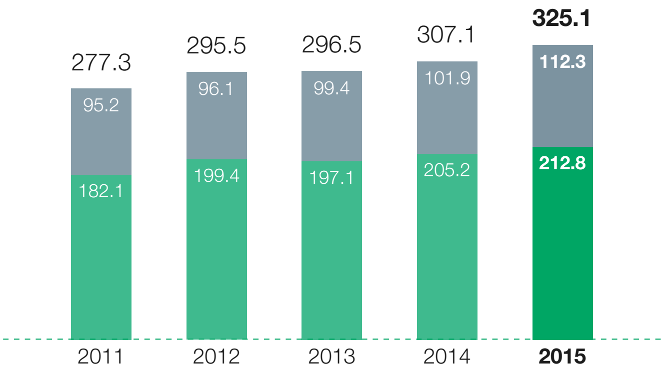
Information as at 31 December 2015 or for FY 2015.

Financial Highlights

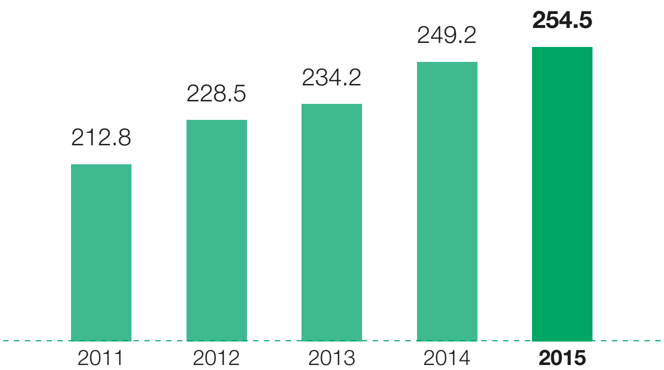
Gross Revenue[1]
(S$ million)



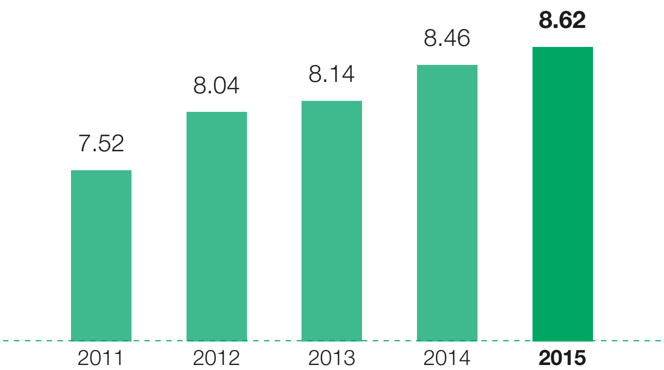
Net Property Income[1]
(S$ million)



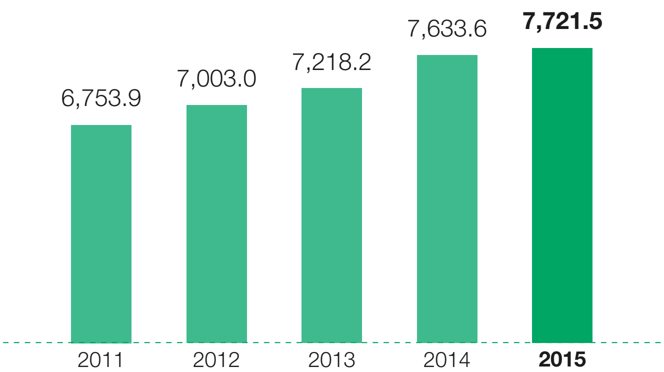
Distributable Income
(S$ million)



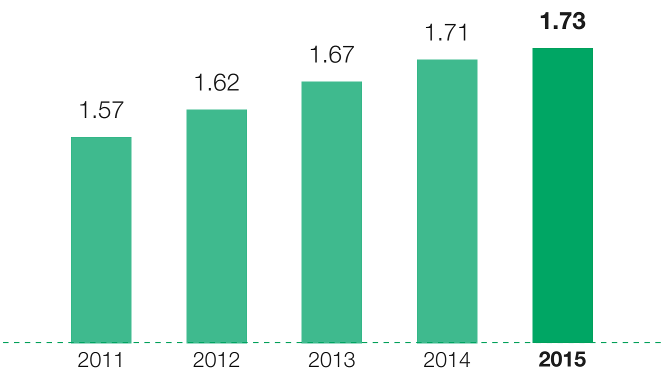
Distribution Per Unit
(cents)



Total Deposited Properties
(S$ million)



Adjusted Net Asset Value Per Unit
(S$)



[1] With the adoption of FRS 111 Joint Arrangements since 2014, CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust are accounted for as interest in joint ventures. Gross revenue and net property income of CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust are represented in grey colour bars. Revenue contribution from MSO Trust, which owns CapitaGreen, only started in FY 2015 as CapitaGreen obtained temporary occupation permit on 18 December 2014. The 2011 to 2013 figures are restated for reference.

Financial Highlights

Selected Balance Sheet Information (S$ million)

As at 31 December	2011	2012	2013	2014	2015
Valuation (including Raffles City Singapore and CapitaGreen)	6,011.7	6,695.1	6,959.8	7,358.5	**7,478.1**
Unitholders' Funds	4,541.4	4,714.7	4,912.7	5,153.5	**5,234.1**
Total Borrowings (including RCS Trust and MSO Trust)	2,017.5	2,072.1	2,060.9	2,182.7	**2,234.8**
Market Capitalisation	2,988.6	4,790.4	4,174.2	5,168.2	**3,986.5**

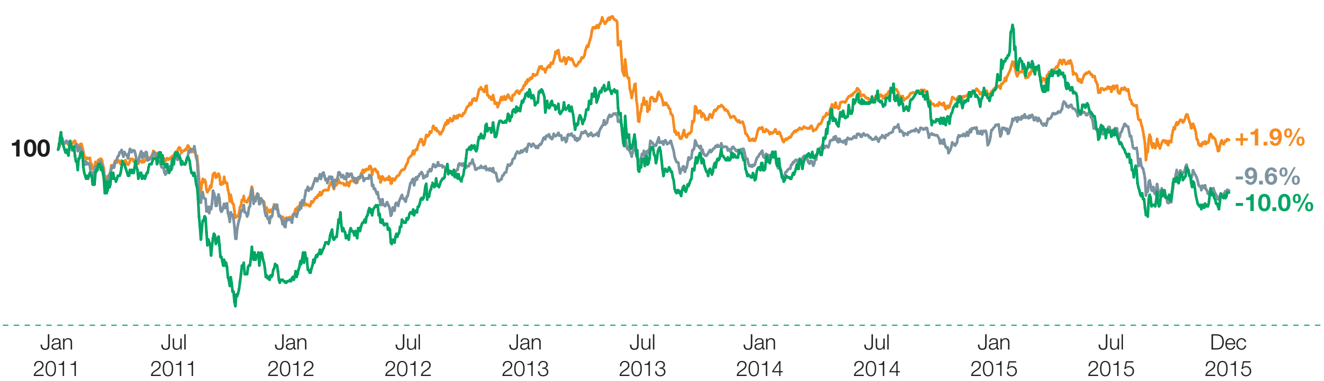
Key Financial Indicators

As at 31 December	2011	2012	2013	2014	2015
Distribution Per Unit (cents)	7.52	8.04	8.14	8.46	**8.62**
Earnings Per Unit (cents)	16.77	13.60	13.08	15.41	**10.42**
Aggregate Leverage (%)	30.2	30.1	29.3	29.3	**29.5**
Interest Cover (times)[1]	4.3	4.5	5.9	7.2	**7.4**
Management Expense Ratio (%)[1]	0.30	0.35	0.32	0.33	**0.34**

For more details, please refer to CCT's Financial Statements and Operations Review in this report.

[1] With the adoption of FRS 111 Joint Arrangements since 2014, CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust are accounted for as interest in joint ventures. The 2011 to 2013 figures are restated for reference.

Five-Year Comparative Trading Performance from 2011-2015

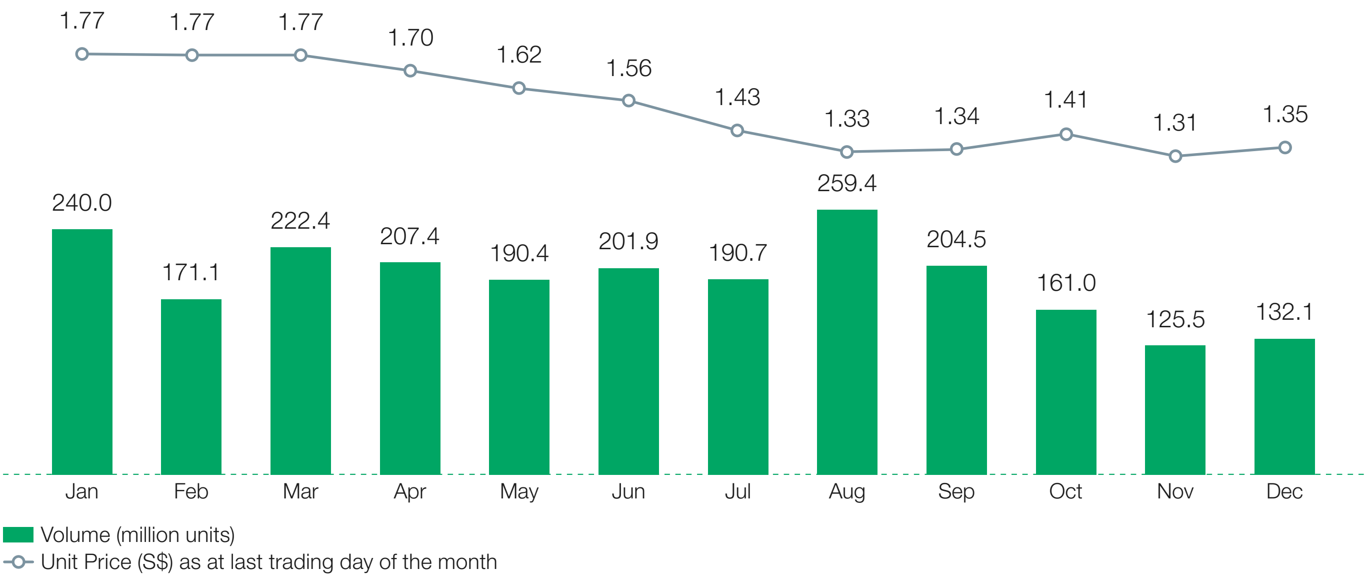


CapitaLand Commercial Trust (CCT SP Equity)
Straits Times Index (FSSTI Equity)
FTSE Straits Times Real Estate Investment Trust Index (FSTREI Index)

CCT Unit Price Performance

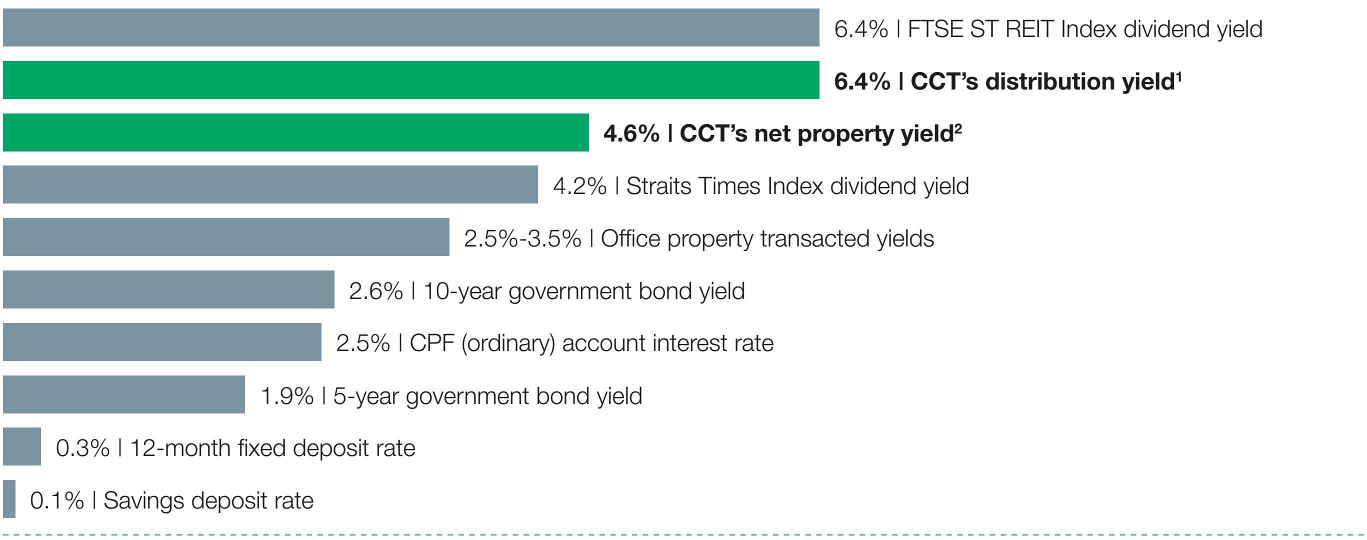
	2011	2012	2013	2014	2015
As at last trading day of the year (S$)	1.05	1.68	1.45	1.76	**1.35**
Highest (S$)	1.56	1.69	1.73	1.76	**1.93**
Lowest (S$)	0.96	1.05	1.33	1.39	**1.27**
Weighted Average (S$)	1.34	1.34	1.53	1.60	**1.54**
Trading Volume (million units)	1,673.6	1,952.6	1,956.3	1,868.3	**2,306.3**

Trading Performance for 2015



The Trust Offers Attractive Yield Compared to Other Investments

As at 31 December 2015



[1] CCT's distribution yield is based on FY 2015 DPU of 8.62 cents over closing price of S$1.35 on 31 December 2015.

[2] CCT's net property yield is based on FY 2015 net property income including Raffles City Singapore over December 2015 valuation.

Year in Brief 2015

January

- 21 January – Achieved distributable income of S$249.2 million and DPU of 8.46 cents for FY 2014.

February

- 12 February – Moody's Investors Service upgraded CCT's issuer rating to "A3" from "Baa1".
- 17 February – Issued JPY8.6 billion floating rate notes due 2023. The JPY proceeds were hedged to S$100.0 million at SGD fixed interest rate of 3.05% per annum.

March

- 20 March – Finance Asia's 15th annual "Asia's Best Managed Companies" poll of 250 global portfolio managers and buy-side analysts ranked CCT among the top 5 Singapore large-cap companies in two categories: Best Corporate Governance and Best Investor Relations.

April

- 21 April – Obtained Unitholders' approval for renewal of Unit buy-back mandate at Annual General Meeting.
- 22 April – Achieved distributable income of S$62.7 million for 1Q 2015.

May

- 6 May – Changed name to CapitaLand Commercial Trust. Counter name and code name remained unchanged as CapitaCom Trust and C61U respectively.
- 18-27 May – Healthy treats for tenant community at CCT properties.

June

- 22 June – CapitaGreen wins "Best Tall Building in Asia and Australasia" by the Council on Tall Buildings and Urban Habitats (CTBUH). CTBUH is the world's leading resource for professionals focused on the design and construction of tall buildings and future cities.

July

- 24 July – Achieved distributable income of S$127.2 million for 1H 2015 and DPU of 4.31 cents for 1H 2015.

August

- 13 August – Issued S$100.0 million 2.96% fixed rate notes due 2021.

September

- 9 September – CapitaGreen officially opened.

October

- 13 October – CapitaGreen awarded Building Information Modeling Platinum Award (Project Category) by Building and Construction Authority, Singapore.
- 28 October – Achieved distributable income of S$63.2 million for 3Q 2015.

November

- 18-27 November – SG50 treats for tenant community at CCT properties.

December

- 1 December – CapitaGreen wins Bronze award for Best Office & Business Development by MIPIM Asia.
- 15 December – Redemption on maturity and cancellation of S$200.0 million 3.25% per annum fixed rate notes.
- 16-18 December – Distributed "Gifts of Joy", contributed by tenants and staff, to 578 underprivileged children and youths from 18 Voluntary Welfare Organisations in collaboration with The Boys' Brigade and beneficiaries adopted by CapitaLand Hope Foundation.
- 31 December – Completed a S$35.0 million asset enhancement initiative for Capital Tower and achieved return on investment of 8.2%, which was higher than target of 7.8%.

Message to Unitholders

We are pleased to generate a positive set of results for CCT in 2015 notwithstanding the year of economic challenges. Driven by our proactive management of CCT's resilient portfolio and prudent management of capital, the Trust's FY 2015 distribution per unit (DPU) of 8.62 cents rose 1.9% year-on-year. Unitholders can be assured that we remain proactive and yet disciplined in our approach towards acquisition and development while we optimise the potential of CCT's assets and create value for the Trust.

Left **Soo Kok Leng**
Chairman

Right **Lynette Leong Chin Yee**
Chief Executive Officer

Dear Unitholders,

The year in review was one of resilience for CapitaLand Commercial Trust (CCT, or the Trust). Anchored on solid fundamentals, CCT is well positioned to weather challenges in the Singapore office market. We have achieved stable growth buoyed by well-located quality assets, effective portfolio and asset management, robust balance sheet as well as diversified funding streams.

By adopting a forward-looking and disciplined approach with our portfolio reconstitution strategy, we have refreshed the portfolio so that all the properties stay relevant to meet the demands of tenants. Asset enhancement initiatives to upgrade our older Grade A office buildings have been completed over the years. We have successfully redeveloped Market Street Car Park into CapitaGreen, and CCT will progressively reap income contribution from its 40.0% interest in this new and superior Grade A office building from 2016 onwards.

Meanwhile, our track record of prudent capital management has translated into low aggregate leverage of 29.5% for CCT – well below the new regulatory limit of 45.0% across Singapore REITs – which not only protects the Trust's balance sheet but also provides the financial flexibility to capture opportunities for further growth.

Delivering Better Performance

Notwithstanding the challenging economic environment, we continued to grow the Trust's distributable income by 2.1% in FY 2015 compared to a year ago to reach S$254.5 million on the back of improved net property income from our wholly owned properties and 60.0% stake in Raffles City Singapore.

Message to Unitholders

Buoyed by the stronger performance, FY 2015 DPU of 8.62 cents grew in tandem by 1.9% year-on-year. The resulting DPU yield was 6.4% based on CCT's closing price per Unit of S$1.35 as at 31 December 2015. Unitholders who invested in CCT since our listing on 11 May 2004, in particular, would have benefitted from distributions and capital appreciation that generated a total return of 203.6%[1].

At the close of the financial year, our investment properties were assessed by independent valuers at an aggregate of S$7.5 billion, which represents a year-on-year increase of 1.6%. Meanwhile, the Trust's total deposited properties, which included the proportionate interests in its joint venture properties, recorded S$7,721.5 million as at end 2015. After accounting for distributable income payable to Unitholders, net asset value per Unit rose 1.2% to S$1.73 from S$1.71 the year before.

Enhancing a Quality Portfolio

CCT recognises the importance of engaging in proactive portfolio management. Driven by our portfolio reconstitution strategy, we strive to enhance and unlock property value with the aim of maximising the full potential of our assets. Our first development project, CapitaGreen secured a committed occupancy rate of 91.3% as at 31 December 2015. CapitaGreen started generating positive net property income in the second half of 2015. However, after the payment of interest expenses for CapitaGreen's borrowings, there was no contribution to distributable income in FY 2015. In FY 2016, CCT expects to progressively receive distributable income contribution from its 40.0% interest in CapitaGreen.

Capital Tower's AEI which started in 4Q 2013 with a target return on investment (ROI) of 7.8% was completed in December 2015. Costing S$35.0 million instead of the budgeted S$40.0 million, the AEI realised a ROI of 8.2%. With the replacement of chillers at Capital Tower as part of the AEI, the reduction in energy consumption translates to average savings of approximately S$676,000 per year.

Proactive Leasing Strategy and Strong Tenant Retention

Our property portfolio maintained an occupancy rate that is consistently above market levels. As at 31 December 2015, the Trust's portfolio occupancy rate of 97.1% was higher than the CBD Core market occupancy level of 95.1% and also above its 2014's portfolio occupancy of 96.8%.

In order to mitigate leasing challenges in 2016 and 2017 when an above-normal new office supply is expected to be completed, we have been reducing the percentage of leases due for renewal in these years. This resulted from earlier years of planning and lease negotiations to have lease expiries not occur on these years. Furthermore, we stepped up our efforts to retain tenants by engaging them ahead of their lease expiries and the achievement was evident from our tenant retention rate of 83% in 2015. Consequently, only 15% of CCT's total occupied office portfolio net lettable area is expiring in 2016, of which one-third has been renewed and we will continue to advance our proactive approach for the remaining 10%.

The Trust generated positive rent reversions for the year, fuelled by our success in securing higher rents than the expiring rents for leases due in 2015. Year-on-year, CCT reported a 3.4% rise in the office portfolio average monthly gross rent per square foot to S$8.90 from S$8.61. While we expect to continue to face headwinds in the Singapore office market, we believe that CCT is well positioned to weather the storm and we will persist to maintain its high and above-market occupancy rate.

Prudent Capital Management

The Trust continued to keep a robust balance sheet with a low aggregate leverage level of 29.5%. Assuming an aggregate leverage level of 40%, CCT has debt headroom of S$1.3 billion and the financial flexibility to execute potential growth opportunities.

We actively diversified CCT's sources of funding and extended debt maturities while growing the proportion of unsecured debt over time. About 84% of CCT's gross borrowings are on fixed interest rates which

[1] Sum of distribution and capital appreciation from CCT's opening unit price on 11 May 2004 to closing unit price on 31 December 2015, taking into account reinvested distribution and the effects of the renounceable rights issue in 2009.

SG50 treats for tenant community at CCT properties in November 2015

Bringing "Gifts of Joy" to 578 underprivileged children and youths in collaboration with The Boys' Brigade and beneficiaries adopted by CapitaLand Hope Foundation

limit exposure to interest rate fluctuations and provide certainty of the quantum of interest expense. Average cost of debt was 2.5% per annum as at 31 December 2015, a slight increase from 2.3% at end 2014.

In FY 2015, we tapped on opportunities to issue two medium term notes (MTNs) at attractive low interest rates on long-dated maturity. The first MTN issue was an eight-year Japanese yen-denominated floating rate notes due February 2023, which was hedged to S$100.0 million with a fixed interest rate of 3.05% per annum. On 13 August 2015, we issued a six-year S$100.0 million medium term notes due August 2021 at a fixed interest rate of 2.96% per annum. In addition, bank borrowings of CapitaGreen were refinanced with a new five-year bank credit facility of S$900.0 million due in 2020.

Opportunities for Growth

As a proactive REIT Manager, we constantly seek appropriate accretive opportunities to grow the Trust. We also continue to adopt a disciplined and sustainable approach towards acquisition of properties which have strategic fit with our existing portfolio.

Within the existing portfolio, we have the call option to acquire the remaining 60.0% interest of CapitaGreen from our joint venture partners, CapitaLand and Mitsubishi Estate Asia at any time from now until December 2017.

With the completion of CapitaGreen, the regulatory development capacity has been reset. This allows CCT to undertake new development projects up to 10% of its deposited properties which totalled S$772.1 million as at 31 December 2015.

Engagement and Commitment to Excellence

During the year, we successfully engaged our tenants through various activities such as the distribution of bi-annual treats, including a special SG50 "kachang puteh", which means "roasted nuts and beans" as well as our signature charity event, Gifts of Joy, which brought joy to 578 beneficiaries as we fulfilled their wishes. The Gifts of Joy was supported by The Boys' Brigade and the CapitaLand Hope Foundation. In addition, we awarded our tenants with specially commissioned, artistic bowls to commemorate each year of their respective lease anniversaries.

Message to Unitholders

The official opening of CapitaGreen on 9 September 2015 was a milestone in our sustainability journey. It is a vote of confidence for CapitaLand's and CCT's efforts to continually improve and challenge new frontiers in sustainability and value creation. The Council on Tall Buildings and Urban Habitats (CTBUH) named CapitaGreen the "Best Tall Building in Asia and Australasia" in June, while MIPIM Asia endorsed CapitaGreen with a Bronze award for Best Office and Business Development in December 2015.

In our drive for excellence, we sought to propel innovation through technology. Building Information Modelling, which was used during the construction of CapitaGreen, ensured a timely delivery of a quality product. This also enabled CapitaGreen to clinch the 2015 Building & Construction Authority Building Information Modelling (BIM) Platinum Award – Project Category in October 2015.

For a delightful customer experience during office unit handover, we introduced a hassle-free and paperless, proprietary process known as Digital Online Tenancy System or DOTS in 2015. It ensures clear communication with new tenants and improves the efficiency and productivity of our team. We will continue to enhance customer experience and engagement as part of our overall plan to attract and retain tenants within our portfolio.

Accolades and Appreciation

Moody's Investors Service upgraded CCT's issuer rating to "A3" from "Baa1" with stable outlook on 12 February 2015. CCT's strong market position and operating performance as well as management track record, among other positive factors, contributed to the upgrade in credit rating.

CCT was ranked among the top five Singapore large-cap companies for both Best Corporate Governance and Best Investor Relations in FinanceAsia's 15th annual "Asia's Best Managed Companies" poll of 250 global portfolio managers and buy-side analysts on 20 March 2015.

We wish to extend our sincerest thanks to our valued tenants, business partners and Unitholders for their unwavering confidence and support. We would also like to express our deepest appreciation to our Directors and employees for their dedicated service and tireless efforts towards the goal of maximising the value of CCT.

Soo Kok Leng
Chairman

Lynette Leong Chin Yee
Chief Executive Officer

23 February 2016

CapitaGreen celebrated its official opening on 9 September 2015
From left: Lynette Leong, Jo Kato, Lim Ming Yan, Ng Kee Choe, Soo Kok Leng, Toichi Takenaka, Toyo Ito, Wen Khai Meng

致信托单位持有人之信函

虽然在2015年面临诸多经济挑战，但是我们很庆幸凯德商务产业信托仍然取得很好的业绩。凯德商务产业信托以积极的处理方式管理资产组合以及谨慎的管理资本，使该信托在2015财政年的每单位可派发收入(DPU)同去年比增长1.9%，至8.62分。我们会坚持以积极和严谨的处理方式来对待收购与业务发展，同时开发凯德商务产业信托资产的潜能并为信托增值。

尊敬的信托单位持有人：

2015年财政年是凯德商务产业信托(CCT，或称信托)业绩回升的一年。凭借牢固的基础，凯德商务产业信托在新加坡办公楼市场的挑战环境下仍占有完全优势的处境。地段良好的高品质资产、有效的资产管理、良好的资产负债表，以及多样化的资金流为我们带来了稳定的发展。

通过富有前瞻性和严谨的管理方法，以及资产组合重构策略，我们已对资产组合进行翻新，让所有的项目都能切实满足租户的需求。在过去的几年内，我们已完成几项A级办公楼进行资产翻新计划,也成功将马吉街停车场(Market Street Car Park)重建为CapitaGreen。自2016年起，凯德商务产业信托将逐步获得持有此全新、优等的A级办公楼40.0%股份所带来的收益贡献。

与此同时，我们谨慎的资本管理为总贷款额率凯德商务产业信托带来了较低(29.5%)的资产负债比率，该远低于新加坡房地产投资信托(REIT)新法规的45.0%。这不仅为凯德商务产业信托的资产负债表带来了保障，同时也保证了我们能灵活的运用财务，随时抓紧机会，实现未来的发展。

业绩再创佳绩

在严峻的经济形势下，信托2015财政年继续实现可观发展，可派发收入比去年增长2.1%，至2亿5450万新元。这较好的业务表现主要归功于凯德商务产业信托独资产业和信托于新加坡来福士城的股份物产净收入(NPI)的攀升。2015财政年因卓越的业绩表现，结果每单位可派发收入为8.62分，与2014财政年同比增长了1.9%。按凯德商务产业信托截至2015年12月31日1.35新元的单位收市价计算，投资收益率为6.4%。自2004年5月11日凯德商务产业信托挂牌上市就进行投资的信托单位持有人，所获得的总体回报率高达203.6%[1]。

根据独立估值报告，截至2015年12月31日，凯德商务产业信托投资物业估值为75亿新元，与2014年12月相比，上扬1.6%。此外，截至2015年底，包括合资产业在内，信托产业总价值达77亿2150万新元。扣除支付给单位持有人的可派发收入，每单位的资产净值上升1.2%，从去年的1.71新元上升至1.73新元。

增强优质资产组合

凯德商务产业信托认同主动以及积极管理资产组合的重要性。在资产重组策略的推动下，我们力图提高并发掘产业的价值。截至2015年12月31日，我们第一个开发项目CapitaGreen的租约承诺率达到91.3%。在2015年下半年，CapitaGreen的财产净收入转正。然而在支付CapitaGreen贷款的利息费用后，该项目在2015财政年并未带来可分配收益贡献。在2016财政年，凯德商务产业信托预期将从其40.0%的CapitaGreen股份中逐步获得可分配收益贡献。

资金大厦(Capital Tower)的资产翻新计划于2013年第四季开始，投资回报率(ROI)目标是7.8%，已在2015年12月完成。此资产翻新计划实际投资3500万新元(低过预算的4000万新元)，实现了8.2%的投资回报率。仅其中包含的更换资金大厦冷水机组一项，降低的能源消耗量就相当于每年平均节省大约676,000新元。

积极租赁策略与强大的租户挽留能力

我们的资产组合保持的租用率始终高于市场水平。截至2015年12月31日，信托的资产组合租用率为97.1%，高于市区中央核心地段95.1%的市场租用率，也高于2014年信托本身96.8%的资产组合租用率。

在2016与2017年，新加坡办公楼市场预算将面对比以往多量的新办公楼供应。为了避免租赁的挑战，我们已尽量减少这两年因到期而需续租的租赁百分比。这全有赖于我们之前所进行的仔细规划以及多项租赁谈判，以便延长租约和避免租约在这两年内到期。此外，我们更进一步在租户的租约到期之前主动与其联络，力图挽留租户。这一举措效果明显，2015年的租户挽留率达到83%。最后，在凯德商务产业信托的全部办公资产组合净可出租面积中，只有15%将在2016年到期，其中三分之一已续租，接下来我们将继续采用主动与积极的资产管理方式对剩余的10%。

对于2015年到期的租赁，信托成功获得高于到期租金的租金。根据凯德商务产业信托的报告，办公资产组合每平方英尺的每月平均总租金从8.61新元上升到8.90新元，同期增长3.4%。虽然预期在新加坡办公楼宇市场中会继续面临不利局面，但是我们相信凯德商务产业信托基础牢固，会为保持高于市场的高租用率付出不懈努力。

[1] 该数字为排除重新分配金以及2009年可弃权附加股的影响后，凯德商务产业信托2004年5月11日挂牌上市价与2015年12月31日单位收市价的总和。

致信托单位持有人之信函

谨慎的资本管理

信托的资产负债表始终保持健康，其资产负债比率只有29.5%。如果凯德商务产业信托的资产负债比率为40.0%，信托将具有13亿新元的债务贷款空间。这财务方面的灵活性能让信托及时把握机遇的潜在发展项目。

我们也致力尽量让资金贷款来自不同来源，并趁机延长债务期限，同时随时间推移提高无担保债务的比例。在凯德商务产业信托借款总额中，大约84%具有固定利率，采用这种方式可以限制利率波动对信托的影响，从而巩固利息总费用。截至2015年12月31日，平均债务成本为年率2.5%，同2014年底的2.3%比较，稍有上升。

在2015财政年，我们把握时机，发行了两个属于年利率较低、期限为中期的票据(MTN)。第一系列是以日元计价的浮动利率票据，交换成1亿新元，固定利年率3.05%，为期八年将于2023年2月到期。在2015年8月13日，我们发行了1亿新元的中期票据，为期六年将于2021年8月到期，固定年率为2.96%。此外，我们已完成对CapitaGreen银行借款的再融资，全新款项为9亿新元，为期五年将于2020年到期。

发展机会

作为采取主动的地产投资信托管理者，我们不断积极寻求适当的增值机会以促进信托的增长。此外，我们一贯以积极和严谨的处理方式对待收购符合我们现有资产组合策略的房地产。

在现有的资产组合中，我们拥有购买CapitaGreen的选择权，可于从现在到2017年12月的期间，从合资伙伴，凯德集团(CapitaLand)与三菱亚洲房地产(Mitsubishi Estate Asia)手中收购其余的60.0%股份。

随着CapitaGreen项目的完成，信托的开发项目发展限定额将被重置。凯德商务产业信托由此可以承担价值达总资产的10%(截至2015年12月31日总额达7亿7210万新元)的新开发项目。

客户(租户)活动，追求卓越

在2015年，我们成功地举办各项客户活动，也通过这些活动与客户打成一片。这些活动包括在一年里提供两次款待租户的小食品(例如提供特色食品SG50 “kachang puteh”，即“热煨的花生或豆荚”)，并举行一年一次的慈善活动 “Gifts of Joy”，通过该活动，我们让578位受益人梦想成真，为他们带来了无限欢乐。“Gifts of Joy” 活动得到了基督少年军(The Boys’ Brigade)与凯德希望基金会(CapitaLand Hope Foundation)的大力支持。同时我们也为每位租户颁发特别制造的艺术碗盆，特此纪念他们与我们共同走过的周年。

2015年9月9日举行的CapitaGreen开幕仪式是我们在打造可持续发展道路上的里程碑。它标志着凯德集团(CapitaLand)与凯德商务产业信托在创造可持续发展能力与价值的过程中对新领域不断进行改善、不断发起挑战的信心。在2015年6月，高层建筑和城市住区理事会(Council on Tall Buildings and Urban Habitats, CTBUH)给于CapitaGreen奖项为 “亚洲与澳大拉西亚的最佳高层建筑”；同年12月，亚洲国际房地产交易会(MIPIM Asia)为CapitaGreen授予最佳办公与企业开发项目铜奖。

在追求卓越的过程中，我们力图通过技术推动创新。在建造CapitaGreen期间，我们采用建筑信息建模技术，确保按时交付优质产品。CapitaGreen也借此在2015年10月荣膺2015年度工程级别的建设局建筑信息建模(BIM)白金奖。

为了在办公楼单元交接期间为客户带来愉悦的体验，我们在2015年引入了轻松的无纸化流程，称为 “数字在线租赁系统(Digital Online Tenancy System, DOTS)”，如此能确保与新租户实现清晰的交流，并提高团队效率与绩效。在整体规划中，我们会继续改善客户体验，并与其融洽相处，以吸引并挽留资产组合中的租户。

荣誉与表彰

穆迪投资服务(Moody’s Investors Service)鉴于凯德商务产业信托稳定的发展前景，在2015年2月12日将凯德商务产业信托的发行者等级从 “Baa1” 提升为 “A3”。信用等级的这一提升，全归功于凯德商务产业信托强大的市场地位与运营业绩以及其管理经营业绩及其他有利因素。

2015年3月20日，在《亚洲金融》(FinanceAsia)举行的对250个全球资产组合管理者与买方分析者进行的第15届年度 “亚洲最佳管理公司” 投票中，凯德商务产业信托在最佳企业管理与最佳投资者关系两方面均跻身新加坡大型企业前五位。

我们想对尊贵的租户、业务合作伙伴及单位信托持有人表达最诚挚的感谢，感谢你们坚定的信任与支持。我们想借此机会向董事以及所有优秀员工表达我们最深切的谢意，感谢你们的优质服务与不懈努力，让凯德商务产业信托得以取得长久成功。

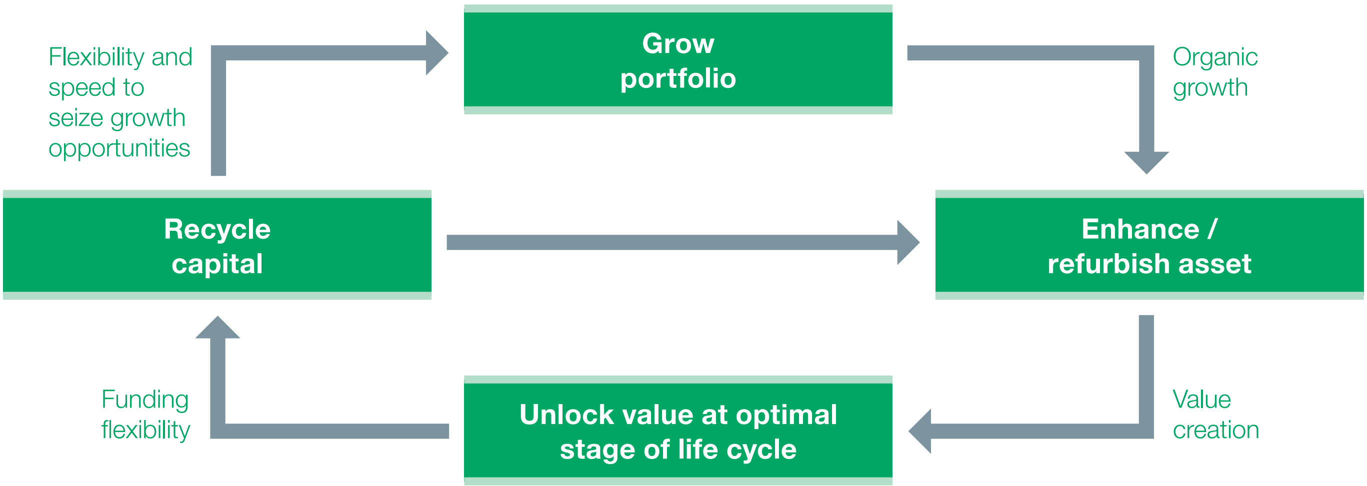
司徒国玲
主席

梁静仪
首席执行员

2016 年 2 月 23 日

Value Creation

CCT adopts a portfolio reconstitution strategy to position our portfolio for growth and continuous development. Over the years, we have proactively managed our assets to enhance and/or unlock the value of our properties in line with our goal to optimise the potential of our portfolio.



Enhance / refurbish asset	Unlock value	Recycle capital and Grow portfolio	
Asset enhancements	**Divestments**	**Acquisitions**	**Development**
• Capital Tower (Completed in December 2015) • Raffles City Tower (Completed in June 2014) • Six Battery Road (Completed in December 2013)	• Market Street Car Park (2011) • Robinson Point and StarHub Centre (2010)	• Twenty Anson (2012) • One George Street (2008) • Wilkie Edge (2008) • Raffles City Singapore (2006) • HSBC Building (2005)	• Market Street Car Park redeveloped into CapitaGreen (Obtained temporary occupation permit on 18 December 2014)


Capital Tower


Capital Tower Lobby


CapitaGreen

Property Portfolio

Portfolio Statistics

As at 31 December	2014	2015
Number of Properties	10	**10**
Net Lettable Area (sq m) / (sq ft)	363,360 / 3,911,207	**364,251 / 3,920,802**
Attributable Area (sq m) / (sq ft)	294,425 / 3,169,189	**295,115 / 3,176,615**
Valuation (S$ million)	7,358.5	**7,478.1**
Number of Tenants	626	**634**
Committed Occupancy (%)	96.8	**97.1**

Number of tenants are accounted for on 100.0% interest basis.


1. Capital Tower


2. Six Battery Road


3. One George Street


4. Raffles City Singapore

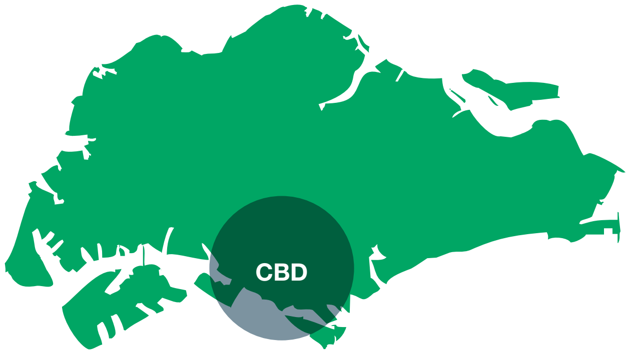

6. Twenty Anson

7. HSBC Building


8. Wilkie Edge


9. Bugis Village

1. Capital Tower
2. Six Battery Road
3. One George Street
4. Raffles City Singapore (60.0% interest)
5. CapitaGreen (40.0% interest)
6. Twenty Anson
7. HSBC Building
8. Wilkie Edge
9. Bugis Village
10. Golden Shoe Car Park



Singapore Central Business District


5. CapitaGreen


10. Golden Shoe Car Park

Trust Structure

Unitholders

Holdings of Units in CCT

Distributions

The Manager

CapitaLand Commercial Trust Management Limited

Management services

Management fees

CapitaLand Commercial Trust

Acts on behalf of Unitholders

Trustee's fees

The Trustee

HSBC Institutional Trust Services (Singapore) Limited as Trustee of CCT

Ownership of assets

Net Property Income

The Property Managers

CapitaLand Commercial Management Pte. Ltd.

CapitaLand (RCS) Property Management Pte. Ltd.

Property management services

Property management fees

Properties

1. Capital Tower
2. Six Battery Road
3. One George Street
4. Raffles City Singapore (60.0% interest)
5. CapitaGreen (40.0% interest)
6. Twenty Anson
7. HSBC Building
8. Wilkie Edge
9. Bugis Village
10. Golden Shoe Car Park

Organisation Structure

The Manager
CapitaLand Commercial Trust Management Limited

Board of Directors

Chief Executive Officer
Lynette Leong Chin Yee

Head, Investment
Chew Peet Mun

Head, Asset Management
Kevin Chee

Head, Finance
Anne Chua

Head, Investor Relations & Communications
Ho Mei Peng

Vice President, Customer Experience Management
Faith Soh

Board of Directors

Soo Kok Leng
Chairman & Non-Executive Independent Director

Lim Ming Yan
Deputy Chairman & Non-Executive Non-Independent Director

Lynette Leong Chin Yee
Chief Executive Officer & Executive Non-Independent Director

Dato' Mohammed Hussein
Non-Executive Independent Director

Lam Yi Young
Non-Executive Independent Director

Goh Kian Hwee
Non-Executive Independent Director

Wen Khai Meng
Non-Executive Non-Independent Director

Chong Lit Cheong
Non-Executive Non-Independent Director

Audit Committee
Dato' Mohammed Hussein
Lam Yi Young
Goh Kian Hwee

Corporate Disclosure Committee
Wen Khai Meng
Chong Lit Cheong
Soo Kok Leng

Executive Committee
Lim Ming Yan
Lynette Leong Chin Yee
Wen Khai Meng
Chong Lit Cheong

Board of Directors

Soo Kok Leng
Chairman
Non-Executive Independent Director
Bachelor of Electrical Engineering (Honours), University of Singapore
Master of Business Administration, University of Strathclyde, Scotland

Date of first appointment as a director:
1 January 2013
Date of appointment as chairman:
22 September 2014
Length of service as a director (as at 31 December 2015):
3 years

Board committee served on
- Corporate Disclosure Committee (Member)

Present principal commitments
- Freelance management consulting
- SCC Travel Services Pte. Ltd. (Chairman)
- Singapore Cruise Centre Pte Ltd (Chairman and Chairman of remuneration and nomination committee)
- Singapore Storage & Warehouse Pte Ltd (Chairman)
- Singapore Technologies Electronics Ltd (Chairman)[1]

Background and working experience
- Corporate Advisor of Temasek International Advisors Pte. Ltd. (Since 2012)
- Adjunct Professor of National University of Singapore, Engineering School (Since 2007)
- Non-Resident Ambassador to Austria, Ministry of Foreign Affairs (Since 2006)
- Corporate Advisor of Singapore Technologies Engineering Ltd (Since 2002)
- Freelance management consultancy (Since 2002)
- Corporate Advisor of Temasek Holdings (Private) Limited (From 2003 to 2012)
- CEO (Acting) of Singapore Cable Car Pte Ltd (From 2003 to 2004)
- Vice President/General Manager of 3Com Technologies (From 1997 to 2002)
- Group General Manager/Executive Director of Falmac Ltd (From 1996 to 1997)
- Engineer to Management of Hewlett Packard Pte Ltd (From 1977 to 1996)

Award
- Public Service Medal (PBM, Pingat Bakti Masyarakat)

[1] Mr Soo Kok Leng will step down as Director and Board Chairman of Singapore Technologies Electronics Limited with effect from 1 March 2016.

Lim Ming Yan
Deputy Chairman
Non-Executive Non-Independent Director

Bachelor of Engineering (Mechanical) and Economics (First Class Honours), University of Birmingham, UK

Date of first appointment as a director:
1 January 2013
Date of appointment as deputy chairman:
1 January 2013
Length of service as a director (as at 31 December 2015):
3 years

Board committee served on
- Executive Committee (Chairman)

Present directorships in other listed companies
- Ascott Residence Trust Management Limited (manager of Ascott Residence Trust) (Deputy Chairman)
- CapitaLand Limited
- CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust) (Deputy Chairman)
- CapitaLand Retail China Trust Management Limited (manager of CapitaLand Retail China Trust) (Deputy Chairman)

Present principal commitments (other than directorships in other listed companies)
- Building and Construction Authority (Member of the Board)
- Business China (Director)
- CapitaLand China Holdings Pte Ltd (Chairman)
- CapitaLand Hope Foundation (Director)
- CapitaLand Limited (President & Group CEO)
- CapitaLand Mall Asia Limited[1] (Chairman)
- CapitaLand Regional Investments Limited (Chairman)
- CapitaLand Singapore Limited (Chairman)
- CTM Property Trust, Steering Committee (Chairman)
- LFIE Holding Limited (Co-Chairman)
- Shanghai YiDian Holding (Group) Company (Director)
- Singapore Tourism Board (Member of the Board)
- The Ascott Limited (Chairman)

Past directorship in other listed company held over the preceding three years
- Central China Real Estate Limited

Background and working experience
- Chief Operating Officer of CapitaLand Limited (From May 2011 to December 2012)
- CEO of The Ascott Limited (From July 2009 to February 2012)
- CEO of CapitaLand China Holdings Pte Ltd (From July 2000 to June 2009)

Awards
- Outstanding Chief Executive (Overseas) at the Singapore Business Awards 2006
- Magnolia Award by the Shanghai Municipal Government in 2003 and 2005

[1] Delisted on 22 July 2014.

Board of Directors

Lynette Leong Chin Yee
Chief Executive Officer
Executive Non-Independent Director
Bachelor of Science in Estate Management, National University of Singapore
Master of Science in Real Estate, National University of Singapore

Date of first appointment as a director:
1 October 2007
Length of service as a director (as at 31 December 2015):
8 years 3 months

Board committee served on
- Executive Committee (Member)

Present principal commitments
- National Environment Agency (Board Member and Audit Committee Member)
- Singapore International Chamber of Commerce (Board Member)

Background and working experience
- CEO of Ascendas South Korea office (From September 2003 to September 2007)
- National Director of LaSalle Investment Management, Asia (From March 2000 to September 2003)
- Vice President of LaSalle Investment Management, Chicago, USA (From January 1999 to March 2000)
- Vice President of LaSalle Investment Management, New York, USA (From January 1997 to December 1998)
- Associate Director of LaSalle Investment Management, London, UK (From January 1996 to December 1996)
- Director of Jones Lang Wootton (From 1993 to 1995)
- Senior Officer of United Malayan Banking Corporation Berhad (From 1991 to 1993)
- Senior Officer of Standard Chartered Bank (From 1986 to 1991)

Award
- Best CEOs for Property Sector (Third place) by Institutional Investor magazine in All-Asia Executive Team Ranking in 2011

Dato' Mohammed Hussein
Non-Executive Independent Director
Bachelor of Commerce (Accounting), University of Newcastle, Australia

Date of first appointment as a director:
1 January 2009
Length of service as a director (as at 31 December 2015):
7 years

Board committee served on
- Audit Committee (Chairman)

Present directorships in other listed companies
- Gamuda Berhad (Chairman)
- Hap Seng Consolidated Berhad

Present principal commitments (other than directorships in other listed companies)
- Bank of America Malaysia Berhad (Director)
- Danajamin Nasional Berhad (Chairman)
- PNB Commercial Sdn. Bhd. (Director)

Past directorship in other listed company held over the preceding three years
- Quill Capita Management Sdn. Bhd. (manager of Quill Capita Trust) (Chairman)

Background and working experience
- Senior Advisor of RSM Strategic Business Advisors Sdn Bhd, Malaysia (From July 2008 to 2009)
- Advisor of Malayan Banking Berhad, Malaysia (From April 2008 to September 2008)
- Deputy President & Chief Financial Officer of Malayan Banking Berhad, Malaysia (From 2005 to January 2008)
- Executive Director, Business of Malayan Banking Berhad, Malaysia (From 2000 to 2005)
- Managing Director of Aseambankers Malaysia Berhad, Malaysia (From 1996 to 2000)

Lam Yi Young

Non-Executive Independent Director

Master of Arts in Engineering, University of Cambridge, UK
Master in Public Administration, Harvard University, USA

Date of first appointment as a director:
15 June 2012
Length of service as a director (as at 31 December 2015):
3 years 6 months

Board committee served on

- Audit Committee (Member)

Present principal commitments

- Agency for Science, Technology and Research (Board Member and Audit Committee Member)
- Education Fund Board of Trustees (Member)
- Lee Kong Chian School of Medicine (Governing Board Member)
- Lifelong Learning Endowment Fund Advisory Council (Member)
- Ministry of Education (Deputy Secretary (Policy))
- SIM University (Trustee)
- Singapore Institute of Technology (Trustee)
- Singapore University of Technology and Design (Trustee)
- Singapore Workforce Development Agency (Board Member)
- Yale-NUS College (Governing Board Member)

Background and working experience

- Chief Executive of Maritime and Port Authority of Singapore (From May 2009 to December 2013)
- Director of Manpower, Ministry of Defence (From June 2005 to April 2009)
- Deputy Director of Personnel, Ministry of Education (From September 2001 to July 2004)

Award

- The Public Administration Medal (Silver) (PPA(P), Pingat Pentadbiran Awam (Perak))

Goh Kian Hwee

Non-Executive Independent Director

Bachelor of Laws (Honours), University of Singapore
Advocate & Solicitor

Date of first appointment as a director:
1 January 2013
Length of service as a director (as at 31 December 2015):
3 years

Board committee served on

- Audit Committee (Member)

Present directorships in other listed companies

- Hong Leong Asia Ltd.
- Hwa Hong Corporation Limited
- QAF Limited

Present principal commitment (other than directorships in other listed companies)

- Rajah & Tann Singapore LLP (Senior Partner)

Background and working experience

He has been a practising lawyer since 1980, principally in corporate and capital markets laws.

Board of Directors

Wen Khai Meng

Non-Executive Non-Independent Director

Bachelor of Engineering (First Class Honours), University of Auckland, New Zealand
Master of Business Administration and Master of Science in Construction Engineering, National University of Singapore

Date of first appointment as a director[1]:
1 October 2007
Length of service as a director (as at 31 December 2015):
8 years 3 months

Board committees served on

- Corporate Disclosure Committee (Chairman)
- Executive Committee (Member)

Present principal commitment

- CapitaLand Singapore Limited (CEO)

Past directorship in other listed company held over the preceding three years

- Quill Capita Management Sdn. Bhd. (manager of Quill Capita Trust)

Background and working experience

- CEO of CapitaLand Financial Limited (From February 2012 to 2 January 2013)
- Chief Investment Officer of CapitaLand Limited (From July 2009 to February 2012)
- CEO of CapitaLand Commercial Limited (From April 2007 to June 2009)
- Co-CEO of CapitaLand Financial Limited (From April 2007 to June 2009)
- CEO of CapitaLand Financial Limited (From April 2006 to March 2007)
- CEO of CapitaLand Financial Services Limited (From October 2004 to March 2006)

Chong Lit Cheong

Non-Executive Non-Independent Director

Bachelor of Engineering (Electronics), University of Tokyo, Japan

Date of first appointment as a director:
25 March 2011
Length of service as a director (as at 31 December 2015):
4 years 9 months

Board committees served on

- Corporate Disclosure Committee (Member)
- Executive Committee (Member)

Present principal commitment

- CapitaLand Limited (Deputy Group Chief Corporate Officer)

Past directorship in other listed company held over the preceding three years

- Quill Capita Management Sdn. Bhd. (manager of Quill Capita Trust)

Background and working experience

- Senior Advisor, Strategic Relations, CapitaLand Limited (From 1 January 2015 to 31 July 2015)
- CEO of Regional Investments, CapitaLand Limited (From 3 January 2013 to 31 December 2014)
- CEO of CapitaLand Commercial Limited (From 10 February 2011 to 2 January 2013)
- CEO of International Enterprise Singapore (From June 2006 to December 2010)
- CEO of Jurong Town Corporation (From January 2001 to May 2006)

[1] Mr Wen Khai Meng was an alternate director to Mr Kee Teck Koon (a former director) from September 2006 to October 2007.

The Manager

Ms Lynette Leong Chin Yee

Chief Executive Officer and Executive Director (since October 2007)

Lynette is responsible for the strategic management and growth of CCT. Reporting to the Manager's Board of Directors, she is committed to delivering stable investment returns to Unitholders. Together with the Board, she charts CCT's future directions, working closely with her management team to ensure that the Trust's day-to-day finance, investment and asset management strategies are executed according to its vision, mission and corporate social responsibility objectives. Her experience is detailed in the Board of Directors' section.

Finance

The Finance team supports CCT's investment and asset management strategies through quarterly financial reporting, budgeting, implementation of treasury and taxation policies, as well as sourcing and management of funds for the Trust's ongoing operations and acquisitions.

Ms Anne Chua

Head, Finance (since January 2010)

Anne is responsible for CCT's financial management functions. She oversees business matters involving treasury, accounting and capital management, ensuring full alignment with CCT's investment strategy. Anne draws on her extensive regional experience in finance and treasury with banks, locally listed and multinational companies. She holds a Bachelor of Business Administration from the National University of Singapore, a Master of Applied Finance from Macquarie University of Australia and a Master of Professional Accounting from the Singapore Management University.

Investment

The Investment team expands and optimises CCT's property portfolio mix through strategic acquisitions. It identifies and analyses potential investment targets, and evaluates alternative investment and asset holding structures to enhance the Trust's total investment returns. It also identifies potential divestment targets to enhance the value of the Trust.

Mr Chew Peet Mun

Head, Investment (since March 2008)

Peet Mun's experience in finance and real estate spans over 15 years. Prior to CCT, Peet Mun was Vice President of CapitaLand Financial Services Limited where he helped establish and manage various CapitaLand-sponsored private funds and real estate investment trusts in Singapore and Malaysia. He holds a Bachelor of Business Administration (First Class Honours) from the National University of Singapore and was a recipient of the Lee Kuan Yew Gold Medal and MAS Book Prize.

The Manager

Asset Management

The Asset Management team undertakes asset enhancement and environmentally sustainable initiatives to realise the value potential of CCT's portfolio. It directs asset enhancement exercises to maximise rental income, and fosters close ties with tenants to understand and meet their needs. The Asset Management team works with the Property Managers to execute asset strategies, boost rental and non-rental incomes and manage operating expenses. It also collaborates with the Investment team to evaluate acquisition targets and optimise returns from the assets.

Mr Kevin Chee

Head, Asset Management (since March 2015)

Kevin has more than 15 years of real estate and finance experience that includes investment and asset management, fund management, development and project management, and property management. Prior to CCT, he was with CapitaLand Malls Asia, the retail business unit of CapitaLand, first as Country Head, India where he established the company's India retail development, investment and asset management platform, and managed the company sponsored private fund and other fund investments. Upon his return to Singapore, he was responsible for various group level strategic initiatives. Prior to CapitaLand, Kevin was Senior Vice President, Asset Management for YTL Pacific Star REIT Management Limited, the manager of Starhill Global REIT, where he was involved in the listing and subsequent management of the REIT. He holds a Bachelor of Business (Honours) from the Nanyang Technological University of Singapore.

Investor Relations and Communications

The Investor Relations and Communications team ensures clear and timely communications with Unitholders and stakeholders through various communication channels. The team engages investors, media and analysts through regular meetings, conferences and events, and produces communication collaterals such as press releases, annual reports and presentations. The team is responsible for CCT's website and the "live" webcast of financial results and works closely with the Property Managers to plan programmes as part of tenant communication.

Ms Ho Mei Peng

Head, Investor Relations and Communications (since March 2006)

Mei Peng brings more than 10 years of experience in managing investor relations and communications. She has been instrumental to the Trust's communication and liaison activities, and is responsible for the delivery of timely and up-to-date information to the investing community. Mei Peng graduated with an Honours degree in Japanese Studies from the National University of Singapore.

Corporate Governance

OUR ROLE

Our primary role as the manager of CCT (Manager) is to set the strategic direction of CCT and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CCT (Trustee), on any investment opportunities for CCT and the enhancement of the assets of CCT in accordance with the stated investment strategy for CCT. The research, evaluation and analysis required for this purpose are coordinated and carried out by us as the Manager.

As the Manager, we have general powers of management over the assets of CCT. Our primary responsibility is to manage the assets and liabilities of CCT for the benefit of the unitholders of CCT (Unitholders). We do this with a focus on generating rental income and enhancing asset value over time so as to maximise the returns from the investments, and ultimately the distributions and total returns to Unitholders.

Our other functions and responsibilities as the Manager include:

(a) using our best endeavours to conduct CCT's business in a proper and efficient manner;

(b) preparing annual business plans for review by the directors of the Manager (Directors), including forecasts on revenue, net income and capital expenditure, explanations on major variances to previous years' financial results, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions;

(c) ensuring compliance with relevant laws and regulations, including the Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) (including Appendix 6 of CIS Code (Property Funds Appendix)), the Securities and Future Act (Chapter 289 of Singapore), written directions, notices, codes and other guidelines that MAS may issue from time to time, and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CCT and Unitholders;

(d) attending to all regular communications with Unitholders; and

(e) supervising CapitaLand Commercial Management Pte. Ltd. (Property Manager), the property manager which performs the day-to-day property management functions (including leasing, marketing, promotion, coordination and property management) for CCT's properties; with regard to Raffles City Singapore (RCS), which is held by CCT and CapitaLand Mall Trust (CMT) in the proportions of 60.0% and 40.0% respectively, the Property Manager holds 60.0% interest in CapitaLand (RCS) Property Management Pte. Ltd. which provides property management services to RCS with CapitaLand Retail Management Pte Ltd, the property manager of the malls owned by CMT, holding the other 40.0%. As a result of its interest in CapitaLand (RCS) Property Management Pte. Ltd., the Property Manager is able to play a key role in directing the property management function for RCS.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. CCT's environmental sustainability and community outreach programmes are set out on pages 50 to 77 of this Annual Report.

CCT, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well qualified management to run its day-to-day operations.

The Manager was appointed in accordance with the terms of the trust deed constituting CCT dated 6 February 2004 (as amended, varied or supplemented from time to time) (Trust Deed). The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by a resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Manager is a wholly owned subsidiary of CapitaLand Limited (CL) which holds a significant unitholding interest in CCT. CL is a long-term real estate developer and investor and has strong inherent interests in the performance of CCT. CL's significant unitholding in CCT ensures its commitment to CCT and as a result, CL's interest is aligned with

Corporate Governance

that of other Unitholders. The Manager's association with CL provides the following benefits, among other things, to CCT:

(a) a stable pipeline of property assets through CL's development activities;

(b) wider and better access to banking and capital markets on favourable terms;

(c) fund raising and treasury support; and

(d) access to a bench of experienced management talent.

OUR CORPORATE GOVERNANCE CULTURE

The Manager aspires to the highest standards of corporate governance. The Manager is committed to ongoing improvement in corporate governance. It has developed and, on an ongoing basis, maintains sound and transparent policies and practices to meet the specific business needs of CCT and to provide a firm foundation for a trusted and respected business enterprise. The Manager remains focused on complying with the substance and spirit of the principles of the Code of Corporate Governance 2012 (the Code) while achieving operational excellence and delivering CCT's long-term strategic objectives. The Board of Directors (Board) is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the Manager.

The Manager has received accolades from the investment community for excellence in corporate governance. More details can be found in the Investor Relations section on page 48 of this Annual Report.

This report sets out the corporate governance practices for the financial year (FY) 2015 with reference to the Code. Where there are deviations from the principles and guidelines of the Code, an explanation has been provided within this Annual Report.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Manager is led by the Board, with non-executive independent Directors (IDs) comprising half of the Board. This exceeds the requirements in the Code. Each Director brings to the Board skills, experience, insights and sound judgement which, together with his or her strategic networking relationships, serve to further the interests of CCT.

The Board oversees the affairs of the Manager in furtherance of the Manager's primary responsibility to manage the assets and liabilities of CCT for the benefit of Unitholders. The Board provides leadership to the Chief Executive Officer (CEO) and the management team (Management) and sets the strategic vision, direction and long-term objectives for CCT. The CEO, assisted by Management, is responsible for the execution of the strategy for CCT and the day-to-day operation of CCT's business.

The Board provides leadership to Management, sets strategic directions and oversees the management of CCT. The Board establishes goals for Management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and compliance with requirements under the Listing Manual, the Property Funds Appendix, as well as any other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities, and applicable laws. It also sets the disclosure and transparency standards for CCT and ensures that obligations to Unitholders and other stakeholders are understood and met.

The Board has reserved authority to approve certain matters and these include:

(a) material acquisitions, investments, disposals and divestments;

(b) issue of new units in CCT (Units);

(c) income distributions and other returns to Unitholders; and

(d) matters which involve a conflict of interest for a controlling Unitholder or a Director.

The Board has established various Board Committees to assist it in the discharge of its functions. These Board Committees are the Audit Committee (AC), the Corporate Disclosure Committee (CDC) and the Executive Committee (EC). The compositions of the various Board Committees are set out on page 44 of this Annual Report.

Each of these Board Committees operates under delegated authority from the Board, with the Board retaining overall oversight. The Board may form other Board Committees as dictated by business imperatives. Membership of the various Board Committees is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective Board Committees.

The Board has adopted a set of internal controls which establishes approval limits for capital expenditure, investments, divestments, bank borrowings and issuance of debt instruments. Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below those limits to Board Committees and Management. Approval sub-limits are also provided at Management level to optimise operational efficiency.

The Board meets at least once every quarter, and as required by business imperatives. Where exigencies prevent a Director from attending a Board meeting in person, the Constitution of the Manager permits the Director to participate via teleconferencing or video conferencing. The Board and Board Committees may also make decisions by way of resolutions in writing.

A total of five Board meetings were held in FY 2015. A table showing the attendance record of the Directors at meetings of the Board and Board Committees during FY 2015 is set out on page 44 of this Annual Report. The Manager believes in the manifest contribution of its Directors beyond attendance at formal Board and Board Committee meetings. To judge a Director's contributions based on his or her attendance at formal meetings alone would not do justice to his or her overall contributions, which include being accessible to Management for guidance or exchange of views outside the formal environment of Board and Board Committee meetings.

The Manager provides suitable training for Directors. Upon appointment, each Director is provided with a formal letter of appointment and a copy of Directors' Manual (which includes information on a broad range of matters relating to the role and responsibilities of a director). All Directors on appointment also undergo an induction programme to familiarise themselves with matters relating to the business activities of CCT, its strategic directions and policies, the regulatory environment in which CCT operates and the Manager's corporate governance practices.

Following their appointment, Directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities, changes to regulations and accounting standards and industry-related matters, so as to be updated on matters that affect or may enhance their performance as directors or Board Committee members.

At all times, the Directors are collectively and individually obliged to act honestly and with diligence, and to consider the best interests of Unitholders. In addition to disclosure of any interest a Director may have in a matter under consideration by the Board, any Director who is in a conflict of interest situation is also required to abstain from participating in discussions on the matter.

Board Composition and Guidance
Principle 2:

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board reviews from time to time the size and composition of the Board with a view to ensuring that the size of the Board is appropriate in facilitating effective decision-making taking into account the scope and nature of CCT and its subsidiaries' (CCT Group) operations, and that the Board has a strong independent element.

The Board presently comprises eight Directors, of which four are IDs. The Chairman of the Board is an ID. Profiles of the Directors are provided on pages 17 to 22 of this Annual Report.

Corporate Governance

The Board assesses the independence of each Director in accordance with the guidance in the Code. An ID is one who has no relationship with the Manager, its related corporations, its shareholders who hold 10% or more of the voting shares of the Manager or Unitholders who hold 10% or more of the Units in issue of CCT or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement. The relevant non-executive Directors had provided declarations of their independence which have been deliberated upon by the Board. The Board has also examined the different relationships identified by the Code that might impair the Director's independence and objectivity.

Mr Soo Kok Leng is also a corporate advisor of Temasek International Advisors Pte Ltd (TIA). In this role, Mr Soo provides corporate advisory services to Temasek Holdings (Private) Limited (Temasek) in relation to proposed investments of Temasek. This role does not pose any conflict of interests issue for Mr Soo. In addition, Mr Soo's role in TIA is non-executive and advisory in nature, and he is not involved in the day-to-day conduct of the business of TIA. He also does not represent Temasek on the board of the Manager and he is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in acting as a director of the Manager.

The Board has also considered whether Mr Soo had demonstrated independence of character and judgement in the discharge of his responsibility as a director of the Manager in FY 2015, and is satisfied that Mr Soo had acted with independent judgement. Mr Soo had also recused himself from deliberating on any transactions that might potentially give rise to a conflict of interest. The Board therefore considers that the relationships and circumstances set out above did not affect his independence.

The Board has also considered whether each of Dato' Mohammed Hussein, Mr Lam Yi Young and Mr Goh Kian Hwee had demonstrated independence of character and judgement in the discharge of his responsibilities as a Director in FY 2015, and is satisfied that each of Dato' Mohammed Hussein, Mr Lam Yi Young and Mr Goh Kian Hwee has acted with independent judgement.

On the bases of the declarations of independence provided by the Directors and the guidance in the Code, the Board has determined that Mr Soo Kok Leng, Dato' Mohammed Hussein, Mr Lam Yi Young and Mr Goh Kian Hwee are independent directors, as defined under the Code. Each member of the Board had recused himself from deliberations on his own independence.

Chairman and Chief Executive Officer

Principle 3:

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

To maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the roles and responsibilities of the Chairman and the CEO are held by separate individuals.

The non-executive independent Chairman, Mr Soo Kok Leng, is responsible for leading the Board and ensuring that the Board is effective in all aspects of its role. The CEO, Ms Lynette Leong Chin Yee, has full executive responsibilities over the business directions and operational decisions of CCT and is responsible for implementing CCT's strategies and policies and conducting CCT's business.

The Chairman is responsible for leadership of the Board and for creating the conditions for overall Board, Board Committee and individual Director effectiveness. This includes setting the agenda of the Board in consultation with the CEO and promoting constructive engagement among the Directors as well as between the Board and the CEO on strategic issues.

The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the CEO and Management on strategies and business operations.

The Chairman and the CEO are not immediate family members. The separation of the roles of the Chairman and the CEO and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, and facilitate robust deliberations on the business activities of CCT and the exchange of ideas and views to help shape CCT's strategic process.

Board Membership
Principle 4:
There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Board undertakes the function of a nominating committee and therefore, the Manager does not have a nominating committee. The Board performs the functions that such a committee would otherwise perform, namely, it administers nominations to the Board, reviews the structure, size and composition of the Board, and reviews the performance and independence of Board members. The Board seeks to ensure that the composition of the Board provides an appropriate balance and diversity of skills, experience and knowledge of the industry and that the Directors, as a group, have the necessary core competencies relevant to CCT's business. The current Board comprises individuals who are business leaders and professionals with financial, banking, funds management, real estate, legal, investment and accounting backgrounds. The varied backgrounds of the Directors enable Management to benefit from their respective expertise and diverse background.

As part of its commitment towards improving its corporate governance, the Board recently undertook a review of the matter and has determined that it shall continue to undertake the functions of a nominating committee. The following considerations were taken into account:

(a) the Manager is a dedicated manager to only CCT and in general, REITs (including CCT) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched if the responsibilities of a nominating committee were also undertaken by the Board as the Board would be able to give adequate attention to such issues;

(b) the focused scope of the business of CCT also means a manageable competency requirement for the Board such that the Board is able to manage the duties of a nominating committee; and

(c) that IDs form at least half of the Board and the Chairman is an ID demonstrate that the IDs play a substantive role and assures the objectivity and independence of the decision-making process concerning nomination. This also mitigates any concerns of conflict which can be managed by having the conflicted directors abstain from the decision-making process. Further, conflict situations are less likely to arise in matters of nomination.

In terms of the criteria and process put in place for selecting, appointing and reappointing Directors and for reviewing the performance of Directors, the Board has adopted the following for FY 2016 and after:

(a) The Board will at least annually carry out a review of the Board composition as well as on each occasion when an existing ID gives notice of his intention to retire or resign. This is to assess the collective skills, knowledge and experience of Directors represented on the Board to determine whether the Board, as a whole, has the skills, knowledge and experience required to achieve the Manager's objectives for CCT.

(b) The Board will review the suitability of any candidates put forward by any director for appointment, having regard to the skills required and the skills represented on the Board and whether a candidate's skills, knowledge and experience will complement the existing Board and whether he or she has sufficient time available to commit to his or her responsibilities as a director, and whether he or she is a fit and proper person for the office in accordance with the Guidelines on Fit and Proper Criteria issued by MAS (which require the candidate to be, among other things, competent, honest, to have integrity and be financially sound).

(c) External consultants may be engaged from time to time to access a wide base of potential directors.

(d) No member of the Board will be involved in any decision of the Board relating to his own appointment, reappointment or assessment of independence.

(e) A newly appointed Director will receive a formal appointment letter and a copy of Directors' Manual (which includes information on a broad range of matters relating to the role and responsibilities of a director).

Corporate Governance

(f) All directors on appointment will undergo an induction programme to help familiarise them with matters relating to CCT's business and the Manager's strategy for CCT.

(g) The performance of the Board, Board Committees and directors will be reviewed annually.

(h) The Board will proactively address any issues identified in the board performance evaluation.

The adopted process takes into account the requirements in the Code that the composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, be determined using the following principles:

(a) the Board should comprise Directors with a broad range of commercial experience, including expertise in funds management, the property industry, banking and legal fields; and

(b) at least one-third of the Board should comprise IDs. Where, among other things, the Chairman of the Board is not an ID, at least half of the Board should comprise IDs.

As at least half of the Board comprises IDs, the Manager will not be voluntarily subjecting any appointment and reappointment of directors to voting by Unitholders. The Chairman of the Board is presently an ID. The Board intends to continue with the principle that at least half of the Board shall comprise IDs.

On Board renewal, the Manager believes that Board renewal is a necessary and continual process, for good governance and ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of CCT's business; renewal or replacement of a Director therefore does not necessarily reflect his or her performance or contributions to date. In reviewing its Board composition, the Board will, with effect from FY 2016, also consider the guidelines that an ID should serve for no more than a maximum of two three-year terms and any extension of his or her appointment after he or she has served for six years could be on a yearly basis up to a period of nine years (inclusive of the initial two three-year terms served).

Guideline 4.4 of the Code recommends that the Board determine the maximum number of listed company board representations which any director may hold and disclose this in the annual report. The Board is of the view that, the limit on the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors such as whether he or she is in full-time employment and his or her other responsibilities. A director with multiple directorships is expected to ensure that sufficient attention can be and is given to the affairs of the Manager in managing the assets and liabilities of CCT for the benefit of Unitholders. The Board believes that each Director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a director of the Manager, bearing in mind his or her other commitments. In considering the nomination of an individual for appointment, the Board will take into account, among other things, the competing time commitments faced by any such individual with multiple Board memberships as well as his or her other principal commitments. All Directors had confirmed that notwithstanding the number of their individual listed company board representations and other principal commitments, which each of them held, they were able to devote sufficient time and attention to the affairs of the Manager in managing the assets and liabilities of CCT for the benefit of Unitholders. The Board also notes that, as at the date of this Annual Report, none of the IDs serves on more than four listed company boards. Taking into account also the attendance record of the Directors at meetings of the Board and Board Committees during FY 2015 (set out on page 44 of this Annual Report), the Board is of the view that the current commitments of each of its Directors are reasonable and each of the Directors is able to and has been adequately carrying out his or her duties.

Board Performance
Principle 5:
There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Manager believes that Board performance is ultimately reflected in the long-term performance of CCT.

The Board strives to ensure that there is an optimal blend in the Board of background, experience and knowledge in business, finance and management skills critical to CCT's business and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of CCT. Contributions by an individual Board member can also take other forms, including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and/or Board Committee meetings.

Reviews of Board performance were carried out on an informal basis for FY 2015. The Manager believes that collective Board performance and that of individual Board members are better reflected in, and evidenced by, its and their proper guidance, diligent oversight and able leadership, and the support that it lends to Management in steering CCT in the appropriate direction, and the long-term performance of CCT whether under favourable or challenging market conditions. The Board was also able to assess the Board Committees through their regular reports to the Board on their activities.

Access to Information
Principle 6:

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities

The Manager recognises the importance of providing the Board with relevant information on a timely basis prior to Board meetings and on an ongoing basis to enable the Directors to make informed decisions to discharge their duties and responsibilities. Reports on CCT's performance are also provided to the Board on a regular basis.

The Board meets regularly and Board meetings, in general last up to half a day. At each Board meeting, the CEO updates on CCT's business and operations, as well as financial performance. Presentations in relation to specific business areas are also made by key executives and external consultants or experts; this allows the Board to develop a good understanding of the progress of CCT's business as well as the issues and challenges facing CCT, and also promotes active engagement between the Board and the key executives of the Manager.

As a general rule, Board papers are sent to Board members at least five working days prior to each Board meeting to allow members of the Board to prepare for the Board meetings and to enable discussions to focus on any questions that they may have.

In line with the Manager's commitment to limit paper wastage and reduce its carbon footprint, the Manager no longer provides printed copies of Board papers and Directors are instead provided with tablet devices to enable them to access and read Board and Board Committee papers prior to and at meetings. This initiative also enhances information security as the papers are downloaded to the tablet devices through an encrypted channel.

In addition to providing complete, adequate and timely information to the Board on Board affairs and issues requiring the Board's decision, Management also provides ongoing reports relating to the operational and financial performance of the Manager, such as monthly management reports.

Where appropriate, informal meetings are also held for Management to brief Directors on prospective deals and potential developments in the early stages before formal Board approval is sought.

The Board has separate and independent access to Management including the company secretary of the Manager (Company Secretary) at all times. The Company Secretary attends to corporate secretarial administration matters and is the corporate governance advisor on corporate matters to the Board and Management. The Company Secretary attends Board meetings. The Board, whether as individual Directors or as a group, is also entitled to have access to independent professional advice where required, at the Manager's expense.

The AC also meets the internal and external auditors separately at least once a year, without the presence of the CEO and Management and has unfettered access to any information that it may require.

Corporate Governance

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7:

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8:

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9:

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Manager is a subsidiary of CL. For FY 2015 and before, the Manager adhered to the remuneration policies and practices of CL; this was after careful consideration of the remuneration policies and practices of CL and being satisfied that such policies and practices would provide the Manager with a suitable remuneration policy. The Manager therefore did not have a remuneration committee. In its decision to adhere to the remuneration policies and practices of CL, the Manager also took into account the belief that a framework of remuneration for the Board and key executives should not be taken in isolation; it should be linked to the building of management bench strength and the development of key executives. This would ensure continual development of talent and renewal of strong and sound leadership for a sustainable business and an enduring company in the best interests of CCT. The other additional factors the Manager also considered were:

(a) by tapping on the compensation framework of CL, the Manager is placed in a better position to attract better qualified management talent, who may otherwise not be attracted to a standalone REIT manager; and

(b) the Manager being a subsidiary of CL provides an intangible benefit of allowing its employees to associate themselves with an established corporate group which can offer them depth and breadth of experience and a career horizon and this enables the Manager to attract and retain qualified individuals.

As part of its commitment towards improving its corporate governance, the Board recently undertook a review of the matter and has determined that it shall undertake the functions of a remuneration committee. The following considerations were taken into account:

(a) the Manager is a dedicated manager to only CCT and in general, REITs (including CCT) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched by reason of it undertaking the responsibilities of a remuneration committee and the Board would be able to give adequate attention to such issues relating to remuneration; and

(b) that IDs form at least half of the Board and the Chairman is an ID demonstrate that the IDs play a substantive role and assures the objectivity and independence of the decision-making process concerning remuneration. This also mitigates any concerns of conflict which can be managed by having the conflicted directors abstain from the decision-making process. Further, conflict situations are less likely to arise in matters of remuneration.

Therefore, with effect from FY 2016, the Board will undertake the functions of a remuneration committee and the Manager will continue to not have a separate remuneration committee. The Board will perform the functions that such a committee would otherwise perform, namely, to oversee the design and implementation of the remuneration policy and the specific remuneration packages for each Director and senior executives including the CEO. No member of the Board will be involved in any decision of the Board relating to his or her own remuneration.

In terms of the process to be put in place by the Manager for developing policies on remuneration and determining the remuneration packages for Directors and executive officers, the Manager will, through an independent remuneration consultant, take into account benchmarking within the industry, as appropriate. It may also consider the compensation framework of CL as a point of reference. The Manager is a subsidiary of CL which also holds a significant stake in CCT. The association with the CL group puts the Manager in a better position to attract and retain better qualified management talent; it provides an intangible benefit to the Manager such that it allows its employees to associate themselves with an established corporate group which can offer them the depth and breadth of experience and a career horizon. Following the issuance of new MAS directions and guidelines relating to the remuneration of its key executives, the Manager has begun the process of reviewing its remuneration policy with a view to adopting a policy which is in line with the new MAS directions and regulations.

The principles governing the Manager's key management personnel remuneration policy are as follows:

Business Alignment

- Focus on generating rental income and enhancing asset value over time so as to maximise returns from investments and ultimately the distributions and total returns to Unitholders
- Provide sound, structured funding to ensure affordability and cost-effectiveness in line with performance goals
- Enhance retention of key talents to build strong organisational capabilities

Motivate Right Behaviour

- Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance
- Strengthen line-of-sight linking rewards and performance goals

Fair & Appropriate

- Ensure competitive remuneration relative to the appropriate external talent markets
- Manage internal equity such that remuneration systems are viewed as fair
- Significant and appropriate portion of pay-at-risk, taking into account risk policies for CCT Group, symmetrical with risk outcomes and sensitive to the risk time horizon

Effective Implementation

- Maintain rigorous corporate governance standards
- Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations
- Facilitate employee understanding to maximise the value of the remuneration programmes

The fixed component comprises the base salary, fixed allowances and compulsory employer contribution to an employee's Central Provident Fund. The variable cash component comprises an annual bonus plan which is linked to the achievement of annual performance targets for each key executive. Annual performance targets are in the form of both quantitative and qualitative measures and are aligned to the business strategy for CCT Group and linked to the performance of CCT. The market-related benefits provided are comparable with local market practices.

For FY 2015, remuneration for key management personnel comprises a fixed component, a variable cash component, an equity-based component and market-related benefits. For the equity-based component, for FY 2015, shares of CL were awarded pursuant to the share plans of CL. With effect from FY 2016, Units will be issued in place of CL shares, so as to better align the interest of key management personnel with the long term interest of Unitholders.

The Code requires an issuer to disclose the names and remuneration of the directors, CEO and at least the top five key management personnel (who are not also directors or the CEO) of the Manager. In this regard, as the Manager is currently in the midst of reviewing the remuneration policy, with a view to adopt a new remuneration policy in line with the new directions and guidelines of MAS for FY 2016, the Manager is not making any disclosures in this Annual Report as the remuneration figures for FY 2015 will not be meaningful or useful, from an information perspective, to Unitholders with respect to FY 2016 and beyond.

Corporate Governance

There were no employees of the Manager who were immediate family members of a Director or the CEO during FY 2015. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

The Directors' fees for FY 2015 are shown in the table below. The CEO as an executive director does not receive any fees in her capacity as a Director. Directors' fees are a fixed sum and generally comprise a basic retainer fee as a Director, an additional fee for serving on any of the Board Committees and an attendance fee for participation in meetings of the Board and any of the Board Committees, project meetings and verification meetings.

Non-executive Directors (save for Directors who are employees of CL) receive Directors' fees which are payable by way of cash and Units. The Manager believes that the payment of a portion of the Directors' fees in Units will serve to align the interests of such Directors with that of Unitholders and CCT's long-term growth and value.

Directors' Fees[1]

Board Members	FY 2015	FY 2014
Soo Kok Leng	S$106,000[2]	S$72,899[2,3]
Lim Ming Yan	N.A.[4]	N.A.[4]
Lynette Leong Chin Yee	N.A.	N.A.
Dato' Mohammed Hussein	S$123,000[2]	S$112,000[2]
Lam Yi Young	S$79,400[5]	S$76,000[5]
Goh Kian Hwee	S$80,000[2]	S$76,000[2]
Wen Khai Meng	N.A.[4]	N.A.[4]
Chong Lit Cheong	N.A.[4]	N.A.[4]

N.A. : Not Applicable

1 Inclusive of attendance fees of (a) S$2,000 (local director) and S$5,000 (foreign director) per meeting attendance in person (b) S$1,700 per meeting attendance via teleconferencing or video conferencing, and (c) S$1,000 per meeting attendance at project and verification meetings subject to a maximum of S$10,000 per Director per annum.

2 Each non-executive Director shall receive up to 20% of his Director's fees in the form of Units (subject to truncation adjustments). The remainder of the Director's fees shall be paid in cash. No new Units will be issued for this purpose as these Units will be paid by the Manager from the Units it holds.

3 Mr Soo Kok Leng was appointed as Chairman of the Board with effect from 22 September 2014.

4 Non-executive Directors who are employees of CL do not receive Directors' fees.

5 All Director's fees payable to Mr Lam Yi Young, a public officer, will be paid in cash to a government agency, The Directorship & Consultancy Appointments Council.

(C) ACCOUNTABILITY AND AUDIT
Accountability
Principle 10:
The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Manager provides Unitholders with quarterly and annual financial statements. In presenting the annual and quarterly financial statements to Unitholders, the Board aims to provide Unitholders with a balanced, clear and understandable assessment of CCT's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a monthly basis and such explanation and information as any Director may require, to enable the Directors to keep abreast, and make a balanced and informed assessment, of CCT's financial performance, position and prospects.

The Manager believes in conducting itself in ways that seek to deliver maximum sustainable value to Unitholders. Best practices are promoted as a means to build an excellent business for Unitholders and the Manager is accountable to Unitholders for CCT's performance. Prompt fulfilment of statutory and regulatory reporting requirements is but one way to maintaining Unitholders' confidence and trust in the capability and integrity of the Manager.

Risk Management and Internal Controls
Principle 11:
The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Manager has in place an adequate and effective system of internal controls addressing material financial, operational, compliance and information technology risks to safeguard Unitholders' interests and CCT's assets.

The Board has overall responsibility for the governance of risk and oversees the Manager in the design, implementation and monitoring of the risk management and internal controls system. The AC assists the Board in carrying out the Board's responsibility of overseeing the risk management framework and policies of CCT Group.

The AC is guided by its terms of reference, in particular, the AC:

(a) makes recommendations to the Board on the Risk Appetite Statement (RAS) for CCT Group;

(b) assesses the adequacy and effectiveness of the risk management and internal controls system established by the Manager to manage risks;

(c) oversees Management in the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies for managing risks that are consistent with CCT Group's risk appetite and reports to the Board on its decisions on any material matters concerning the aforementioned;

(d) makes the necessary recommendations to the Board such that an opinion relating to the adequacy and effectiveness of the risk management and internal controls system can be made by the Board in the annual report of CCT in accordance with the Listing Manual and the Code; and

(e) considers and advises on risk matters referred to it by Management or the Board including reviewing and reporting to the Board on any material breaches of RAS, any material non-compliance with the approved framework and policies and the adequacy of any proposed action.

The Manager adopts an Enterprise Risk Management (ERM) Framework which sets out the required environmental and organisational components for managing risk in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually.

The Manager consistently seeks to improve and strengthen its ERM Framework. As part of the ERM Framework, the Manager, among other things, undertakes and performs a Risk and Control Self-Assessment (RCSA) process. As a result of the RCSA process, the Manager produces and maintains a risk register which identifies the material risks CCT Group faces and the corresponding internal controls it has in place to manage or mitigate those risks. The material risks are reviewed annually by the AC and the Board. The AC also reviews the approach of identifying and assessing risks and internal controls in the risk register. The system of risk management and internal controls is reviewed and, where appropriate, refined regularly by the Manager, the AC and the Board. Where relevant, reference is made to the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council.

The Manager has established an approach on how risk appetite is defined, monitored and reviewed for CCT Group. Approved by the Board, CCT Group's RAS, addresses the management of material risks faced by CCT Group. Alignment of CCT Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms put in place across the various functions within the Manager.

More information on the Manager's ERM Framework can be found in the Enterprise Risk Management section on pages 45 to 47 of this Annual Report.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal controls for CCT Group addressing financial, operational, compliance and information technology risks. This includes testing,

Corporate Governance

where practical, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the AC. The adequacy and effectiveness of the measures taken by the Manager in response to the recommendations made by the internal and external auditors are also reviewed by the AC.

The Board has received assurance from the CEO and the Head of Finance of the Manager that:

(a) the financial records of CCT Group have been properly maintained and the financial statements for the year ended 31 December 2015 give a true and fair view of CCT Group's operations and finances; and

(b) the system of risk management and internal controls in place for CCT Group is adequate and effective in addressing the material risks faced by CCT Group in its current business environment including material financial, operational, compliance and information technology risks. The CEO and the Head of Finance of the Manager have obtained similar assurances from the respective risk and control owners.

In addition, in FY 2015, the Board has received quarterly certification by Management on the integrity of financial reporting and the Board has provided a negative assurance confirmation to Unitholders as required by the Listing Manual.

Based on the ERM Framework established and the reviews conducted by the Management and both the internal and external auditors, as well as the assurance from the CEO and the Head of Finance of the Manager, the Board concurs with the recommendation of the AC and is of the opinion, that the system of risk management and internal controls addressing material financial, operational, compliance and information technology risks established by the Manager is adequate and effective to meet the needs of CCT Group in its current business environment as at 31 December 2015.

The Board notes that the system of risk management and internal controls established by the Manager provides reasonable, but not absolute, assurance that CCT Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. The Board notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

Audit Committee
Principle 12:
The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

All the members of the AC, including the Chairman of the AC, are IDs. The members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains.

The AC has explicit authority to investigate any matter within its terms of reference. Management is required to provide the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or executive officer to attend its meetings. Similarly, both the internal and external auditors are given unrestricted access to the AC.

The AC is guided by its terms of reference, in particular, the AC:

(a) reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of CCT Group and any announcements relating to CCT Group's financial performance;

(b) reviews and reports to the Board at least annually the adequacy and effectiveness of the Manager's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

(c) reviews the effectiveness of the Manager's internal audit and compliance functions;

(d) reviews the scope and results of the external audit and independence and objectivity of the external auditors;

(e) makes recommendations to the Board on the proposals to Unitholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration of the external auditors;

(f) reviews and approves processes to regulate transactions involving an Interested Person (as defined in Chapter 9 of the Listing Manual) and/or Interested Party (as defined in the Property Funds Appendix) (each, an Interested Person) and CCT and/or its subsidiaries (Interested Person Transactions), to ensure compliance with the applicable regulations, in particular, the requirements that the transactions are on normal commercial terms and are not prejudicial to the interests of CCT and its minority Unitholders; and

(g) reviews the policy and arrangements by which employees of the Manager and any other persons may, in confidence, report suspected fraud or irregularity or suspected infringement of any laws or regulations or rules or, raise concerns about possible improprieties in matters of financial reporting or other matters with a view to ensuring that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.

The AC has reviewed the nature and extent of non-audit services provided by the external auditors during FY 2015 and the fees paid for such services. The AC is satisfied that the independence of the external auditors has not been impaired by the provision of those services. The external auditors have also provided confirmation of their independence to the AC. The aggregate amount of fees paid and payable to the external auditors for FY 2015 was approximately S$275,000, of which audit fees amounted to approximately S$260,000 and non-audit fees amounted to approximately S$15,000.

In FY 2015, the AC also met with the internal and external auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors. Where relevant, the AC makes reference to the best practices and guidance in the Guidebook for Audit Committee in Singapore and the practice directions issued from time to time in relation to Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

The Manager confirms, on behalf of CCT, that CCT complies with Rule 712 and Rule 715 of the Listing Manual.

Internal Audit
Principle 13:
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Manager has in place an internal audit function supported by CL's Internal Audit Department (CL IA) which reports directly to the AC and administratively to the CEO. CL IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval prior to the beginning of each year. The AC also meets with CL IA at least once a year without the presence of Management. CL IA has unfettered access to the Manager's documents, records, properties and employees, including access to the AC.

CL IA is a corporate member of the Singapore branch of the Institute of Internal Auditors Inc. (IIA), which has its headquarters in the United States of America. CL IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIA and has incorporated these Standards into its audit practices.

To ensure that internal audits are performed by competent professionals, CL IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience.

CL IA identifies and provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

Corporate Governance

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14:

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Manager is committed to treating all the Unitholders fairly and equitably. All Unitholders enjoy specific rights under the Trust Deed and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions. They are also entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings.

Communication with Shareholders

Principle 15:

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Manager is committed to keeping all Unitholders and other stakeholders and analysts informed of the performance and changes in CCT or its business which would be likely to materially affect the price or value of the Units, on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions.

The Manager has in place an Investor Relations & Communications department which facilitates effective communication with Unitholders, analysts, fund managers and the media.

The Manager actively engages with Unitholders and has put in place an Investor Relations Policy (Policy) to promote regular, effective and fair communications with Unitholders. The Policy is uploaded on CCT's website at www.cct.com.sg.

The Board has established the CDC which assists the Board in the discharge of its function to meet the legal and regulatory obligations arising under the laws and regulations of Singapore relating to and to conform to best practices in the corporate disclosure and compliance process. The views and approvals of the CDC were sought throughout the year via emails on various announcements and news releases issued.

More information on the Manager's investor relations with Unitholders can be found in the Investor Relations section on pages 48 to 49 of this Annual Report and the Policy which is available on CCT's website.

CCT is a constituent of a few major indices including the MSCI Global Standard Indices, FTSE4Good Index Series, and the European Public Real Estate Association (EPRA)/ National Association of Real Estate Investment Trust (NAREIT) Global Real Estate Index, as well as other indices which are widely tracked and referred to by international fund managers as performance benchmarks in the selection and monitoring of investments.

CCT's distribution policy is to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties by CCT which are determined to be trading gains), with the actual level of distribution to be determined at the Manager's discretion.

Conduct of Shareholder Meetings

Principle 16:

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Manager supports the principle of encouraging Unitholders' participation and voting at general meetings. Unitholders receive a CD containing the CCT annual report (printed copies are available upon request) and notice of the annual general meeting. As and when an extraordinary general meeting is to be held, Unitholders will receive a copy of the circular which contains details of the matters to be proposed for Unitholders' consideration and approval. Notices of the general meetings are also advertised in the press and issued via SGXNet.

At general meetings, Unitholders are encouraged to communicate their views and discuss with the Board and Management matters affecting CCT. Representatives of the Trustee, Directors (including the chairpersons of the Board and the AC), the Manager's senior management and the external auditors of CCT, would usually be present at general meetings to address any queries that the Unitholders may have.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. To ensure transparency in the voting process and better reflect Unitholders' interest, the Manager conducts electronic poll voting for all the resolutions proposed at the general meetings. Voting and vote tabulation procedures are disclosed at the general meetings. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live-on-screen' to Unitholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNet after the general meetings. Voting in absentia and by email which are currently not permitted may only be possible following careful study to ensure that the integrity of information and authentication of the identity of unitholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

Minutes of the general meetings are taken and are available to Unitholders for their inspection upon request. Since 2015, minutes of the annual general meetings are also uploaded on CCT's website at www.cct.com.sg.

Unitholders also have the opportunity to communicate their views and discuss with the Board and Management matters affecting CCT after the general meetings.

(E) ADDITIONAL INFORMATION

Executive Committee

Apart from the AC and CDC, the Board has also established an EC.

The EC oversees the day-to-day activities of the Manager and that of CCT, on behalf of the Board. The EC is guided by its terms of reference, in particular, the EC:

(a) reviews, endorses and recommends to the Board strategic directions and management policies of the Manager in respect of CCT;

(b) oversees operational, investment and divestment matters within approved financial limits; and

(c) reviews management reports and operating budgets.

The members of the EC also meet informally during the course of the year.

Dealings with Interested Persons

Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties, and are not prejudicial to the interests of CCT and Unitholders. In respect of such transactions, the Manager would have to demonstrate to the AC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CCT and Unitholders which may include obtaining (where practicable) third party quotations or obtaining valuations from independent valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). The internal control procedures also ensure compliance with Chapter 9 of the Listing Manual and the Property Funds Appendix.

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In particular, the procedures in place include the following:

Interested Person Transactions[1]	Approving Authority, Procedures and Disclosure
Below S$100,000 per transaction	• Trustee
S$100,000 and above per transaction (which singly, or when aggregated with other transactions[2] with the same Interested Person in the same financial year is less than 3.0% of CCT's latest audited net tangible assets/ net asset value)	• Trustee • Audit Committee
Transaction[2] which: (a) is equal to or exceeds 3.0% of CCT's latest audited net tangible assets/ net asset value; or (b) when aggregated with other transactions[2] with the same Interested Person in the same financial year is equal to or exceeds 3.0% of CCT's latest audited net tangible assets/net asset value	• Trustee • Audit Committee • Immediate announcement
Transaction[2] which: (a) is equal to or exceeds 5.0% of CCT's latest audited net tangible assets/ net asset value; or (b) when aggregated with other transactions[2,3] with the same Interested Person in the same financial year is equal to or exceeds 5.0% of CCT's latest audited net tangible assets/net asset value	• Trustee • Audit Committee • Unitholders[3] • Immediate announcement

[1] Excluding interested person transactions falling under the exceptions set out in Rules 915 and 916 of the Listing Manual.

[2] Any transaction of less than S$100,000 in value is disregarded.

[3] In relation to approval by Unitholders for transactions that equal to or exceed 5.0% of CCT's latest audited net tangible assets/net asset value (whether singly or aggregated), any transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.

Role of the Audit Committee for Interested Person Transactions

The Manager's internal control procedures are intended to ensure that Interested Person Transactions are conducted at arm's length and on normal commercial terms, and are not prejudicial to CCT and Unitholders' interests.

The Manager maintains a register to record all Interested Person Transactions which are entered into by CCT (and the basis on which they are entered into, including the quotations obtained to support such basis). All Interested Person Transactions are subject to regular periodic reviews by the AC, which in turn obtains advice from CL IA, to ascertain that the guidelines and procedures established to monitor Interested Person Transactions, including the relevant provisions of the Listing Manual and the Property Funds Appendix, as well as any other guidelines which may from time to time be prescribed by the SGX-ST, MAS or other relevant authorities, have been complied with. The review includes an examination of the nature of the transaction and its supporting documents or such other information deemed necessary by the AC. If a member of the AC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction. In addition, the Trustee also reviews such audit reports to ascertain that the Listing Manual and the Property Funds Appendix have been complied with.

Details of all Interested Person Transactions (equal to or exceeding S$100,000 each in value) entered into by CCT during FY 2015 are disclosed on page 174 of this Annual Report.

Dealing with Conflicts of Interest

The following principles and procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, executive officers and employees) may encounter in managing CCT:

(a) the Manager is a dedicated manager to CCT and will not manage any other REIT or be involved in any other real property business;

(b) all resolutions at meetings of the Board in relation to matters concerning CCT must be decided by a majority vote of the Directors, including at least one ID;

(c) in respect of matters in which CL and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by CL and/or its subsidiaries to the Board will abstain from voting. In such matters, the quorum must comprise a majority of the IDs and shall exclude such nominee Directors of CL and/or its subsidiaries;

(d) in respect of matters in which a Director or his associates have an interest, whether direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and shall exclude such interested Director(s);

(e) if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CCT with an affiliate of the Manager, the Manager is obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CCT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager is obliged to pursue the appropriate remedies under such agreement; and

(f) at least one-third of the Board shall comprise IDs.

Additionally, the Trustee has been granted a right of first refusal by CapitaLand Singapore Limited (CLS) to purchase over properties with certain specified characteristics which may in the future be identified and targeted for acquisition by CLS or any of its subsidiaries.

In respect of voting rights where the Manager would face a conflict between its own interests and that of Unitholders, the Manager shall cause such voting rights to be exercised according to the discretion of the Trustee.

Dealings in Securities

The Manager has devised and adopted a securities dealing policy for the Manager's officers and employees which applies the best practice recommendations in the Listing Manual. To this end, the Manager has issued guidelines to its Directors and employees as well as certain relevant executives of the CL group, which set out prohibitions against dealings in CCT Group's securities (i) while in possession of material unpublished price sensitive information, (ii) during the two weeks immediately preceding, and up to the time of the announcement of, CCT's financial statements for each of the first three quarters of CCT's financial year, and (iii) during the one month immediately preceding, and up to the time of the announcement of, CCT's financial statements for the full financial year. Prior to the commencement of each relevant period, an email would be sent out to all Directors and employees of the Manager as well as certain relevant executives of the CL group to inform them of the duration of the period. The Manager will also not deal in CCT Group's securities during the same period.

Directors and employees of the Manager as well as certain relevant executives of the CL group are also prohibited from dealing in securities of CCT Group if they are in possession of unpublished price sensitive information of CCT Group. As and when appropriate, they would be issued an advisory to refrain from dealing in CCT Group's securities.

Under the policy, Directors and employees of the Manager as well as certain relevant executives of the CL group are also discouraged to trade on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

Corporate Governance

Fees payable to the Manager

Under the revised CIS Code issued by MAS which came into effect on 1 January 2016, where fees are payable out of the deposited property of a property fund, the methodology and justifications for each type of fees payable should be disclosed. The methodology for computing the fees is disclosed under the Notes to Financial Statements.

The management fees are fees earned by the Manager for the management of CCT's portfolio. The management fees should be viewed holistically as a whole which comprise two components, namely the Base Fee and the Performance Fee, which are elaborated further below:

Base Fee

The Base Fee enables the Manager to cover operational and administrative overheads incurred in the management of the portfolio. The Base Fee is calculated at a percentage of asset value as the asset value provides an appropriate metric to determine the resources for managing the assets. The Base Fee is payable on a quarterly basis.

Performance Fee

The Performance Fee is based on objective benchmarks that are aligned with the interests of Unitholders as a whole – in this case, either Net Income or Net Property Income. This serves as motivation for and provides the Manager with the incentive to enhance either Net Income or Net Property Income on a long-term and sustainable basis through efficient portfolio management, astute cost management and effective use of debt and equity. This can be achieved by proactive organic and external growth strategies such as asset enhancement initiatives, acquisitions, developments and divestments to continually refresh the portfolio and sustain income accretions. Taking on short-term risks of deferring asset enhancement initiatives or repairs and maintenance is deterred as the Manager strives to achieve sustainability.

The pegging of the Performance Fees to either Net Income or Net Property Income also aligns the interests of the Manager with the interests of Unitholders as the compensation commensurate with the value the Manager delivers to Unitholders as a whole in the form of distributable income which is also derived from the net income and as evidenced by the Manager achieving an optimal percentage of the overall fees to total assets of 0.2%. The Performance Fee is payable on a quarterly basis.

In addition, the Manager is also paid an Acquisition Fee or a Divestment Fee upon the successful completion of an acquisition or divestment respectively. Further details on the Acquisition Fee and the Divestment Fee are provided below:

Acquisition Fee

The Acquisition Fee is earned by the Manager and is upon the successful completion of an acquisition. This fee seeks to motivate and compensate the Manager for its efforts expended to continually seek out and acquire distribution per Unit accretive assets to increase longer term returns for Unitholders. In addition, the Acquisition Fee allows the Manager to recover the additional costs and resources incurred by the Manager in the course of seeking out new acquisition opportunities, including but not limited to, due diligence efforts and man hours spent in evaluating the transaction.

As required by the Property Funds Appendix, where the Acquisition Fee is to be paid to the Manager for the acquisition of assets from an Interested Party, the Acquisition Fee is to be paid in the form of Units at the prevailing market price, which should not be sold for a period of one year from their date of issuance. As the Manager's interest is closely tied to the performance of CCT, in this regard, this helps to ensure that acquisitions from Interested Parties perform and contribute to Unitholders' returns.

Divestment Fee

The Divestment Fee is earned by the Manager and is upon the successful completion of a divestment. This fee seeks to motivate and compensate the Manager for its efforts expended to continually rebalance the portfolio and maximise value received by CCT in the event of a divestment. In addition, the Divestment Fee allows the Manager to recover the additional costs and resources incurred by the Manager for the divestment, including but not limited to due diligence efforts and man hours spent in marketing and maximising the divestment price.

As required by the Property Funds Appendix, where the Divestment Fee is to be paid to the Manager for the divestment of assets to an Interested Party, the Divestment Fee is to be paid in the form of Units at the prevailing market price, which should not be sold for a period of one year from their date of issuance.

(F) CODE OF BUSINESS CONDUCT

The Manager adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place.

The policies and guidelines are published on CL's intranet which is accessible to all employees of the Manager.

The policies that the Manager has implemented aim to help to detect and prevent occupational fraud in mainly three ways.

First, the Manager offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit to its employees. The Manager also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees face.

Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.

Finally, the Manager seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values.

Bribery and Corruption Prevention Policy

The Manager adopts a strong stance against bribery and corruption. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, all employees of the Manager are required to make a declaration on an annual basis where they pledge to uphold the Manager's core values and not to engage in any corrupt or unethical practices. This serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings.

The Manager's zero tolerance policy towards bribery and corruption extends to its business dealings with third-parties. Pursuant to this policy, the Manager requires that certain agreements incorporate anti-bribery and anti-corruption provisions.

Whistle-Blowing Policy

A whistle-blowing policy and other procedures are put in place to provide employees of the Manager and parties who have dealings with the Manager with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The objective of the whistle-blowing policy is to encourage the reporting of such matters – that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal.

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Anti-Money Laundering and Countering the Financing of Terrorism Measures

As a holder of a Capital Markets Services licence issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism. Under these guidelines, the main obligations of the Manager are:

(a) evaluation of risk;

(b) customer due diligence;

(c) suspicious transaction reporting;

(d) record keeping;

(e) employee screening and representative screening; and

(f) training.

The Manager has developed and implemented a policy on the prevention of money laundering and terrorist financing and is alert at all times to suspicious transactions. Where there is a suspicion of money laundering or terrorist financing, the Manager performs due diligence checks on its counterparties in order to ensure that it does not enter into business transactions with terrorist suspects or other high risk persons or entities. Suspicious transactions are also reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, the Manager must retain all relevant records or documents relating to business relations with its customers or transactions entered into for a period of at least five years following the termination of such business relations or the completion of such transactions.

All prospective employees, officers and representatives of the Manager are also screened against various lists of terrorist suspects issued by MAS. Periodic training is provided by the Manager to its Directors, employees and representatives to ensure that they are updated and aware of applicable anti-money laundering and terrorist financing regulations, the prevailing techniques and trends in money laundering and terrorist financing and the measures adopted by the Manager to combat money laundering and terrorist financing.

Composition and Attendance Record of Meetings of the Board and Board Committees

	Composition			Attendance Record of Meetings in FY 2015		
				Board	Audit Committee	Executive Committee
Board Members	Audit Committee	Corporate Disclosure Committee	Executive Committee	Number of Meetings Held: 5	Number of Meetings Held: 5	Number of Meetings Held: 1
Soo Kok Leng, Chairman	–	Member	–	5 out of 5	N.A.	N.A.
Lim Ming Yan, Deputy Chairman	–	–	Chairman	5 out of 5	N.A.	1 out of 1
Lynette Leong Chin Yee, CEO	–	–	Member	5 out of 5	N.A.	1 out of 1
Dato' Mohammed Hussein	Chairman	–	–	5 out of 5	5 out of 5	N.A.
Lam Yi Young	Member	–	–	5 out of 5	5 out of 5	N.A.
Goh Kian Hwee	Member	–	–	5 out of 5	5 out of 5	N.A.
Wen Khai Meng	–	Chairman	Member	5 out of 5	N.A.	1 out of 1
Chong Lit Cheong	–	Member	Member	4 out of 5	N.A.	0 out of 1

N.A. : Not Applicable

Enterprise Risk Management

Risk management is an integral part of CCT Group's business at both the strategic and operational levels. A proactive approach towards risk management supports the attainment of CCT Group's business objective and corporate strategy, thereby creating and preserving value.

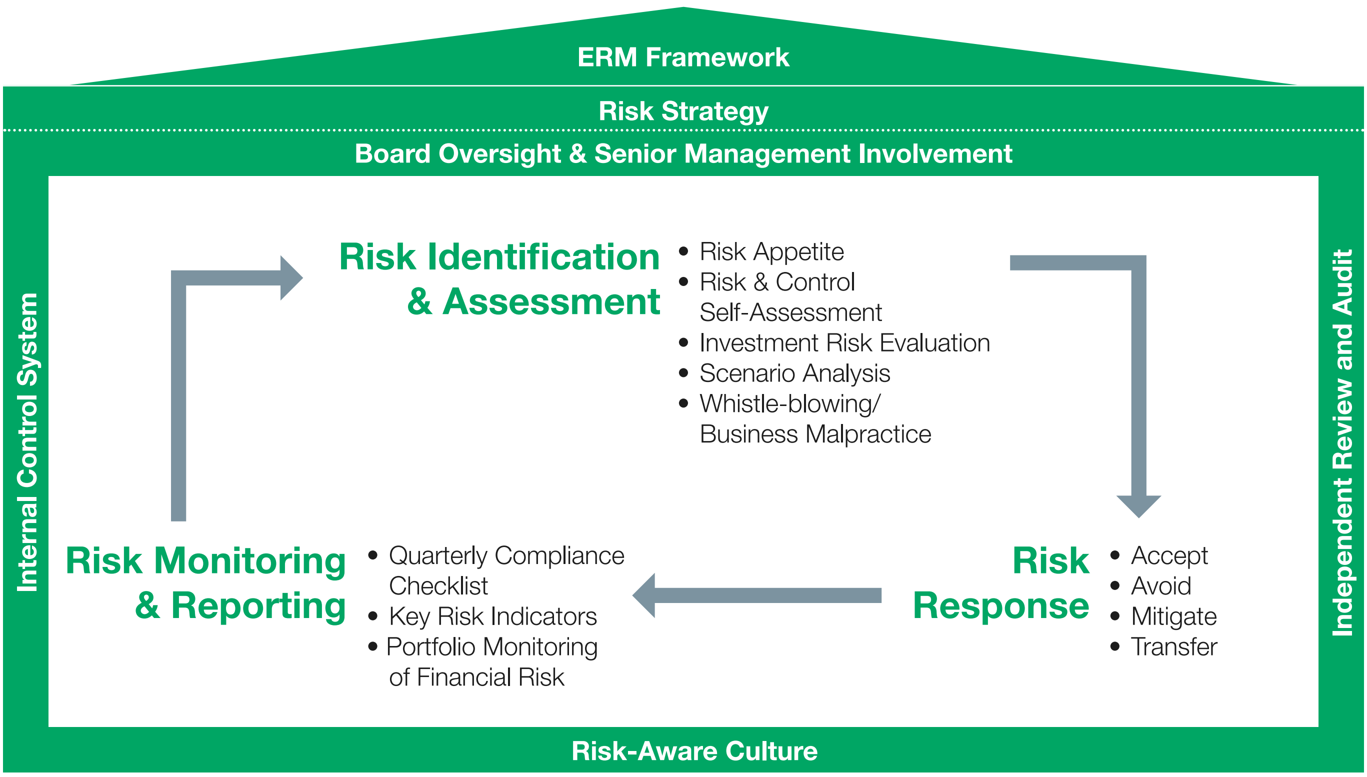
The Manager recognises that risk management is just as much about opportunities as it is about threats. To capitalise on opportunities, the Manager has to take measured risks. Therefore, risk management is not about pursuing risk minimisation as a goal, but rather optimising the risk-reward relationship, within known and agreed risk appetite levels. The Manager therefore takes risks in a prudent manner for justifiable business reasons.

The Board of Directors of the Manager (Board) is responsible for the governance of risk across CCT Group. The responsibilities include determining CCT Group's risk appetite, overseeing the Manager's Enterprise Risk Management (ERM) Framework, regularly reviewing CCT Group's risk profile, material risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. For these purposes, it is assisted by the Audit Committee (AC) which provides oversight of risk management.

The AC currently comprises three independent board members and meets on a quarterly basis. The meetings are attended by the Chief Executive Officer (CEO) as well as other key management staff.

The Board has approved CCT Group's risk appetite which determines the nature and extent of material risks which the Manager is willing to take to achieve CCT Group's strategic and business objectives. CCT Group's Risk Appetite Statement (RAS) is expressed via formal, high-level and overarching statements. Having considered key stakeholders' interests, CCT Group's RAS sets out explicit, forward-looking views of CCT Group's desired risk profile and is aligned to CCT Group's strategy and business plans. The Manager incorporates accompanying risk limits which determine specific risk boundaries established at an operational level.

Enterprise Risk Management Framework



Enterprise Risk Management

The Manager's ERM Framework sets out the required environmental and organisational components which enable the Manager to manage risks in an integrated, systematic and consistent manner. The ERM Framework and related risk management policies are reviewed annually and are periodically validated by external ERM consultants.

A robust internal control system and an effective, independent review and audit process are the twin pillars that underpin the Manager's ERM Framework. The line management is responsible for the design and implementation of effective internal controls using a risk-based approach while the outsourced Internal Audit function from CapitaLand reviews such design and implementation to provide reasonable assurance to the AC on the adequacy and effectiveness of the internal control system.

Annually, the Manager facilitates and coordinates CCT Group's Risk and Control Self-Assessment (RCSA) exercise that requires respective risk and control owners to proactively identify, assess and document material risks as well as the corresponding key controls and mitigating measures needed to address them. Material risks and their associated controls are consolidated and reviewed by the Manager before they are presented to the AC and the Board.

Awareness of and preparedness for potential risks affecting CCT Group's business continuity help the Manager minimise the impact of disruption to business operations. The Manager has in place a business continuity plan. In addition, the outsourced Information Technology team from CapitaLand has in place a disaster recovery strategy, which is reviewed and tested on an annual basis.

The Manager believes that having the right risk culture and people with the right attitude, values and knowledge are fundamental to CCT Group's success. Therefore, the Manager works closely with CapitaLand's Risk Assessment Group to proactively enhance risk management knowledge and promote a culture of risk awareness.

Managing Material Risks

The Manager undertakes an iterative and comprehensive approach in identifying, managing, monitoring and reporting material risks across CCT Group. Such material risks include:

Competition Risk

CCT Group faces keen competition from other real estate companies, REITs or investors and managers of commercial real estate. The Manager adopts a relentless approach towards strengthening CCT Group's competitiveness through high-quality products and services, effective cost management, pricing, asset enhancement and branding. The Manager also retains tenants through tenant-centric and branding initiatives. The Manager actively monitors relevant leasing transactions in the market to assess the rental competitiveness of CCT Group's properties. The formation of joint ventures with suitable partner(s), including its sponsor, CapitaLand, is also an effective way to tap into a wider pool of expertise and resources which enhance its competitive edge.

Economic Risk

CCT Group operates in Singapore, and is exposed to developments in Singapore's economic, financial and property markets. These developments may reduce revenue, increase cost and result in downward revaluation of our assets. Market illiquidity during a financial crisis makes asset investment and/or divestment challenging and this can affect CCT Group's investment and strategic objectives. The Manager takes a disciplined approach towards financial management and closely monitors macro-economic trends and their impact on the Singapore commercial property market.

Financial Risks

CCT Group is exposed to financial risks including liquidity risk, foreign currency risk and interest rate risk. The Manager continues to focus on instilling financial discipline, deploying capital to earn the best risk-adjusted returns and maintaining a strong balance sheet to invest in suitable opportunities.

Fraud and Corruption Risk

The Manager is committed to the highest standards of integrity (one of its core values), and has no tolerance for any fraud, corruption or bribery in the conduct of its business activities. Consistent with this commitment, the Manager has in place an employee code of conduct and an anti-corruption policy. The anti-corruption policy is designed to reiterate the tone from the top and sets out CapitaLand Global Principles on Ethical Business Conduct. Every year, employees sign the CapitaLand Pledge to renew their commitment to uphold the Group's core values. It also has a whistle-blowing policy to encourage the reporting of suspected reportable conduct by establishing a clearly defined process through which such reports may be made in confidence and without fear of reprisal.

Investment and Divestment Risk

To achieve the growth objectives of CCT Group, the Manager acquires properties, undertakes asset enhancement initiatives and invests in greenfield developments. The risks involved in such investment activities are managed through a rigorous set of investment criteria which includes rental sustainability, potential for value creation and DPU accretion.

All major investment and divestment decisions are reviewed and approved by the Board. The Manager conducts due diligence reviews in relation to any investment or divestment proposal. Where necessary, it enlists the Property Manager and third-party consultants with the requisite expertise to assist in the due diligence review. Each major investment or divestment proposal must also include a risk assessment, as well as sensitivity analysis and mitigative measures or control strategies where appropriate.

Leasing Risk

Strong competition, poor economic and market conditions are some of the key factors that could result in key tenants not renewing their leases, and adversely affecting the performance of CCT Group's properties. To deal with such challenges, the Manager establishes a diversified tenant base and sustainable trade mix and has in place proactive tenant management strategies to mitigate leasing risk. It is also the Manager's priority to actively engage tenants to find operational synergies and collaborative opportunities. AEIs are also planned and executed to maintain the relevance and appeal of CCT Group's assets.

Property Management Risk

To manage risks that arise from the day-to-day management of properties, the Manager has established processes and procedures that seek to ensure that buildings operate efficiently and are well-maintained. The Manager is committed to creating and cultivating environmentally friendly, safe and healthy workplaces in its buildings. CCT Group is guided by CapitaLand's Environmental Management System and Occupational Health and Safety Management System which are externally audited and certified to internationally recognised ISO 14001 and OHSAS 18001 standards.

Regulatory and Compliance Risk

CCT Group is required to comply with applicable and relevant legislations and regulations that include the SGX-ST Listing Rules, Financial Reporting Standards, Securities and Futures Act, industry standards governed by Building and Construction Authority, Code of Corporate Governance, the CIS Code issued by MAS and tax rulings issued by the Inland Revenue Authority of Singapore. The Manager has in place a robust framework that proactively identifies applicable laws and regulatory obligations and legal updates, and embeds compliance into its day-to-day operations.

Investor Relations

Enhancing Investor Engagement

Timely, unbiased and transparent communications remains a high priority at CCT, thus ensuring our stakeholders are kept informed about our strategies, business operations and market environment. We apply stringent adherence to regulatory requirements and CCT's Investor Relations Policy, which is available online at www.cct.com.sg. Aimed at ensuring transparency, all presentations including financial results and presentations for one-on-one and conference meetings as well as the minutes of annual general meetings (AGMs) starting from AGM 2015 are made available on CCT's website. Also accessible on the website is the Trust's historical financial information which gives new stakeholders ease of reference.

CCT seeks to maintain regular interactions with our stakeholders and the investing community, and share our insights on strategies, performance and market outlook. In January and July each year, we hold our semi-annual financial results briefings during which our CEO personally conducts the presentations and question-and-answer (Q&A) sessions. These are broadcast "live", archived and made available on demand for a period of 12 months, through www.cct.com.sg.

Our senior management and investor relations team also connect with stakeholders via quarterly post-results meetings and AGMs, as well as networking sessions, one-on-one and small group meetings. At the same time, we participate in global conferences and non-deal roadshows, thus gaining access to investors worldwide. Over the year in review, we engaged over 250 investors in Singapore and around the world.

According to CCT's unit register analysis, CCT's sponsor, CapitaLand Group owns about 31.9% (2014: 31.8%) of Units as at 31 December 2015, while institutional investors hold 46.4% (2014: 49.4%) and retail investors own the remaining 21.7% (2014: 18.8%).

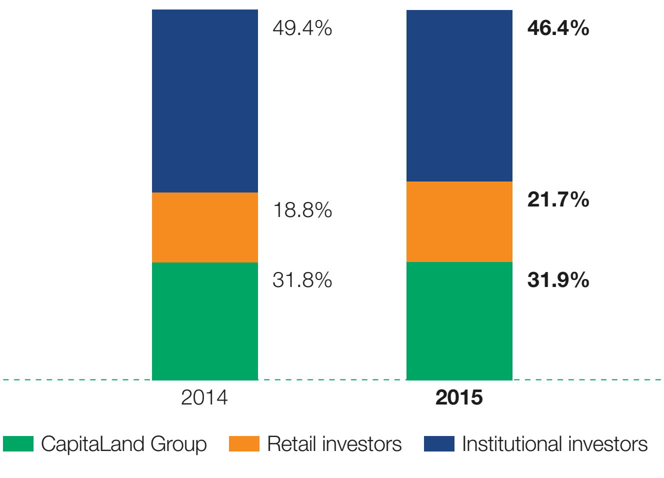
We recognise the need for media, analysts and investors to understand our ground operations. As such, CCT organises tours of our properties to give them a first-hand experience of our facilities. In 2015, we hosted visits to the newly completed CapitaGreen for about 200 investors and analysts, thus allowing them to better appreciate the quality and location of the development.

During the year, we participated in events such as REITs Symposium 2015 and CapitaLand Debt Investors' Day to connect with retail and debt investors. CEOs from the REITs under CapitaLand addressed questions from investors at the latter event.

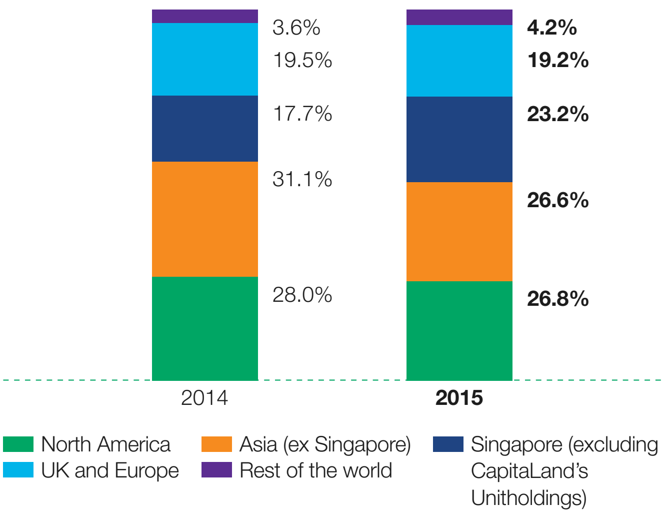
CCT remains part of the FTSE4Good Index Series, the MSCI Global Standard Indices and other indices.

Our investor relations efforts continue to earn us recognition. FinanceAsia's 15th annual "Asia's Best Managed Companies" poll of 250 global portfolio managers and buy-side analysts ranked CCT among the top five Singapore large-cap companies in two categories: Best Corporate Governance and Best Investor Relations.

CCT Unitholdings by Unitholder Type[1]



CCT Unitholdings by Geography[1]



[1] Source: CCT's unit register analysis as at 31 December.

Calendar of Financial Events 2016/2017

Subject to changes by the Manager without prior notice

April 2016	• Release of First Quarter 2016 Results • AGM
July 2016	• Release of Half Year 2016 Results • Books closure to determine entitlement to distribution
August 2016	• Payment of distribution to Unitholders (six months ending 30 June 2016)
October 2016	• Release of Third Quarter 2016 Results
January 2017	• Release of Financial Year 2016 Results
February 2017	• Payment of distribution to Unitholders (six months ending 31 December 2016)

Investor Relations Activities In 2015

January 21	FY 2014 post-results investor meeting in Singapore
February 11-12	FY 2014 post-results investor meetings in Hong Kong
April 1	JP Morgan Asia Pacific Real Estate Conference in Singapore
April 21	CCT's AGM held at STI Auditorium, Capital Tower
April 22	1Q 2015 post-results investor meeting in Singapore
May 20	Deutsche Bank Access Asia Conference 2015 in Singapore
May 23	REITs Symposium 2015 in Singapore
June 2	Nomura Investment Forum Asia 2015 in Singapore
June 4	Citi ASEAN Conference 2015 in Singapore
June 15-19	Investor meetings in San Francisco, Chicago, Boston and New York
July 24	2Q 2015 post-results investor meeting in Singapore
August 24-25	Investor meetings in Hong Kong
August 26	Macquarie ASEAN Conference 2015 in Singapore
September 1	Citi-REITAS Singapore REITs & Sponsor Forum 2015
September 2	UBS ASEAN Conference 2015 in Singapore
September 7	CapitaLand Debt Investor Day presentation
September 14-15	Investor meetings in Tokyo, Japan
October 30	3Q 2015 post-results investor meeting in Singapore
November 9-13	Investor meetings in Edinburgh, London, Zurich, Amsterdam and Rotterdam
November 17	Morgan Stanley 14th Annual Asia Pacific Summit, Singapore

CCT's 2015 Distributions

The Trust distributes on a semi-annual basis.

	Distribution per unit (cents)		
Period	**Taxable[1]**	**Tax-exempt**	**Payment Date**
1 January 2015 to 30 June 2015	4.31	0.00	27 August 2015
1 July 2015 to 31 December 2015	4.30	0.01	26 February 2016

Investor Relations Contact:

Ho Mei Peng, Head, Investor Relations & Communications

Direct: +65 6713 3668 | Email: ask-us@cct.com.sg | Counter Name: CapitaCom Trust

[1] Taxable income distribution – qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pretax 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%.

Sustainability Management

Dear Stakeholders,

In addition to our financial commitment to deliver stable and sustainable distribution per Unit to our Unitholders, we are committed to sustainable policies and practices which will benefit all stakeholders. To this end, sustainable practices are imbued in our respective areas of focus, namely corporate governance, risk management, environment stewardship, workplace health and safety, people and the community, as well as products and services. As wholly owned subsidiaries of CapitaLand, we (the Manager) and our Property Managers are aligned with CapitaLand's core values and commitment to sustainability.

Since 2012, CCT's sustainability report has been incorporated into our annual report. The following year, we initiated a framework-driven sustainability report that adheres to the Global Reporting Initiatives (GRI) Global 3.1 Guidelines. A testament to our commitment to sustainability in a changing business landscape, our report this year has progressed to be in line with GRI Global 4 (G4) Core level Guidelines.

During the year, we advanced our sustainability efforts in line with CapitaLand's Sustainable Building Guidelines aimed at lowering carbon footprint and energy consumption, enhancing water management, reducing waste and promoting diversity. Working with our term contractors, we now use eco-friendly cleaning and servicing products across our properties, while embracing new sustainable measures including the incorporation of more energy-efficient equipment when we embark on asset enhancement initiatives at our existing properties and the installation of electric vehicle charging stations to benefit green car drivers at our office buildings.

We also remained proactive in combating EHS issues. With haze levels among the highest in recent years, we fitted our properties with emergency equipment and air filters, while ensuring that our staff, tenants and visitors have access to N95 masks when necessary. Similarly, emergency procedures were put in place in the event of a MERS-CoV outbreak – in line with the authorities' guidelines and Disease Outbreak Response System Condition (DORSCON)'s framework alert levels.

At the same time, we strive to forge a closer relationship with our stakeholders. To establish a common contact point with our tenants, we engaged a team of Tenant Relations Ambassadors and Specialists to better serve tenants and visitors, and launched the proprietary Digital Online Tenancy System which facilitates the smooth and paperless handover of office space to new tenants. We also increased our tenant engagement activities which ranged from our Gifts of Joy programme to treats for tenants to talks on greening the office. During the year, tenants also contributed recycled material which was used in an artwork by students from LASALLE College of the Arts, while CCT Green Week 2015 unveiled a series of programmes targeted at raising awareness of everyday green practices among tenants.

Our focus on our green philosophy has resulted in all eligible properties maintaining the Green Mark Award with four out of nine properties attaining "Platinum", and we remain committed to securing future renewals of the certification.

Over the year, our quest for sustainability has supported the Trust's growth, generating total deposited properties and market capitalisation of S$7.7 billion and S$4.0 billion respectively as at 31 December 2015. Notably, distributable income rose 2.1% YoY to reach S$254.5 million, while DPU marked a 1.9% increase to 8.62 cents for the year in review, notwithstanding an environment of economic challenges.

In 2015, the Monetary Authority of Singapore introduced new measures including additional regulatory disclosure requirements for REITs concerning board composition and membership, as well as procedures for developing remuneration policies and the disclosure of remuneration. Consequently, we are currently adjusting our corporate governance practices, thereby continuing the high standards expected of a responsible company.

Going forward, we seek to build on our achievements in the past year. Recognising the value in technology, we will leverage innovation and technology to engage with our stakeholders, to understand and meet their needs and expectations, drive the efficiency of our operational buildings and augment customer experience across our properties, so as to drive sustainability.

Lynette Leong
Chief Executive Officer
CapitaLand Commercial Trust Management Limited

INTRODUCTION

About CCT

Listed on SGX-ST since May 2004, CCT is Singapore's leading commercial REIT with a market capitalisation of S$4.0 billion as at 31 December 2015. The Trust owns and invests in income-producing commercial real estate and real estate-related assets. Its current portfolio comprises eight wholly owned and two jointly owned properties well located in Singapore with a total deposited property value of S$7.7 billion.

Sustainability Commitment

CCT is a CapitaLand sponsored REIT externally managed by the Manager while daily property operations are managed by the Property Managers. Both the Manager and Property Managers are wholly owned subsidiaries of CapitaLand while the Trust has no employees. In their respective areas of responsibilities, the Manager of the Trust and the Property Managers of CCT properties have aligned and adopted CapitaLand's established sustainability structure and framework of policies and guidelines, as well as ethics and code of business conduct for CCT where relevant and appropriate.

CCT's sustainability focus is aligned with CapitaLand's, which is based on its credo, "Building People. Building Communities." and is integrated with the Trust's asset and portfolio strategies, daily operations management and stakeholders' engagements. There is a process of regular review, assessment and feedback in the areas of environment, social and governance (ESG) in line with CapitaLand's practices. Ultimately, CCT aims to deliver long-term sustainable distribution and total returns to Unitholders, while enhancing the ESG benefits of other stakeholders.

In recognition of our sustainability efforts, CCT has been included in the FTSE4Good Index Series since 2009 and is ranked Green Star under the Global Real Estate Sustainability Benchmark in the last two years.

The Report

Unless otherwise stated, this report contains data on CCT's 10 properties in Singapore from 1 January to 31 December 2015. In accordance with the Global Reporting Initiatives (GRI) G4 Core level guidelines, it contains information of significance to our stakeholders including employees, investors (including business partners), customers, suppliers and the community. The framework-driven report first appeared in our 2013 Annual Report and has been published annually since. The report is available for viewing and downloading at www.cct.com.sg. External assurance has not been obtained for this report.

We seek to continually review and enhance our policies, systems and results. Our stakeholders are encouraged to submit comments and suggestions on our sustainability disclosure to ask-us@cct.com.sg.

Top Management Support and Staff Involvement

Members of CapitaLand's top management constitute a Sustainability Council which oversees sustainability management and receives support from its Sustainability Steering Committee. Representatives from all CapitaLand's business units (BUs) formed the Sustainability Steering Committee (SSC) and two work teams. SSC manages the work teams with the aim of furthering the Group's progress in terms of environmental, social and governance performance. The CEOs of the BUs are responsible for their respective BU Environmental, Health and Safety (EHS) performance in their role as BU EHS Champions. The Manager and the Property Managers are part of CapitaLand Singapore.

GRESB
Green Star 2015

FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that CapitaLand Commercial Trust has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice.

Sustainability Management

CapitaLand's Core Values

Respect
We believe in mutual trust and respect at all levels. This is fundamental to a high-performance culture that embraces diversity and teamwork as One CapitaLand.

Integrity
We embrace the highest standards of integrity. We have the courage to do what is right, and earn the trust of all our stakeholders.

Creativity
We constantly innovate to enhance value and stay ahead.

Excellence
We pursue excellence and persevere in everything we do.

Materiality Process
CCT's Manager and Property Managers identify and review material issues which could have significant impact to its business and operations as well as others derived through regular stakeholder engagements. The key areas of corporate governance, environment, human capital, occupational health and safety, community and customer satisfaction have been highlighted as being material to CCT. The Manager and Property Managers work with relevant teams from CapitaLand to define the boundaries and impacts of the potential material aspects. Details on the aspects identified, the aspect boundary and disclosure of material aspect (DMA) references are found on pages 71.

Stakeholder Engagement

Stakeholder	Objectives	Stakeholder Issue/ Interest	Selected Examples of Our Response
Customers - tenants	1) Landlord of choice 2) To attract and retain tenants	1) Reliable landlord 2) Quality and well managed office buildings 3) Safe working environment 4) Positive customer experience	1) Efficient design for office space 2) Office buildings are at least Green Mark certified 3) Biennial customer satisfaction survey 4) Tenants' engagement activities 5) Regular engagement with major tenants through one-on-one meetings 6) Quarterly communication via newsletter - your CapitaLetter 7) Dedicated team of tenant service ambassadors and specialists to deliver excellent service experience 8) Leveraging technology to deliver hassle-free and paperless experience for office unit handover - Digital Online Tenancy System (DOTS)

Stakeholder Engagement

Stakeholder	Objectives	Stakeholder Issue/ Interest	Selected Examples of Our Response
Investors (including business partners)	Choice investment	Long-term sustainable distribution and total returns	1) Proactive portfolio and asset management 2) Prudent capital management 3) Committed to corporate governance 4) Disciplined approach to acquisition 5) Identification and mitigation of environmental, social and governance (ESG) risks
Employees	Develop a high performance culture that embraces diversity and teamwork	1) Regular engagement 2) Build / enhance capabilities through learning opportunities 3) Safe and healthy working environment	1) Regular communication sessions by senior management to share financial performance, target performance indicators and business strategy as well as employee engagement plan 2) Biennial Employee Engagement Survey (EES) 3) Annual performance assessment for managers and direct reports to review performance and identify training and development goals 4) Focus on occupational health and safety issues
Supply chain-vendors (term contractors for property operations and main contractors for development work/AEI), suppliers and service providers	1) A fair and reasonable employer of goods and services 2) Sharing industry best practices	1) Fair and reasonable treatment 2) Recognition for exceeding standards in CCT properties and projects 3) Ensure alignment in environmental, social and governance objectives	1) Customer feedback system 2) Term contractor/vendor evaluation system 3) Standard Operating Procedures (SOPs) / Contractor management guidelines and house rules for compliance 4) Share CapitaLand EHS policy with vendors and suppliers – ensure supply chain is adequately trained or briefed on EHS measures 5) Collaborate to handle EHS challenges
Community (including community, government and national agencies)	Contribute to the community we operate in	Environmentally and socially responsible organisation	1) Employee has three days of volunteer leave 2) Customers and employees participation in community engagement events - Gifts of Joy to contribute gifts to beneficiaries of identified charitable organisations; and CapitaLand-led events such as the #100KHopeHours Challenge & Family Day to raise awareness and contribute by clocking in volunteer hours which support the donation to charitable organisations

Sustainability Management

FINANCIAL PERFORMANCE

For detailed financial results and performance, please refer to the following sections in CCT's Annual Report 2015 - 2015 Highlights (page 2), Financial Highlights (pages 3 to 5), Financial Review (pages 85 to 90) and Financial Statements (pages 113 to 173).

GOVERNANCE

The Manager is committed to the highest level of corporate governance and transparency in its policies and processes. We see governance as essential for the sustainable value and success of CCT and to be in the best interests of our Unitholders. For details on CCT's corporate governance, please refer to pages 25 to 44.

CCT is a member of the Investor Relations Professionals Association (Singapore) (IRPAS) and REIT Association of Singapore (REITAS). The Trust participates or supports the activities organised by IRPAS, REITAS and Securities Investors Association (Singapore) (SIAS). In 2015, CCT gave its feedback and comments through CapitaLand on the Monetary Authority of Singapore's proposed enhancements aimed at improving operational effectiveness, transparency and corporate governance in the S-REIT market. Representatives from the Manager were also involved in a consultation with the Stock Exchange of Singapore on sustainability reporting as the regulator prepares to mandate the publishing of sustainability reports for all listed companies on a comply-or-explain basis starting from financial year 2017. The Manager also pledged to uphold high standards of good corporate governance practices in The Business Times, together with other listed companies during SIAS Singapore Corporate Governance Week in October 2015.

Enterprise Risk Management (ERM)

An integral part of good corporate governance, a comprehensive ERM framework enables the Trust to proactively identify, communicate and manage risks and exposures in an integrated, systematic and consistent manner. In driving risk awareness, decision-making and business processes are put through prudent risk assessment. Fraud and corruption risks and property management risk have been identified as material to ensure sustainability. Details on ERM can be found on pages 45 to 47.

ENVIRONMENT

CCT is committed to environmental sustainability and the enhancement of value for stakeholders. These are achieved through a combination of energy-efficient practices, resource conservation, waste management and use of innovative technologies across our buildings. We recognise that there is a need to innovate in order to be ahead of the competition.

Every employee is involved in reducing our impact on the environment and highlighting environmental issues including instances of non-compliances and complaints. The CapitaLand Sustainability Structure supports employees in furthering sustainability, with CapitaLand's Environmental Health and Safety Management System (EHSMS) which integrates its Environmental Management System (EMS) and Occupational Health and Safety Management System (OHSMS), providing accountability. CapitaLand's EHSMS is audited by a third-party accredited certification body to ISO 14001 and OHSAS 18001 standards. The EMS establishes a process that identifies and manages significant environmental aspects of our business operations that can potentially have a negative impact on the environment.

Leveraging an in-house online Environmental Tracking System (ETS), CCT's properties are closely monitored for energy and water usage, waste generation and carbon emissions, where appropriate. Through the ETS, Property Managers submit monthly data and supporting documentary evidence online. The system's control and monitoring tool allows the Property Managers to conduct analysis against set targets and past trends in order to better gauge consumption patterns and uncover potential areas in which we can augment eco-efficiency.

Employees attended more than 2,990 hours in EHS-related training in 2015. It is standard practice that new employees are introduced to CapitaLand's EHS policy and EHSMS.

Our efforts in addressing environmental issues extend beyond the Trust to our stakeholders. To drive greater awareness on sustainability, we engage with our service providers, tenants and the authorities, thus fostering a strong culture of sustainability aimed at benefiting the environment and the economy.

Tracking our Performance

CCT measures its performance based on a set of indicators. Some of these indicators are linked to the remuneration of employees including the senior management.

Key Environmental Issues	Targets	Performance for 2015
Operational Efficiency	• Using 2008 as the base year to reduce energy and water usage psm by 15% by 2015 and 20% by 2020 as per CapitaLand's eco-efficiency targets.	• Achieved 18.6% and 20.1% reduction in energy and water usage psm respectively • Reduction targets and intensity figures computed exclude CapitaGreen which was under stabilisation in 2015
Resource Consumption Management	• All new development projects to meet minimum Green Mark Gold^{PLUS} certification. • To achieve Green Mark certification for all CCT properties.	• Maintained Green Mark Platinum for CapitaGreen • Green Mark Gold^{PLUS} and above certification for 67% of CCT's certified properties. • Green Mark certification for all CCT properties except for Bugis Village (No appropriate criteria under current Green Mark categories)
Stakeholder Engagement	• Organise outreach activities to promote and engage stakeholders in sustainability efforts.	• Engaged tenants and LASALLE to create decorations to complement an artwork made from recycled materials and installed at Six Battery Road • Organised a Green Talk to tenants to promote green office design and practices • Encouraged tenants to submit for BCA Green Mark Office Interior Award
Environment Management System (EMS)	• ISO 14001 certification for its EMS • Risk management of environmental aspects and impacts.	• Retained ISO 14001 certification; no environmental non-compliance
Supply Chain Management	• Appoint contractors and service providers who comply with local government and other legal requirements. • Appoint main contractors who are ISO-certified or, to comply fully with local environmental laws and regulations, annually audited by an independent accredited assessor.	• Sharing with supply chain CapitaLand's contractor management guidelines, house rules and EHS policy – ensure compliance with local regulations and adequately trained or briefed on EHS measures • 80% of cleaning contractors appointed are ISO 14001-certified. • The main contractor appointed for the Capital Tower asset enhancement initiative is ISO 14001-certified

Sustainability Management

Energy Consumption

A key objective of the Trust's existing building environmental programmes is to reduce energy consumption. We refer to CapitaLand's set target for its portfolio to achieve reduction in energy usage per square metre (psm) by 15% by 2015 from the base year of 2008, and a reduction of 20% by 2020. CCT's portfolio performance contributes to CapitaLand's set of consumption reduction targets. An Environmental Tracking System captures and analyses electricity consumption for nine of the 10 operational properties. One of the properties is excluded as it is occupied by one single tenant which undertakes the property management of the building and as such, we do not have access to their performance data. In 2015, a total of 44,585,145 kilowatt hours (kWh) were consumed across the portfolio. The consumption increased due to the inclusion of CapitaGreen as an operational property after it obtained temporary occupation permit on 18 December 2014.

The reduction in energy usage achieved by the portfolio (excluding CapitaGreen) was 18.6% psm from base year 2008. This is an improvement from 17.7% psm achieved in 2014. We remain focus on attaining CapitaLand's 2020 eco-efficiency goal.

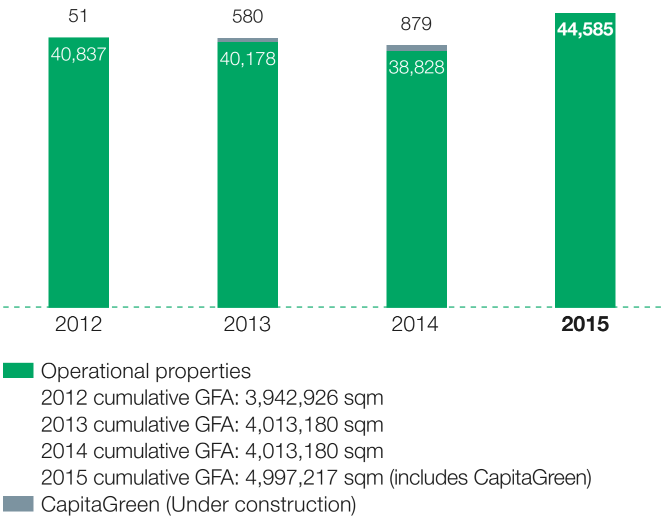
Energy Efficiency

The Trust executed a few major asset enhancement initiatives (AEIs) since its inception in 2004, and the latest AEI to complete was at Capital Tower. The building had an upgrade of existing mechanical and electrical (M&E) equipment including chillers, cooling tower fans, chilled water and condenser water pumps. In addition, tube cleaning systems were installed for chillers and energy-efficient light fittings. As buildings become more energy efficient, the reduction in energy usage that can be derived would inevitably become less significant. We continue to explore new ways to improve the consumption performance of our properties which include engaging our tenants' to understand their consumption patterns as well as through office greening initiatives encouraged by the Building and Construction Authority of Singapore (BCA).

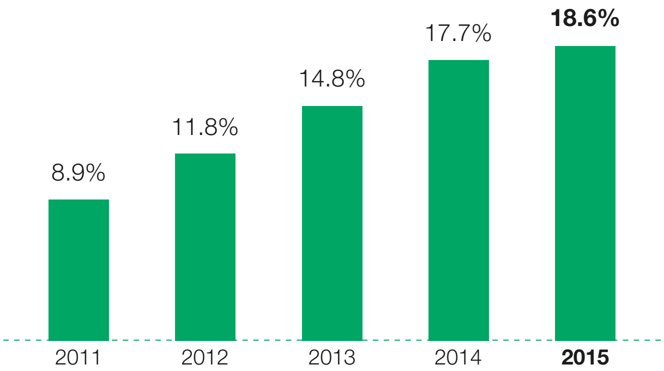
At CapitaGreen, a lighting power budget of 8W/m² is recommended in the fit-out guide given to its office tenants. The lighting handed over to the tenants are energy efficient lightings. This will ensure sustainable savings in energy consumption for the property.

CCT supported the Worldwide Fund for Nature's annual Earth Hour campaign, where all non-essential lights were turned off at nine properties on 28 March 2015.

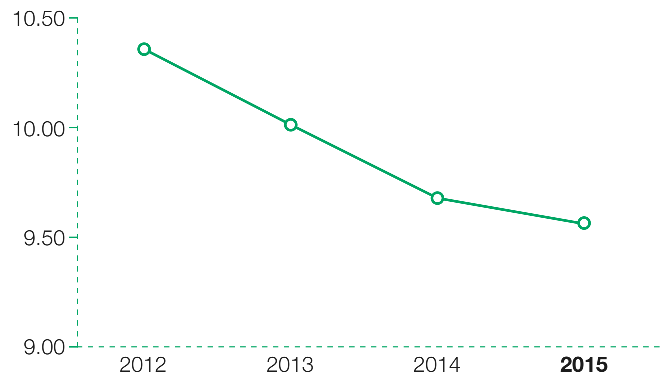
Higher Electricity Consumption YoY
('000 kWh)



Higher Reduction in Energy Usage[1]
(2008 as the base year)



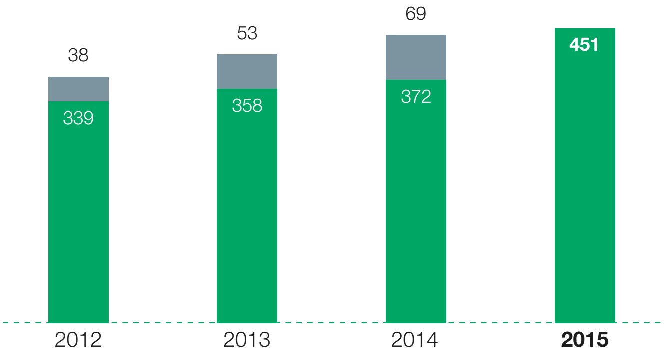
Improving Energy Intensity[1]
(kWh/m²/month)



[1] Excludes CapitaGreen which was under stabilisation in 2015.

Higher Total Water Consumption YoY

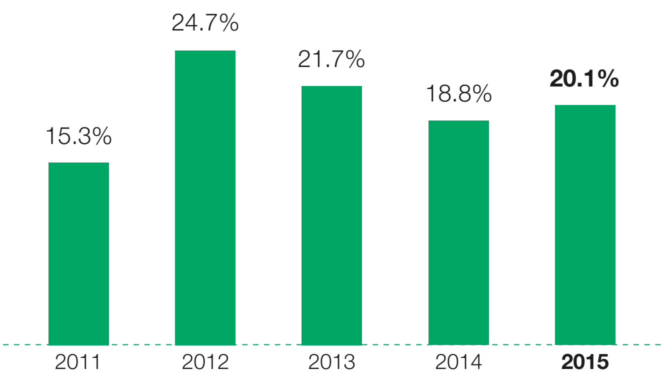
('000 m³)



Operational properties
2012 cumulative GFA: 3,942,926 sqm
2013 cumulative GFA: 4,013,180 sqm
2014 cumulative GFA: 4,013,180 sqm
2015 cumulative GFA: 4,997,217 sqm (includes CapitaGreen)
CapitaGreen (Under construction)

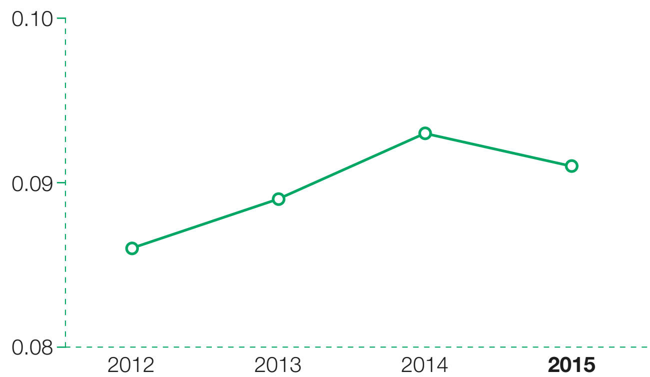
Higher Reduction in Water Usage[1]

(2008 as the base year)



Stable Water Intensity[1]

(m^3/m^2/month)



[1] Excludes CapitaGreen which was under stabilisation in 2015.

Water Consumption

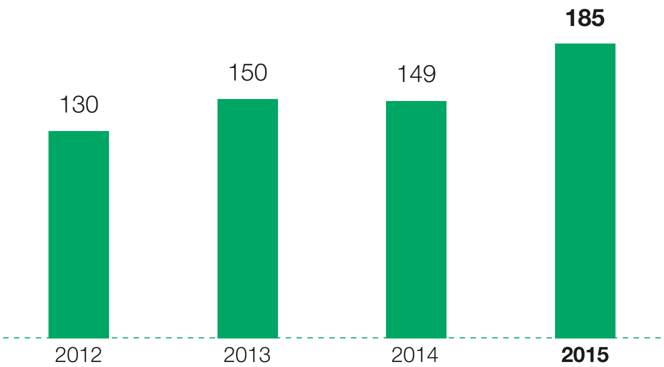
In 2015, CCT's total water consumption amounted to 451,483m³ at nine of the properties – the main water source is from PUB, Singapore's national water agency. One of the properties is excluded as it is occupied by one single tenant which undertakes the property management of the building and as such we do not have access to their performance data. The increase in water consumption was due to the inclusion of CapitaGreen as an operational property in 2015. Compared to base year 2008, water consumption was reduced by 20.1% (excludes CapitaGreen). To reduce water consumption, we utilise recycled water in the cooling towers and sprinkler systems at our properties, which accounted for 184,963m³ or about 41% of the total amount of water used in 2015. The recycled water, known as NEWater, is treated waste water produced by PUB which has been purified using advanced membrane technologies and ultraviolet disinfection.

Water Efficiency

Properties with NEWater connection used NEWater in their cooling towers and sprinkler systems. Other than using NEWater, a few of the Trust's properties such as Six Battery Road, CapitaGreen, Wilkie Edge and Golden Shoe Car Park house storage tanks which collect rainwater for various uses including irrigation and hi-jetting car park decks and ramps. Capital Tower was installed with water sub-meters which were connected to the building management system to detect water leaks in the building. If the water sub-meter's reading is unusually high, the building management team would conduct checks to determine possible causes and ensure prompt action can be taken.

Higher NEWater Consumption YoY

('000 m³)



Operational properties include Capital Tower, Six Battery Road, One George Street, Raffles City Tower and CapitaGreen. CapitaGreen only started operations in 2015.

Sustainability Management

Through such initiatives to control and monitor water consumption, we are able to maintain water efficiency across our properties. Committed to CapitaLand's 2020 eco-efficiency target, we will continue to employ conservation initiatives which include the installation of water-efficient fittings, deployment of monitoring devices for early leak detection, and harvesting rainwater for the irrigation of plants and cleaning of common areas.

Carbon Emissions

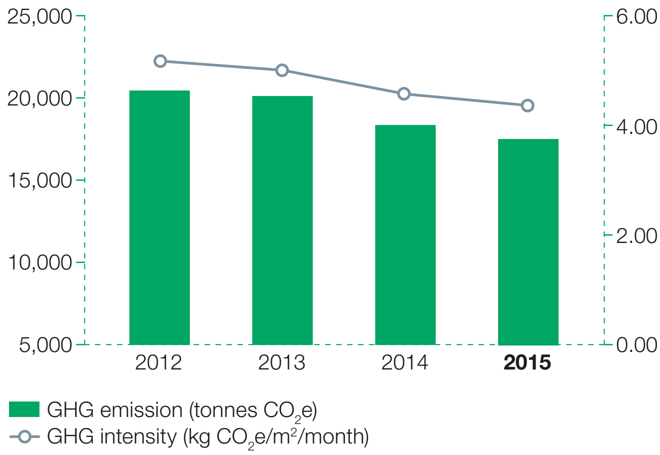
CCT seeks to lower energy usage and carbon footprint across its business operations. As the Trust's greenhouse gas emissions (GHG) stem largely from its properties, minimising energy consumption is key to controlling emissions.

Scope 2 emissions from purchased electricity consumption increased from 18,327[1] tonnes in 2014 to approximately 20,331[2] tonnes in 2015. The absolute increase in carbon emission was due to the inclusion of CapitaGreen (if excluding CapitaGreen, the carbon emission for 2015 was 17,498 tonnes). Emission intensity for operational properties has been improving since 2012 at 4.4 kg CO_2 e/m^2/month achieved in 2015.

In addition to our own efforts to lower energy consumption, we also encourage the working community in our properties to use greener modes of transport, thereby reducing carbon emission. Bicycle lots are introduced in our buildings to encourage this more environmentally-friendly mode of transport. There are a total of 191 bicycle lots across the Trust's 10 properties in 2015. Another initiative in 2015 was to collaborate with like-minded external partners such as BMW Group Asia to create awareness of lower carbon emission transport such as electric and plug-in hybrid vehicles. Five CCT properties have green lots and electric charging stations installed where tenants and visitors can recharge their electric vehicles. By increasing the awareness of green vehicles and providing the convenience of charging infrastructure within the CBD, we hope that there will be an increase in the use of such transport which will lead to a cleaner environment.

Green lots and electric charging stations at five CCT properties

Total CO_2 Emissions
(tonnes CO_2e)



Waste Management

Waste data was gathered for seven of the 10 operational properties in 2015, as not all waste collectors are able to furnish the recycled waste collected as requested. The collection and disposal of waste at seven properties is carried out by licensed contractors like SembWaste.

The year 2015 saw collection of 2,883 tonnes of non-recyclable waste and 75.0 tonnes of recyclable waste, as opposed to 2,555 tonnes and 61.0 tonnes respectively in 2014. Recyclable waste for the year in review comprised 61.1 tonnes of paper, 1.2 tonnes of plastic, 1.1 tonnes of metal and 11.4 tonnes of other material. The increase in recyclable waste of other

[1] 2014 GHG has been restated.

[2] This is computed from purchased electricity under Scope 2 as defined by the Greenhouse Gas (GHG) protocol and using Singapore's CO_2 emission factor retrieved from the IEA Statistics – CO_2 emission factors from fuel combustion 2015 edition.

material comprises mainly glass bottles contributed by a tenant. At CCT, we encourage and support our stakeholders in their efforts to reduce, reuse and recycle waste, with recycling bins placed throughout our operational properties.

For a second year running, CCT joined efforts with tenants from six properties to collect recycled materials ranging from drink cans to water pipes to rubber hoses, and collaborated with students from the LASALLE College of the Arts to create a festive-themed artwork for Six Battery Road. Tenants participated in painting the decorations for installation on the artwork. It was a stakeholder engagement initiative to advocate recycling to reduce waste and raise awareness for our environment.

Resource Consumption Management

The construction, operation and maintenance of green-rated buildings is significantly more resource efficient than non-green-rated developments. As such, the former's targets are ideal gauges of effective resource consumption management. As CCT's entire portfolio is in Singapore, we use the BCA's Green Mark certification as a standard.

Aligned with Singapore's Green Building Master Plan, CapitaLand is working towards achieving the minimum of a Green Mark certification for its existing portfolio in Singapore by 2020 – a commitment that CCT adheres to. To date, all the Trust's eligible properties have received at least a Green Mark certification, and six out of nine of our properties achieved at least Green Mark Gold^{PLUS} status. We will continue to strive to achieve re-certifications for all eligible properties in the portfolio.

In Singapore, there is increasing focus on buildings designed for accessibility and use by all people regardless of their age, size, ability or disability. One of the Trust's joint venture properties, CapitaGreen has been awarded the Universal Design Mark – Gold^{PLUS} (Design) certification and 90% of CCT's portfolio is equipped with at least one feature which enabled accessibility for people with disability. These features include underground pedestrian networks, sheltered and barrier-free drop-off areas, accessible parking lots and close proximity to both public transport and amenities. Our portfolio of quality office and commercial buildings are well located in Singapore's Central Area and enjoys convenient access to Mass Rapid Transit (MRT) stations and bus-stops.

Art Workshop with CCT tenants in collaboration with LASALLE School of the Arts

Festive-themed artwork made from recycled materials at Six Battery Road

Sustainability Management

The Trust refers to CapitaLand's Sustainable Building Guidelines (previously known as the Green Building Guidelines, renamed in 2014) for guidance in relation to holistic incorporation of environmental considerations throughout all stages of our properties' life cycles. Specifically, the Guidelines emphasise four main goals – reducing carbon footprint and energy consumption, enhancing water management, minimising waste generation and promoting biodiversity – and offer a structured process where the respective persons-in-charge are accountable. A key component of the guidelines is the Environmental Impact Assessment (EIA) which is conducted during the feasibility stage of a development project. It identifies environmental threats and opportunities related to the project site and its surroundings.

For development projects, CCT leverages Building Information Modelling (BIM) technology to improve design and construction process through more integrated project coordination. The adoption of BIM ensures any clash in construction requirements can be avoided which will save time and cost for rectification work and minimise material wastage.

In 2015, the Trust did not undertake any development work. The most recent development, CapitaGreen, a joint venture project, was completed in December 2014. CapitaGreen adopted BIM during the design, construction and facility management stages and won BCA's Building Information Modelling Platinum Award (Project Category) on 13 October 2015. The award was introduced by BCA in 2014.

Sustainability Standards

	Green Mark Award
CapitaGreen	Platinum
Six Battery Road	Platinum
Twenty Anson	Platinum
Capital Tower	Platinum
Six Battery Road Tenant Service Centre	Gold^{PLUS} (Office Interior)
One George Street	Gold^{PLUS}
Raffles City Singapore	Gold
Wilkie Edge	Gold
Golden Shoe Car Park	Gold^{PLUS}
HSBC Building	Certified

	Other Awards
CapitaGreen	BCA – UD Mark Gold^{PLUS} (Design) Council on Tall Buildings and Urban Habitats – Best Tall Building for Asia and Australasia BCA – Building Information Modelling Platinum Award (Project Category) MIPIM Asia - Bronze award for Best Office and Business Development

CapitaGreen a Big Win with Tenants and Community

CapitaGreen is an iconic multi-award winning office development located in the heart of Singapore's CBD. It is a testament of sustainability being incorporated into a development at the design and construction stages. Complete with a range of modern eco-friendly features including energy–efficient glass on the facade to efficient M&E equipment and rainwater harvesting systems, CapitaGreen has attracted tenants that believe in environmental sustainability. There are a number of tenants who have embarked on the process of being certified under the BCA Green Mark Office Interior scheme where tenants are recognised for adopting or using environmentally-friendly materials, equipment or green practices leading to savings in energy and water consumption.

In addition, CapitaGreen incorporated features to cater to people of all capabilities to ensure access in and around the development can be seamless and barrier-free. There is connectivity via an underground pedestrian network, access to sheltered and barrier-free drop-off areas, accessible parking lots, amenities such as accessible toilets and nursing rooms, just to name a few. Community spaces, showcasing world-renowned art pieces and installations, are located around the building and within easy reach for the convenience and enjoyment of the general public.

CapitaGreen – Above Below Beneath Above by Olafur Eliasson

"Lloyds Banking Group chose to locate its Singapore office in CapitaGreen because of its ideal location in the heart of the CBD. The exterior facade of the building, with its coverage of plants and shrubs, makes it a very pleasant building in which to work. The efforts by CapitaGreen management to make the building amenities as green as possible mirror our own efforts to be responsible in our energy consumption. We have chosen energy-efficient electrical appliances and are careful in our usage of resources like water and paper. We have also installed recycling bins throughout the office so that colleagues can easily recycle paper, plastics, cans and glass and have set lighting to switch off automatically in the evening."

Mr Stephen Skulley
Country Manager of Lloyds Banking Group in Singapore

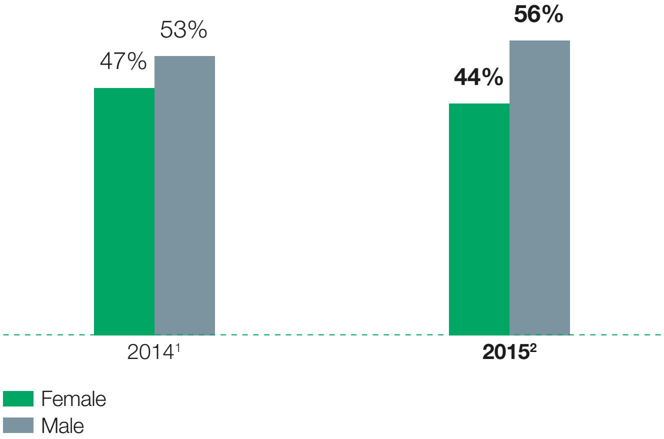
"We believe that it is fitting for us to embark on a new chapter of growth in a new location that embraces cutting-edge technology right in the heart of the CBD. With its state-of-the-art design and features, the new location also reflects Schroders' identity as a leading provider of innovative financial products in Singapore. The building's environmentally-sustainable features appeal to our values as a responsible corporate citizen. We have installed an automatic lighting system which adjusts the level of lighting required based on the natural daylight intensity streaming into the office. An occupancy sensor ensures lighting is only activated in areas of the office where people are detected. These features help conserve electricity and make our operations more 'green'. To complement CapitaGreen's unique green facade, we incorporated greenery in our office premises including two large green walls in our cafes to make the work environment even more pleasant for our staff."

Ms Lilian Tham
Chief Operating Officer, Schroders Investment Management

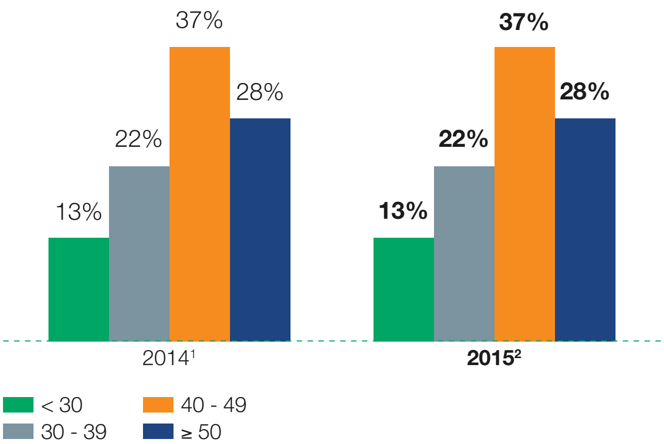
Tenants' quotes for CapitaGreen's official opening on 9 September 2015.

Sustainability Management

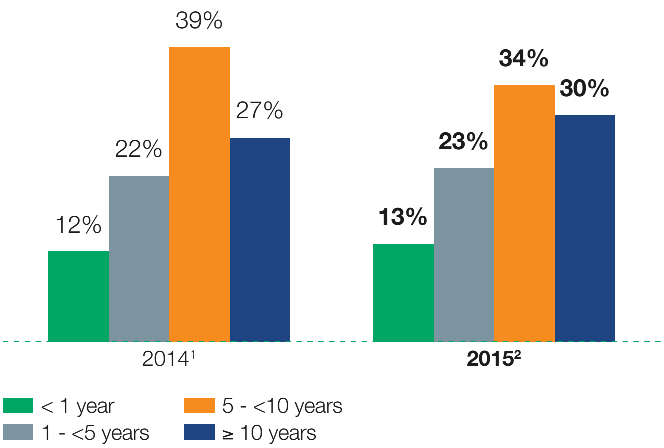
Employee Diversity by Gender
(%)



Employee Diversity by Age
(%)



Employee Length of Service
(%)



[1] 2014 employee base: 196
[2] 2015 employee base: 201

PEOPLE

Human Capital

Although CCT has no employees, the teams behind the Manager of the Trust and Property Managers responsible for property and portfolio operations in Singapore are identified as people or staff integral to CCT's success.

Fairness

As wholly owned subsidiaries of CapitaLand, the Manager and Property Managers have a common goal of developing a high performance culture that embraces diversity and teamwork and are committed to be a workplace of choice for employees. CapitaLand has in place an integrated human capital strategy designed to recruit, develop and motivate employees and adopts stringent principles of fair employment and equal remuneration.

CapitaLand upholds the spirit of international human rights conventions, such as the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Conventions, against coerced labour and discrimination in any form. Singapore has to date ratified 20 ILO Conventions covering four key areas of employment standards: child labour, forced labour, collective bargaining, and equal remuneration. A signatory of the Employers Pledge with the Tripartite Alliance for Fair Employment Practices, CapitaLand adheres to five key principles of fair employment:

- Recruit and select employees on the basis of merit, such as skills, experience and ability, regardless of age, race, gender, religion or family status.
- Treat employees fairly and with respect and implement progressive human resource management systems.
- Provide employees with equal opportunities for training and development based on their strengths and needs, to help them achieve their full potential.
- Reward employees fairly based on their ability, performance, contribution and experience.
- Abide by labour laws and adopt Tripartite Guidelines which promote fair employment practices.

No acts of discrimination or human rights violation were reported in 2015.

As per CapitaLand's non-discriminatory employment practices, to attract top talent, all job opportunities in the Manager and Property Managers are advertised publicly via online job portals and newspapers, with selections based entirely on merit. Skill and abilities are the sole criteria in the selection process, while factors such as age, gender, ethnicity and religion are not considered.

Workplace Diversity

The majority of the workforce in 2015 comprised permanent employees while 1% were part-time workers.

Staff movement showed that turnover in 2015 was 15.4% vis-à-vis 11.7% the year before. A minimum of one month's notice is required for any staff resignation. All male and female employees who went on parental leave in 2015 were successfully retained.

The ratio of female to male employees is almost equal at 44:56, while staff aged below 30 years consists of 13%, staff aged between 30 to 49 years comprised the majority of the workforce at 59%.

Female employees are well represented in the middle and senior management levels. More than 60% of the managerial positions and 65% of the Heads of Departments are females. The CEO of the Manager is a female.

Positive Work Environment

To help sustain high performance among our staff, our human resource policies are designed to foster more work-life balance. Options such as flexible hours, job sharing or part-time work allow our employees greater flexibility in their work arrangements whenever it is compatible with their job profile.

Fair Remuneration

All staff sign employment contracts with clear terms and conditions and are subject to a formal annual performance assessment. During such review, there is open discussion on the employee's performance, areas for improvement, developmental needs and career planning. Key performance indicators, both for the business as well as for people development, are established to ensure that employees' performance goals are aligned with the Trust's business objectives. Employees are involved in setting their performance goals at both team and individual levels, thus providing clarity in terms of performance and compensation expectations. Supervisors are encouraged to provide regular feedback on staff performance in addition to the annual assessment.

CapitaLand rewards and motivates employees with comprehensive and competitive compensation and benefits programmes. To ensure that it remains competitive and continues to attract and retain the right talents, external consultants are engaged to benchmark the company's compensation packages against market. The compensation packages include base salary, short-term cash bonuses and long-term equity-based reward plans. Besides adhering to the requirements of the Singapore Government Central Provident Fund contributions which is part of compensation, CapitaLand also offers employees a flexible benefits scheme which includes personal accident insurance, group medical insurance, health screenings and free flu vaccinations.

Re-employment Opportunities

CapitaLand has a re-employment policy in place for employees who have reached the mandatory retirement age of 62 but are still able and willing to continue working for the company. In 2015, there was one employee who was above retirement age.

Industrial Relations

CapitaLand maintains good harmonious relationship with the Singapore Industrial & Services Employees' Unions (SISEU). There are regular communication platforms with SISEU in settlement of trade disputes by collective bargaining, conciliation, arbitration and mediation of employee disputes. In 2015, Collective Agreement between CapitaLand and SISEU was renewed for three years with effect from 1 July 2015.

Sustainability Management

Learning and Development

Recognising the importance of developing our people to their fullest potential, our top management, comprising the CEO and Heads of Departments, meet monthly to identify and manage learning and development needs, career planning as well as human resource (HR) concerns.

For employees to perform at optimal levels, appropriate training is provided to better equip them. Up to 3% of CapitaLand's annual wage bill is dedicated towards initiatives for employees' learning and development. The training and development needs of staff are identified during annual performance assessment with their immediate supervisors as well as through the HR team. There is provision for staff to participate in certified skills training programmes, personal development courses, and also industry seminars and conferences. In addition, full-time staff is allowed to take up to a maximum of 10 days of paid leave per year to sit for examinations supported by the company.

In 2015, all staff attended at least one learning event, clocking an average number of training hours of 47.0 hours per employee, well above the recommended industry guide of 40 hours annually. CapitaLand has an in-house training hub, CapitaLand Institute of Management and Business (CLIMB) which served the training and development needs of staff.

Code of Business Conduct

Ensuring a corrupt-free environment is of paramount importance to us. All employees of the Manager and Property Managers are required to make declarations annually where they pledge to uphold the core values and not to engage in any corrupt or unethical practices, a reminder to maintain high levels of integrity while remaining committed to executing their responsibilities to the utmost standards.

Employees adhere to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place. These are made available to all staff via the intranet portal of CapitaLand.

Employees are notified of the email address for the reporting of any infringements or business malpractice. Besides this, our Business Malpractice Incidents (BMIs) Reporting policy supports line and functional managers in reporting suspicious behaviour directly to the CEO.

To instil CapitaLand's core values and principles, new hires undergo the CapitaLand Immersion Program (CIP) which includes a mandatory module on anti-corruption policies and procedures. CapitaLand's core values were revalidated and in 2015, 80% of the employees were re-trained to see how these values can apply to their daily work.

We have a comprehensive system in place where all staff and partners along the supply chain are apprised about our strict anti-corruption policy. Mandatory anti-corruption clauses are a standard part of all service contracts and agreements with our suppliers and partners. In the event of reports of suspicious activities, an investigation will be launched, after which offenders will be firmly dealt with while gaps in business processes are rectified. No cases of corruption were reported in 2015.

Staff Engagement

A variety of communication channels are available for staff to surface issues or suggestions to HR or management. One such platform is the staff communication session where Strategic Business Units (SBUs) and CCT's CEO and management team update employees on the business performance and operational matters, and address any work concerns. The CapitaLand intranet portal also keeps employees informed about the Group's recent developments, including information on employment, benefits, ethics and corporate governance.

Initiatives conducted for staff in 2015 included engagement initiatives such as staff communication session, chat sessions with CEO, focus group meetings, team building exercises to foster bonding and promote interaction with staff and events organised by SBU Recreation Club.

In an effort to gauge staff commitment and perception, CapitaLand engages an independent consultancy firm to conduct a biennial Employee Engagement Survey (EES). The survey for 2015 was held from 21 September to 16 October in which more than 90% of employees participated. The results of EES 2015 will be shared with staff in the first quarter of 2016 and follow-up action will be planned subsequently.

Business Continuity

To limit the impact of potential threats such as terrorism, epidemics, natural disasters and information systems failure, CCT has established a Business Continuity Plan (BCP). In the event of such crises, the BCP enables continuity in the Trust's core business operations, minimises financial and reputational damage and contains the effects of a disruption to our tenants. The BCP is pegged to global and industry best practices and complies with the applicable laws and regulations. It is regularly reviewed to ensure its continued relevance.

Occupational Health & Safety (OHS)

The Manager and Property Managers are committed to providing a healthy and safe work environment for their stakeholders which include employees, customers, visitors and supply chain. To ensure workplace safety, CapitaLand's OHS Management System which is certified against the international OHSAS 18001 OHS Management System maintains the following commitments:

- Reduce occupational injury rates with the aim of achieving zero harm
- Meet or exceed OHS legal requirements
- Provide a robust OHS Management System
- Promote a culture of individual ownership and responsibility for OHS management
- Seek proactive support and participation from CapitaLand's stakeholders including top management, employees, contractors, suppliers and tenants
- Drive continuous improvement in OHS performance

Identification and review of OHS hazards and assessment of their risks are a key component in CapitaLand's OHSMS. Various standard operating procedures have been put in place to minimise the occurrences of such hazards. In 2015, there was no non-compliance with local OHS laws and regulations.

Engaging Stakeholders

All employees are expected to take ownership of OHS issues, and are encouraged to be proactive in reporting all OHS-related incidences alongside non-compliance and non-conformities.

The Manager and Property Managers have instituted a series of SOPs to limit and respond to hazards occurring in the administration, development and operational functions of the organisation. For example, the Property Managers' action in the event of an epidemic outbreak involves stringent procedures and an emergency response team on call 24/7. Employees are kept updated about medical advice and travel alerts via the HR department on a regular basis.

In 2015, CCT recorded an absentee rate of 6.7 days as opposed to seven days in 2014. In terms of work-related injuries, there was one reported incident in 2015 versus three cases in 2014. The affected staff has since returned to work. We have also tightened safety measures and improved our SOPs accordingly.

Our customers' and visitors' health and safety are of utmost importance and we have in place SOPs to address potential OHS risks. OHS-related issues are communicated via circulars to tenants on a timely basis. We also conduct evacuation drills to familiarise our tenants on the emergency response plan.

We ensure our vendors/suppliers are in compliance with local regulations and adequately trained and briefed them on EHS measures. We share CapitaLand's contractor management guidelines, house rules and EHS policy with the supply chain, to keep everyone abreast of the requirements when working in our properties. We give preference to OHSAS 18001-certified vendors/suppliers while non-OHSAS 18001-certified vendors/suppliers are encouraged to achieve certification of bizSAFE Level 3 and above. All cleaning contractors at our properties are OHSAS 18001-certified while 99% of non-certified OHSAS 18001 term contractors appointed for the portfolio are minimally bizSAFE Level 3 and above. The main contractor appointed for the asset enhancement initiative at Capital Tower is also OHSAS 18001-certified.

Managing EHS Challenges

In 2015, Singapore experienced the worst haze conditions in recent years. To safeguard our staff, tenants and visitors, air filters in CCT's buildings were upgraded to meet CapitaLand's EHS requirements and emergency equipment was acquired for each property. N95 masks were distributed to staff operating in outdoor conditions. In addition, a minimum of 20 haze kits containing N95 masks and bottled water were placed at the buildings' concierge counters to be distributed as and when needed. To date, all CCT properties are equipped with Automated External Defibrillators (AEDs) and staff has received First Aid with CPR and AED training. The Property Managers introduced processes to tackle the haze and enhanced communication with tenants. Some of the measures include sealing all openings in the buildings such as lift shafts, air grilles and basement air vents with filters, minimising outdoor activities and disabling sliding doors and closing all external features when necessary. Tenants were informed promptly about our measures to combat the haze via circulars.

With the advent of MERS-CoV around mid 2015, the Property Managers put in place preventive measures to combat the pandemic. These included the procurement of N95 masks, thermometers, hand sanitisers, clinical gloves and personal protective equipment (PPE) for emergency personnel. We ensured our preparedness levels were aligned with the authorities' guidelines and the Disease Outbreak Response System Condition (DORSCON) framework. Having briefed on their respective roles and responsibilities, the property management team also conducted regular dry runs for pandemics, thus ensuring our emergency response team remain familiar with the necessary procedures.

The Manager and Property Managers require the use of environmentally-friendly janitorial supplies by our cleaning contractors as part of our continuing efforts to green our buildings' work environments as well as ensuring the well-being of our cleaning contractors.

COMMUNITY

As a responsible corporate citizen, CapitaLand Hope Foundation (CHF) – a philanthropic arm of CapitaLand – was set up to support and focus on the needs of underprivileged children. In partnership with CHF, CCT engages in corporate philanthropy by staff volunteering in various community development initiatives, as well as fund-raising activities. Even as we engage in sustainable business practices across our buildings, we leverage activities and varied avenues for communications to drive our stakeholders' awareness of community and sustainability.

Volunteerism and Donations

CapitaLand engages employees in philanthropy in various ways. One significant event is the CapitaLand #100KHopeHours Challenge which encourages Singaporeans to pledge their time in volunteering activities. Over 1,600 CapitaLand staff, tenants, partners and members of the public took part in the year-long challenge, where every hour of volunteer work pledged translated into donation by CapitaLand Hope Foundation (CHF) to charities in Singapore and the region. A total of over 200,000 volunteer hours were clocked eventually. Some S$300,000 was also donated to various charities under the President's Challenge 2015, on top of CapitaLand's S$1.0 million donation for underprivileged children in Asia as part of the #100KHopeHours global volunteer initiative.

CapitaLand employs special schemes to encourage all employees to volunteer for community service projects. These include Volunteer Service Leave (up to three days), Volunteer No Pay Leave and Volunteer Part-Time Work Arrangement. Under the latter two schemes, employees taking part in CapitaLand's community development projects can be away from the office for longer periods.

21.9% of employees spent 323 working hours volunteering in community development projects during the year. Although this represented a slight decline of about 3% compared to 2014, it demonstrated the consistent humanitarian spirit among staff. As an added incentive, volunteers who utilise the full three days of Volunteer Service Leave can choose a registered Singapore-based children's charity for CHF to donate S$500 to an approved beneficiary.

Gifts of Joy 2015 – Presentation of token of appreciation to CEO at Dyslexia Association of Singapore (Bedok Learning Centre)

Gifts of Joy 2015 – For underprivileged children and youths from 18 Voluntary Welfare Organisations adopted by The Boys' Brigade "Share-a-Gift" and CapitaLand Hope Foundation

The Joy of Giving Back to Society

In its annual signature charity drive "Gifts of Joy", CCT partnered with tenants from five office buildings to collect Christmas gifts for 578 underprivileged children and youths from 18 Voluntary Welfare Organisations adopted by The Boys' Brigade "Share-a-Gift" and CapitaLand Hope Foundation. Beyond the joy of giving, staff and tenants benefitted from the chance to wrap and personally deliver gifts to the beneficiaries. Encouraged by higher tenant participation recorded for the event this year compared to 2014, we will continue to improve volunteerism among our tenants by harnessing social and digital media platforms to drive more extensive tenant outreach.

Community Engagement via Social Media

We constantly seek new channels to communicate and engage stakeholders. During the year, we incorporated social media channels such as Facebook and Instagram to reach a wider audience.

CapitaLand organised an Instameet at CapitaGreen for a group interested in architecture and design, leading up to its official opening on 9 September 2015. The event gave an opportunity to the Instagrammers (as well as their over 564,444 followers) to appreciate CapitaGreen's design up close and gain insight into the workings of one of the most iconic and sustainable office buildings in Singapore today.

Tenant Engagement

Our tenants are important business partners who contribute to our continued success. Engagement with them is multi-faceted and covers environmental and social aspects. Their support has been critical in propelling us towards attaining our goals concerning the triple bottomline of economic, environment and social.

Sustainability Management

Going Green with Tenants

In addition to our own efforts to have green buildings, we encourage tenants to go green for their office fit-out as well as adopt sustainable practices in order to achieve even lower energy and water consumption for the properties. To generate awareness on this topic, a group of Green Ambassadors from the Manager and Property Managers conducted meetings to engage with tenants. A breakfast talk was organised for tenants during which representatives from BCA and CapitaLand shared tips on how to green their office spaces and encourage sustainable behaviours. BCA recognises such efforts through its Green Mark Office Interior award.

In another green initiative, a week-long “Green Week 2015” was held from 5 to 9 October 2015. Aimed at driving eco-friendly behaviour among tenants, the activity saw participants pledging to engage in green behaviour and posting photographs of their daily green acts over a week on Instagram. The tenants who posted Instagram photos of the ways they fulfilled the challenges under #cctgreenweek2015 stood a chance to win CapitaVouchers.

We share green tips in our quarterly newsletters to encourage and inculcate green behaviour regularly. Tips such as taking public transport, using nonwoven bags for shopping and recycling of E-waste were some of the tips shared in 2015 which provided different perspectives of environmental sustainability in our daily lives.

Green Talk for tenants

Lunch-time Art Talk for tenants held on 16 October 2015

Art Talk

Designed to promote appreciation of art works at CapitaLand properties among tenants, a lunch-time talk helmed by Mr Francis Wong, Chief of Art Management in CapitaLand was organised. Participants received a complimentary copy of CapitaLand: The Art of Building Communities, and were treated to a short tour of the art pieces at Capital Tower. Such activities are made possible as we have integrated community spaces such as sky terraces and public artwork areas into our buildings to enhance the lives of our customers.

Tenant Appreciation

As a gesture of appreciation to our tenants for their continued support, we presented a unique range of pottery bowls to each tenant as a lease anniversary gift for the third year. Well-known local ceramic artist, Jessie Lim, was specially commissioned to handcraft these mementos.

Another regular engagement initiative is the bi-annual treats. During the year, our tenants received healthy treats such as Scotts’s Vitamin C Pastilles in May and the nostalgic snack, “Kachang Puteh”, in November in celebration of SG50. Tenants have responded favourably towards these delightful treats.

November Tenant Treats - SG50-themed kachang puteh giveaways at Six Battery Road

May Tenant Treats – Scotts's Vitamin C Pastilles

PRODUCT AND CUSTOMER RESPONSIBILITY

We place emphasis on the built environment of our properties and target above-industry level of customer satisfaction in recognition of the evolving business needs of the tenants as well as our commitment to attract and retain tenants in order to achieve a high portfolio occupancy and sustainable income. We believe that driving innovative ideas and solutions and leveraging technology to enhance our assets and customer experience will be the next steps forward.

To establish issues material to our tenants so that we can gain insights and manage our customer service and property performance accordingly, we proactively reach out to our customers through a number of ways, including tenant surveys, regular meetings with tenants – targeting different levels of tenant representatives, Your CapitaLetter – a quarterly tenant newsletter, breakfast or lunch talks featuring topics of interest to tenants, corporate events, EHS practice sessions and other engagements.

The first biennial customer (tenant) survey was conducted in 2013 by The Nielsen Company (Singapore) Pte Ltd (Nielsen) to measure customer satisfaction level across all CCT office properties. The second biennial customer (tenant) survey was carried out in 2015 by Nielsen and the score achieved was an eQ Index of 77 out of a total of 100 which was above the industry average of 73 and an improvement from the 75 achieved two years ago. The results are shown in the table below.

Customer (Tenant) Survey	2013	2015
Customer satisfaction level measured by eQ Index based on total score of 100	75	**77**
Benchmark Singapore industry average based on Nielsen's eQ normative database	73	**73**

Sustainability Management

The objective of the survey is to review attributes of our properties and services that attract and retain customers and identify areas for strategic improvement. We also measure our performance in service delivery to meet customer expectation and identify the strengths and weaknesses of each factor for effective resource allocation. The 2013 and 2015 surveys, based on response rates exceeding 30% from sample office tenants surveyed, focused on the following key areas:

1) Building in terms of location, quality, design and green feature;
2) Building services such as maintenance, cleanliness, and security;
3) Standards of service delivery such as promptness and service attitude.

We are reviewing the results of the 2015 survey and will identify areas of improvement and course of action in 2016, together with our focus on innovation and technology-led operational efficiency.

Following the 2013 survey results, certain actions were taken. There were subsequent smaller scale surveys completed in 2014, targeted at feedback from tenant representatives in relation to their experiences with facilities and service delivery and ad hoc upgrading work done at selected properties.

Action 1: Upgrading and enhancing space and property

As detailed in the Annual Report 2015, our properties are well-located in Singapore's CBD, adjacent to MRT stations and other public transport and amenities. We regularly review asset plans for each property to ensure the space offerings remain relevant and flexible to meet tenants' needs. Where necessary and relevant, we undertake asset enhancement plan, which usually takes more than one year, to upgrade the office space, enhance operational efficiency, refresh the lobby, introduce security turnstiles and include green features to improve energy and water efficiency. A few of the Trust's properties have gone through varying scale of asset enhancement since 2010, including Six Battery Road (4Q 2010 to 4Q 2013), Raffles City Tower (4Q 2012 to 2Q 2014) and Capital Tower (4Q 2013 to 4Q 2015). Other smaller scale upgrading work or enhancement to improve specific tenants' experience within the building has also been carried out. In 2015, we completed the upgrading at Capital Tower and achieved a return on investment of 8.2%.

Action 2: Enhancing customer experience

After the 2013 survey, one of the identified areas of improvement is to have a regular contact point with the tenants when they are operating in the building - to build relationship, ensure prompt response and follow-up action and establish a good understanding of the tenant's needs. A team was hired to be Tenant Relations Ambassadors and Specialists and they work at the respective buildings alongside other building management teams. The individuals were selected based on a specific set of service-oriented traits, such as having a vibrant personality, possessing a sense of empathy and passion for delivering excellent service experience. They are also provided on-the-job training to better understand the building specifications, human behaviour, and improving their professionalism and communication skills.

The other area of focus is to build meaningful customer engagement at different levels of the tenant's organisation. In 2015, CEO-to-CEO welcome meetings were conducted for all new tenants. These meetings facilitated open communication from the very beginning and deepen our relationship with the tenants. We continued with our signature engagement activities such as delightful tenant treats and Gifts of Joy, a charity event for the working community in the portfolio. There is a separate team that also engages with green representatives of the tenants to encourage green office fit-out or sustainable behaviour or practices.

A third area of focus for customer experience is to leverage technology to improve operational efficiency through streamlining processes, thereby creating hassle-free touch points for tenants. One example is the introduction of the proprietary Digital Online Tenancy System (DOTS) in 2015 which enabled customers to conveniently takeover their premises. In a typical process for office unit handover, there is often a need to sign off several documents, plans and drawings. With DOTS, important information, plans and drawings are stored electronically. The Property Manager responsible for the handing over would go through the office unit plan and drawings with the tenant representative and both parties can sign off electronically. After the handover, a copy of the relevant documents and plans would be sent to the tenant. We will continue to enhance DOTS with more features that will facilitate customers to seamlessly move in and commence business as soon as possible.

Material Aspects and Boundaries

Material Aspects	Aspect Boundary	DMA Reference
Economic		
Economic performance	CCT	Financial performance (pg 54) Environment (pg 59, 61)
Indirect economic impacts	CCT, community	Community (pg 66-68)
Environmental		
Energy	CCT, supply chain	Environment (pg 55-56)
Water	CCT, supply chain	Environment (pg 55, 57-58)
Emissions	CCT, supply chain	Environment (pg 58)
Effluents and Waste	CCT, supply chain	Environment (pg 58-59)
Product and Services	CCT, customers	Environment (pg 55-60)
Compliance	CCT, investors	Environment (pg 54-55)
Supplier Environmental Assessment	CCT, supply chain	Environment (pg 55)
Social		
Labour Practices and Decent Work		
Employment	CCT	People (pg 62-63)
Labour/Management Relations	CCT	People (pg 63)
Occupational Health and Safety	CCT	People (pg 65-66)
Training and Education	CCT	People (pg 64)
Diversity and Equal Opportunity	CCT	People (pg 62-63)
Supplier Labour Practices Assessment	CCT, supply chain	People (pg 65)
Human Rights		
Non-discrimination	CCT	People (pg 62)
Child Labour	CCT	People (pg 62)
Forced Compulsory Labour	CCT	People (pg 62)
Assessment	CCT	People (pg 65)
Supplier Human Rights Assessment	CCT, supply chain	People (pg 65)
Human Rights Grievances Mechanisms	CCT	People (pg 62-65)
Society		
Anti-corruption	CCT, investors, customers, communities	Governance (pg 22-44)
Compliance	CCT	Governance (pg 43) People (pg 62-65)
Product Responsibility		
Customer Health and Safety	CCT, customers, vendors / suppliers and communities	People (pg 65-66) Environment (pg 59, 61)
Product and Service Labelling	CCT, customers	People (pg 69-70)
Marketing Communications	CCT, customers	GRI Index (pg 77)
Customer Privacy	CCT, investors, customers	GRI Index (pg 77)

Sustainability Management

GRI Content Index

GRI Indicator	Description	Page Reference and Remarks
General Standard Disclosure		
Strategy and Analysis		
G4-1	Statement from senior decision-maker	CEO's message (pg 50)
G4-2	Description of key impacts, risks, and opportunities	Governance (pg 25-44) Enterprise Risk Management (pg 45-47) Investor Relations (pg 48-49) Environment (pg 54-60) People (pg 62-66) Community (pg 66-68) Product and Customer Responsibility (pg 69-70)
Organisation Profile		
G4-3	Organisation's name	Corporate Profile (pg 01) Introduction (pg 51)
G4-4	Primary brands, products, and services	Corporate Profile (pg 01) Introduction (pg 51)
G4-5	Location of the organisation's headquarters	Corporate Information (inside back cover)
G4-6	Countries of operation	Corporate Profile (pg 01) Introduction (pg 51)
G4-7	Nature of ownership and legal form	Corporate Profile (pg 01) Introduction (pg 51)
G4-8	Markets served	Corporate Profile (pg 01) Introduction (pg 51)
G4-9	Scale of the organisation	Corporate Profile (pg 01) Introduction (pg 51)
G4-10	Workforce figures	People (pg 62-63)
G4-11	Percentage of total employees covered by collective bargaining agreements	People (pg 62-63)
G4-12	Organisation's supply chain	Introduction (pg 52-53) Environment (pg 55) People (pg 65)
G4-13	Significant changes during the reporting period	CEO's message (pg 50) Introduction (pg 51)
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation	Environment (pg 54-55, 59-60)

GRI Content Index

GRI Indicator	Description	Page Reference and Remarks
General Standard Disclosure		
Organisation Profile		
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes	Introduction (pg 51) Governance (pg 54) People (pg 62-63, 65-66)
G4-16	Memberships of associations and national or international advocacy organisations	Member, Investor Relations Professional Association (Singapore) (IRPAS) Member, REIT Association of Singapore (REITAS)
Identified Material Aspects and Boundaries		
G4-17	Entities included in the organisation's consolidated financial statements	Introduction (pg 51)
G4-18	Process for defining the report content and the aspect boundaries	Introduction (pg 52-53)
G4-19	Material aspects identified in the process for defining report content	Material Aspects and Boundaries (pg 71)
G4-20	Aspect boundary within the organisation	Material Aspects and Boundaries (pg 71)
G4-21	Aspect boundary outside the organisation	Material Aspects and Boundaries (pg 71)
G4-22	Effect of any restatements of information provided in previous reports	Environment (pg 58)
G4-23	Significant changes from previous reports in the scope and aspect boundaries	There are no significant changes from previous reports.
Stakeholder Engagement		
G4-24	List of stakeholder groups	Introduction (pg 52-53) Environment (pg 54-61) People (pg 62, 65) Community (pg 66-68)
G4-25	Identification and selection of stakeholders	Introduction (pg 52-53) Environment (pg 54-61) People (pg 62, 65) Community (pg 66-68)

Sustainability Management

GRI Content Index

GRI Indicator		Description	Page Reference and Remarks
General Standard Disclosure			
Stakeholder Engagement			
G4-26		Approaches to stakeholder engagement	Introduction (pg 52-53) Environment (pg 54-61) People (pg 62, 65) Community (pg 66-68)
G4-27		Key topics and concerns raised through stakeholder engagement	Introduction (pg 52-53) Environment (pg 54-61) People (pg 62,65) Community (pg 66-68)
G4-28		Reporting period	Introduction (pg 51)
G4-29		Date of previous report	FY 1 January to 31 December 2014
G4-30		Reporting cycle	Introduction (pg 51)
G4-31		Contact point	Introduction (pg 51)
G4-32		GRI Content Index	GRI Index (pg 72-77)
G4-33		Assurance	No external assurance
Governance			
G4-34		Governance structure	Governance (pg 25-44)
Ethics and Integrity			
G4-56		Organisation's values, principles, standards and norms of behaviour	Corporate Profile (pg 01) Governance (pg 25-44) Enterprise Risk Management (pg 45-47) Introduction (pg 51-52) People (pg 64)
Specific Standard Disclosures			
Economic			
Economic Performance	G4-EC1	Direct economic value generated and distributed	Financial Highlights (pg 02-05) Financial Review (pg 85-90) Financial Statements (pg 113-173)
Market Presence	G4-EC6	Proportion of senior management hired from local community	100%
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported	Environment (pg 58-59, 61) Community (pg 66)
	G4-EC8	Extent of impacts	Environment (pg 58-59, 61) Community (pg 66)

GRI Content Index

GRI Indicator		Description	Page Reference and Remarks
Specific Standard Disclosures			
Environmental			
Energy	G4-EN3	Energy consumption within the organisation	Environment (pg 56)
	G4-EN4	Energy consumption outside of the organisation	There is no development work for CCT in FY 2015. The most recently completed development project was CapitaGreen which obtained its TOP in December 2014.
	G4-EN5	Energy intensity	Environment (pg 56)
	G4-EN6	Reduction of energy consumption	Environment (pg 56)
	G4-EN7	Reductions in energy requirements of products and services	Environment (pg 56)
Water	G4-EN8	Total water consumption	Environment (pg 57)
	G4-EN9	Water sources significantly affected by withdrawal of water	None during the reporting period. There is no development work for CCT in FY 2015. Environment (pg 54, 59-60)
	G4-EN10	Water recycled and reused	Environment (pg 57-58)
Biodiversity	G4-EN11	Protected areas or areas of high biodiversity	None during the reporting period. There is no development work for CCT in FY 2015. Environment (pg 54, 59-60)
	G4-EN12	Impact on biodiversity	
	G4-EN14	Endangered species effected	
Emissions	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environment (pg 58)
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Environment (pg 58)
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	Environment (pg 58)
Effluents and Waste	G4-EN22	Total water discharge by quality and destination	Wastewater is discharged into the public sewerage system or sewage treatment plant.
	G4-EN23	Waste management	Environment (pg 58-59)
	G4-EN24	Significant spills	None during the reporting period. Environment (pg 54, 59-60)
	G4-EN26	Discharge and runoffs affecting protected water bodies	None during the reporting period. Waste water is discharged into the public sewerage system or sewage treatment plant.
Products and Services	G4-EN27	Initiatives to mitigate environmental impacts of products	Environment (pg 55-61)

Sustainability Management

GRI Content Index

GRI Indicator		Description	Page Reference and Remarks
Specific Standard Disclosures			
Environmental			
Compliance	G4-EN29	Fines and non-monetary sanctions for non-compliance with environmental laws and regulations	Environment (pg 55)
Supplier Environmental Assessment	G4-EN32	% of new suppliers screened using environmental criteria	Environment (pg 55)
Social			
Labour Practices and Decent Work			
Employment	G4-LA1	Employee turnover	People (pg 63)
	G4-LA3	Return to work and retention rates after parental leave	People (pg 63)
Labour/ Management Relations	G4-LA4	Notice period regarding operation changes	People (pg 63)
Occupational/ Health and Safety	G4-LA5	% of staff represented in OHS committee	People (pg 65)
	G4-LA6	Occupational injury	People (pg 65)
Training and Education	G4-LA9	Average hours of training	People (pg 64)
	G4-LA10	Skills management and lifelong learning	People (pg 64)
	G4-LA11	Performance and career development reviews	People (pg 63)
Diversity and Equal Opportunity	G4-LA12	Diversity	People (pg 62-63)
Supplier Labour Practices Assessment	G4-LA14	% of suppliers screened using labour practices criteria	People (pg 65)
Human Rights			
Non-discrimination	G4-HR3	Incidents of discrimination and corrective action taken	People (pg 62-63)
Child Labour	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour and measures taken to the effective abolition of child labour	People (pg 65)
Forced or Compulsory Labour	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to eliminate it	People (pg 65)

GRI Content Index

GRI Indicator		Description	Page Reference and Remarks
Social			
Human Rights			
Assessment	G4-HR9	% of operations subjected to human rights reviews	People (pg 63, 65)
Supplier Human Rights Assessment	G4-HR10	% of suppliers screened using human rights criteria	People (pg 65)
Human Rights Grievances Mechanisms	G4-HR12	Number of grievances about human rights impacts	People (pg 62-63)
Society			
Local Communities	G4-SO1	Operations with local community engagement, impact assessments and development programmes	Environment (pg 54, 60) People (pg 63, 65) Community (pg 66-68)
Anti-corruption	G4-SO2	Risk assessment for corruption	Governance (pg 43)
	G4-SO4	Communication and training on anti-corruption policies and procedures	Governance (pg 43) People (pg 64)
	G4-SO5	Incidents and action taken	Governance (pg 64)
Compliance	G4-SO8	Fines and non-monetary sanctions for non-compliance with laws and regulations	There were no fines or non-monetary sanctions for non-compliance with laws and regulations. Governance (pg 43) People (pg 62, 64)
Product Responsibility			
Customer Health and Safety	G4-PR1	Health and safety impacts assessment of products and services	People (pg 65-66) Environment (pg 59, 61)
	G4-PR2	Incidents of non-compliance	People (pg 65)
Product and Service Labelling	G4-PR5	Results of surveys measuring customer satisfaction	People (pg 69-70)
Marketing Communications	G4-PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	There were no incidents in CCT of non-compliance with regulations and voluntary codes concerning marketing communications, which include advertising, promotion and sponsorship during the reporting period.
Customer Privacy	G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no known complaints during the reporting period.

Independent Market Review

THE SINGAPORE MARKET

Based on data published by the Ministry of Trade and Industry (MTI), Singapore's economy grew by a modest 2.0% in 2015, slowing from 3.3% in 2014. Despite most sectors easing in growth in 2015, the services producing industries, namely the wholesale & retail trade and finance & insurance sectors, expanded by 6.1% and 5.3% YoY respectively. This was offset by the manufacturing sector, which contracted 5.2% YoY due to a decline in output. In spite of this, demand for office space is expected to be modest in 2016, with the key drivers likely to come from services producing industries such as e-commerce, Asian financial institutions, insurance and pharmaceutical firms.

THE OFFICE MARKET

Existing Supply

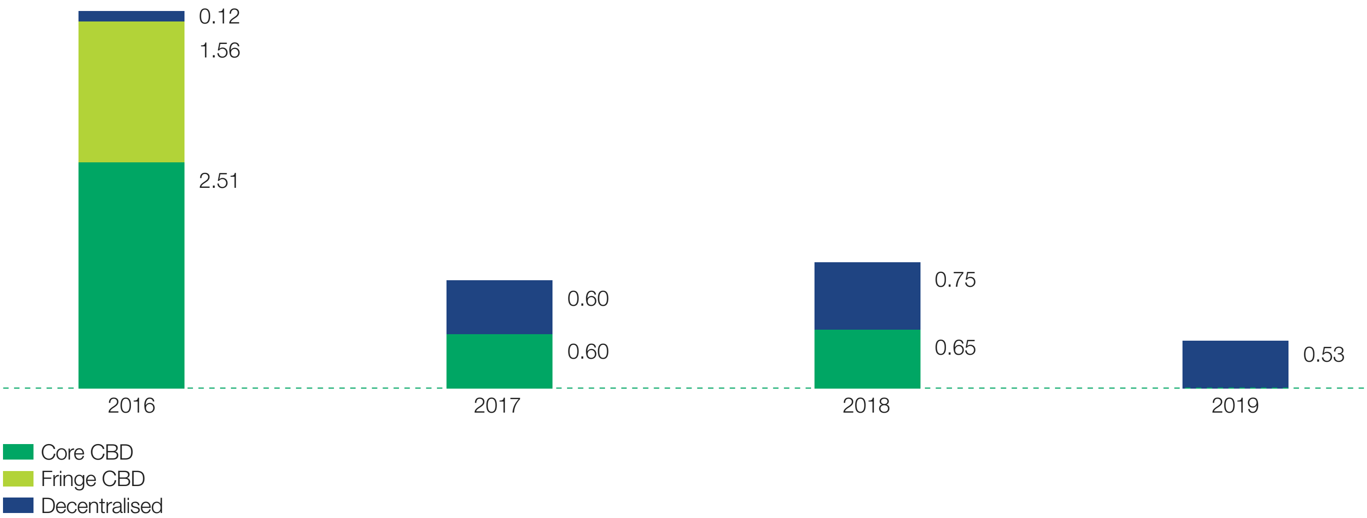
Total island-wide office stock inched marginally higher by 0.3% YoY to 55.7 million sq ft in 4Q 2015. Major office developments completed in 2015 include South Beach Tower (527,450 sq ft), Centropod @ Changi (53,700 sq ft), PS100 (70,650 sq ft) and the refurbishment of former NOL Building (200,000 sq ft). On the other hand, KeyPoint (288,000 sq ft), Equity Plaza (249,165 sq ft) and Havelock II (141,010 sq ft) underwent redevelopment or property refurbishment and were thus removed from total office stock. KeyPoint is to be redeveloped into a retail/residential mixed use development named City Gate while Equity Plaza and Havelock II are being redeveloped for strata sale.

The CBD Core is the most prominent choice location for office occupiers where their front office services and functions are concentrated. The CBD Core's sub-markets, comprising Marina Bay, Raffles Place, Shenton Way and Marina Centre, accounted for the majority of island-wide office stock yielding 27.6 million sq ft (49.5%) of space as at 4Q 2015. Grade A stock is principally located within the CBD Core and accounts for approximately 11.8 million sq ft (21.1%).

Future Supply

Over the next four years from 2016 to 2019, total new island-wide office supply is estimated to amount to 7.3 million sq ft, the bulk of which comes from the CBD Core, contributing close to 3.8 million sq ft (51.3% approximately).

Island-wide Future Office Supply
(million sq ft)



Source: CBRE Research

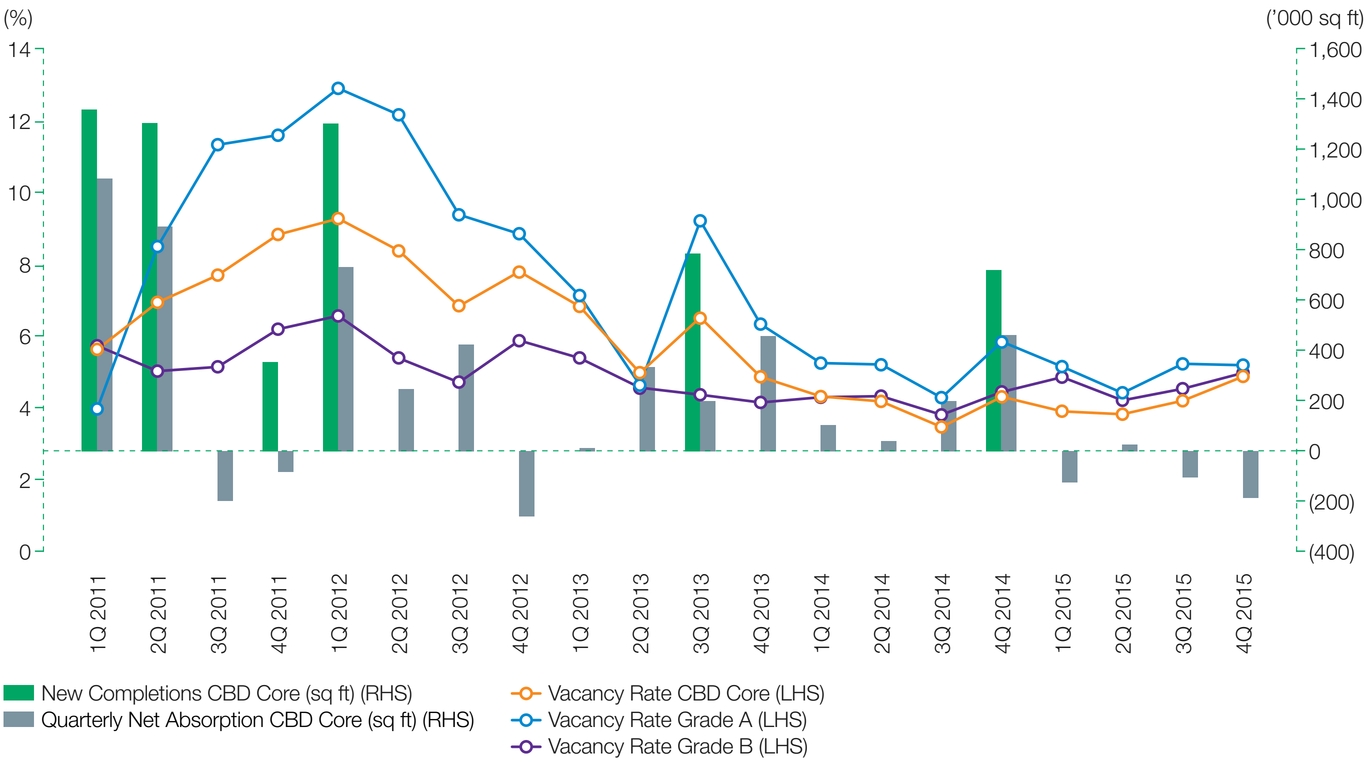
New supply will peak in 2H 2016, possibly easing the tightening of space in the market in the short to medium term. The majority of this supply will fall within the CBD Core and Fringe, consisting of Marina One (1,875,630 sq ft), Guoco Tower (890,000 sq ft) and DUO (570,475 sq ft). Strata office supply slated for completion in the year include SBF Centre (353,480 sq ft), GSH Plaza (282,000 sq ft), EON Shenton (101,045 sq ft) and Havelock II (64,850 sq ft).

New supply will moderate in 2017, with the bulk of new office space being strata-titled offices. These include Oxley Tower (111,710 sq ft), Crown @ Robinson (70,000 sq ft), Arc 380 (103,500 sq ft) and Vision Exchange (500,000 sq ft).

The known new supply for 2018 and 2019 is projected to be approximately 1.9 million sq ft, stemming from Frasers Tower (645,000 sq ft), a mixed-use development at Paya Lebar Central (750,000 sq ft) and Woods Square (534,500 sq ft), which is a strata-titled development.

Demand and Vacancy

CBD Core Office Supply and Demand



Source: CBRE Research

The CBD Core office net absorption for 2015 was -395,805 sq ft, a reversal in trend compared to a year ago (791,180 sq ft). The negative absorption was due to the lack of sizeable new supply within the CBD Core and the removal of several buildings such as KeyPoint, Equity Plaza and Havelock II from stock. Despite weaker absorption rates, quality Grade A office buildings are still well received in the market due to their rarity, with CapitaGreen registering an occupancy of 91.3% and South Beach Tower reporting an occupancy of close to 100% at the end of 2015.

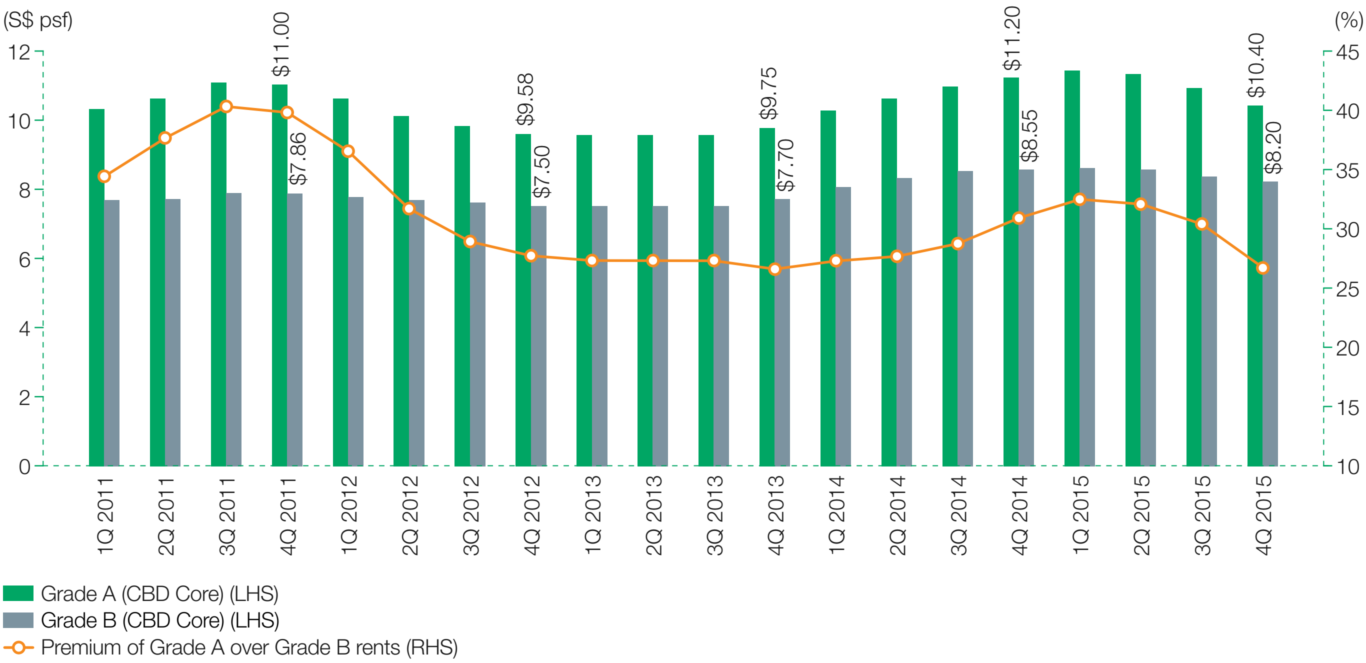
Grade A office buildings continue to attract tenants seeking to optimise their space requirements. Leasing demand is mostly driven by a diverse range of sectors including Asian financial institutions, info-communications and media, fund management, insurance as well as pharmaceutical.

CBD Core vacancy rate of 4.9% was lower than the island-wide vacancy rate of 5.5%, each inching up slightly by 0.6% and 0.8% YoY respectively. Vacancy rates are expected to increase when the new office supply in 2016 becomes available.

Independent Market Review

Rental Values

CBD Core Monthly Rental Values



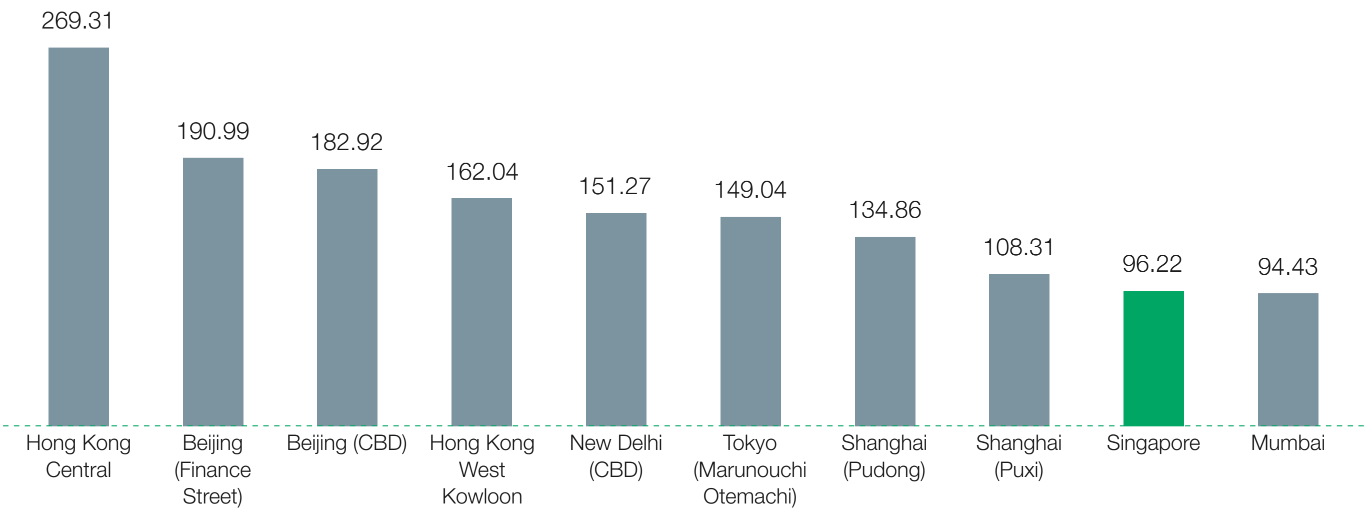
Source: CBRE Research

Singapore's office market hit a turning point in 2015, with rents reaching a peak at the start of the year. Office rents have since corrected from 2Q 2015 onwards. The rental correction ended the run of six consecutive quarters of rental increment. Grade A CBD Core rents and Grade B CBD Core rents registered at S$10.40 psf (7.1% YoY decrease) and S$8.20 psf (4.1% YoY decrease) respectively in 4Q 2015. With rentals becoming increasingly competitive, the market is shifting towards a tenants' market, with further downward pressure likely to persist through 2016 as the anticipated supply pipeline enters the market.

Despite the rental market seeing a slowdown, a silver lining is that new leasing activity exhibited signs of growth from e-commerce firms, financial institutions, insurance and pharmaceutical sectors.

CBRE Prime Office Occupancy Costs

Prime Office Occupancy Costs Index (Asia Pacific Top 10 Cities)
(US$ psf per annum)



Source: CBRE Research (as at December 2015)

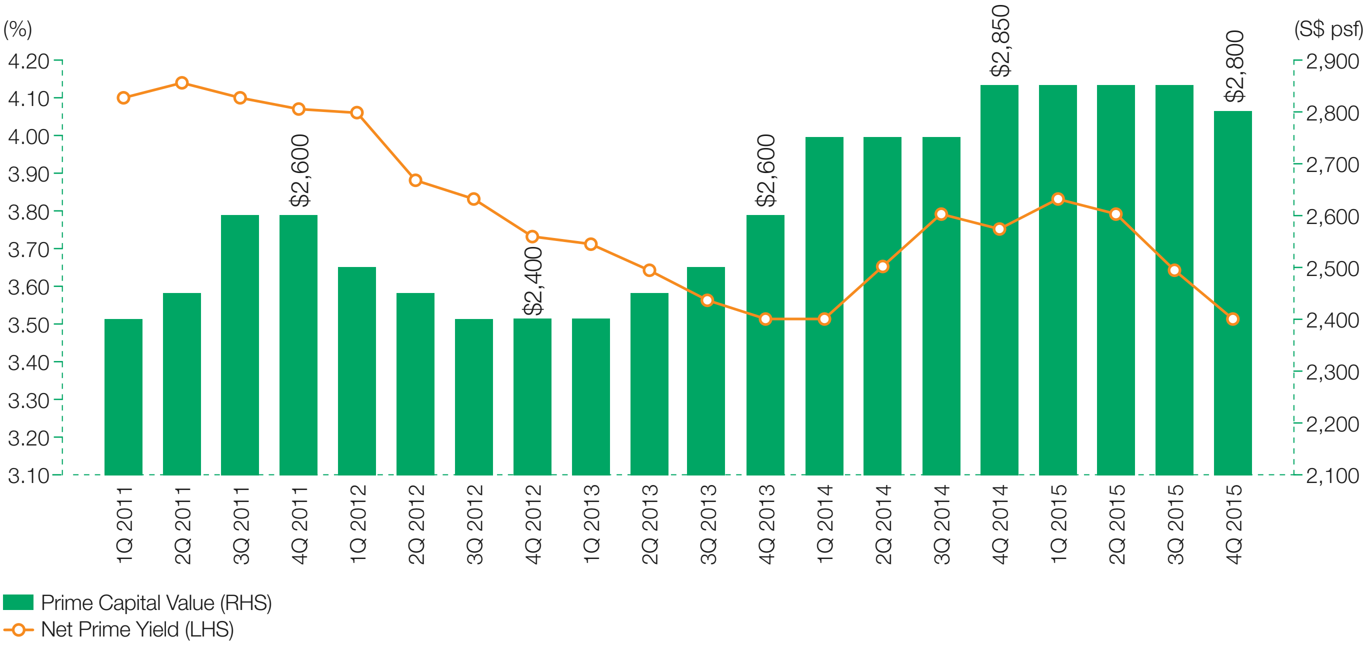
77 of 126 office markets tracked in the Global Prime Office Occupancy Costs publication reported annual increments in prime occupancy costs despite the slowing economy, up from 74 markets in December 2014. This indicates a slow but steady recovery of the office sector. Regionally, occupancy costs in EMEA, Asia Pacific and the Americas registered annual YoY increases of 2.2% (up from 0.3% in 2014), 1.9% (down from 2.8% in 2014) and 3.1% (down from 4.1% in 2014) respectively.

Singapore ranks 16th and 9th respectively on the global and Asia Pacific index of most expensive prime office markets, with occupancy costs of US$96.22. Topping the list is London's Central West End at US$272.56, Hong Kong Central at US$269.31 and Beijing's Finance Street at US$190.99. Asia-Pacific was home to seven markets ranked among the top 10 most expensive globally — Hong Kong Central, Beijing's Finance Street, Beijing's CBD, New Delhi's Connaught Place CBD, Hong Kong-West Kowloon, Shanghai Pudong and Tokyo (Marunouchi/Otemachi). Hence, from a business cost perspective, Singapore remains a competitive location for businesses to set up in.

Independent Market Review

The Office Investment Market and Capital Values

Prime Office Capital Values and Net Yields



Source: CBRE Research

The total investment volume of private office transactions in 2015 amounted to an estimated S$3.6 billion as compared to 2014's transaction volume of S$4.1 billion. Of the 21 private office deals transacted this year (island-wide), 11 of them were priced below S$100 million, and the other 10 were above S$100 million. In particular, AXA Tower was transacted at a quantum of above S$1.0 billion.

The big ticket office deals transacted in 2015 include AXA Tower (S$1.2 billion/ S$1,734 psf), 158 Cecil Street (S$240.0 million/ S$2,087 psf), ICS Building (S$210.0 million/ S$3,109 psf), 30% stake in PWC Building (S$150.0 million/ S$1,892 psf), and Suntec Tower 2 (S$101.6 million/ S$2,648 psf). In December, City Developments Limited divested partial ownership of three prime office assets comprising Central Mall (S$218.0 million/ S$1,667 psf), Manulife Centre (S$487.5 million/ S$2,019 psf), and 7 & 9 Tampines Grande (S$366.0 million/ S$1,274 psf), amounting to a total of S$1.1 billion. Within the public sector, CPF Building was transacted at S$550.0 million/ S$1,032 psf[1].

There has been an increase in foreign interest entering the market, with most of the foreign buyers being mainly Chinese companies or private investors from China buying strata-titled office units.

Notwithstanding the drop in office rents, capital values remained resilient in 2015, with Grade A office capital values dropping marginally by 1.8% YoY to S$2,800 psf. As a result, yields compressed to 3.51% as at 4Q 2015.

For 2016, the investment market is expected to remain resilient as the global economy slowly improves. CBRE anticipates demand for good quality office buildings to remain healthy as investors with longer investment horizons continue to seek opportunities in the market. With the rise in interest rates, capitalisation rates are under expansion pressure thus possibly leading to the easing of real estate prices. However, institutional investors may capitalise on attractive prices to enter the market in view of seeking a longer-term profit on the back of Singapore market's strong fundamentals.

[1] Inclusive of an estimated differential premium of S$75.5 million.

Office Market Outlook

Singapore's economic outlook for 2016 is modest despite challenges in the market. The finance and insurance sectors are expected to support the overall growth, and the manufacturing sector is likely to remain weak. Also, growth in labour-intensive sectors such as retail and food trades may be hampered due to labour constraints. Hence, office leasing demand is likely to be suppressed. In addition, there are also supply concerns with a large quantum of new office space expected to come onstream within the next 12 months.

As a result, rents are expected to undergo downward pressure as supply is likely to outweigh demand in the short to medium term. In spite of this, Grade A and Grade B rents are not expected to reach levels seen during the Global Financial Crisis in 2009, and barring any unforeseen circumstances, will likely bottom and thereafter recover from 2018 onwards. As the market moves in favour of occupiers, allowing them to benefit from lower rentals, landlords will have to start to offer more competitive lease terms to retain existing tenants. Coupled with the keen interest in upcoming developments, CBRE Research expects some key anchor tenant deals to close in 1H 2016.

Vacancy levels are expected to remain relatively low in the near term, before the pipeline supply comes onto the market in 2016.

Projected CBD Core Monthly Rental Values
(S$ psf)

Source: CBRE Research

Independent Market Review

Singapore REITs and Business Trusts Market Overview

The first Singapore REIT was launched and listed on the SGX-ST in July 2002. REITs have since grown significantly as a popular investment class known for its high yielding, recurring passive income. As at 4Q 2015, there were a total of 35 listed REITs and Business Trusts in Singapore with an aggregate market capitalisation exceeding S$61 billion. A new REIT listing is the BHG Retail REIT, estimated to yield a market capitalisation of around S$597.2 million. It is the latest REIT to be listed since the last REIT IPO (Keppel DC REIT) in December 2014.

The REIT regime in Singapore was established with the objective of providing investors with a platform to gain exposure to real estate assets that encompassed diversification of risks through pooling. Over the years, Singapore REITs have matured into an assortment of non-traditional REIT assets such as data centres, hospitals, serviced apartments, residential, among others. Singapore now boasts one of the largest REIT markets in Asia.

The Fed's recent decision to raise interest rates marks its first increment since 2006. Higher interest rates could impact the REIT market in various ways. The most immediate impact is the higher cost of debt which would translate to higher interest payments on their borrowings, potentially lowering the profitability and DPU for the unitholders. REITs with a high proportion of floating-rate debt will be affected the most by the elevated interest rates vis-à-vis REITs using fixed-rate debt. However, the Fed is likely to gradually increase interest rates as opposed to implementing sudden drastic hikes. On the bright side, changes in the level of interest rates often reflect changes in the level of economic activity and confidence in the market; the Fed raising interest rates signals strong confidence in the world's largest economy. Stronger economic growth will spur corporate spending which entails more job creations that will in turn drive greater demand for office space. Therefore, as long as the higher interest rates are driven by economic growth and job growth, there will be a supportive demand for office space.

To further improve investors' confidence and growth in the REIT industry, MAS introduced a slew of changes to upgrade the existing regulatory regime governing REITS in July 2015. These include strengthening of corporate governance while allowing greater operational flexibility. Made in consultation with various stakeholders, this balanced approach would enhance safeguards for investors and unitholders while facilitating the growth of a vibrant REIT market.

Qualifying Clause

This Report is subject to the following limiting conditions:

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Financial Review

Delivering stable and sustainable returns

CCT achieved higher distributable income of S$254.5 million for the financial year ended 31 December 2015 (FY 2015), an increase of S$5.2 million or 2.1% over the financial year ended 31 December 2014 (FY 2014). Adopting a proactive leasing strategy, the Trust committed rents that were higher than the rents for leases expiring in FY 2015 and improved average occupancy for the portfolio, which translated to better financial performance for CCT.

Gross Revenue

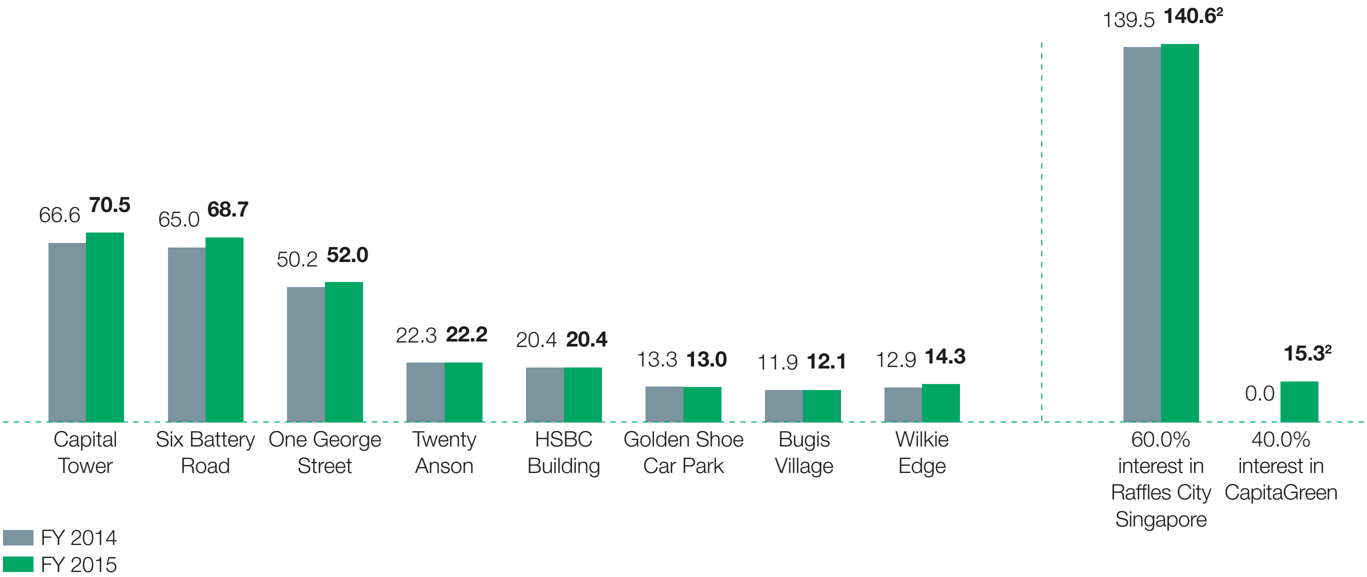
Gross revenue for FY 2015 was S$273.2 million[1], an increase of S$10.6 million or 4.0% over FY 2014 arising from positive rent reversions and improved portfolio occupancy.

During the year, the Trust acquired Twenty Anson at the latest valuation of S$431.0 million from FirstOffice Pte. Ltd. (a wholly owned subsidiary of CCT) in order to streamline the holding structure of the property.

Gross revenue contributions from properties owned directly by the Trust, namely Capital Tower, Six Battery Road, One George Street, HSBC Building, Bugis Village and Wilkie Edge, registered a rise in FY 2015 compared to a year ago. Revenue from Golden Shoe Car Park was lower due to a decrease in average occupancy and lower car park revenue. Revenue from Twenty Anson was marginally lower YoY due to lesser amount of yield stabilisation income required to achieve the stabilised property yield of 4.0%. Yield stabilisation income for Twenty Anson in FY 2015 was S$1.4 million (FY 2014: S$3.5 million). The positive impact of the yield stabilisation income to DPU was approximately 0.05 cents in FY 2015 (FY 2014: 0.12 cents).

Contributions from CCT's 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen were accounted as share of results of joint ventures. Revenue from Raffles City Singapore in FY 2015 was up from a year ago, contributed by the office, retail and hotel components. CapitaGreen commenced operations in FY 2015 with tenants progressively moving into their offices.

FY 2015 Gross Revenue by Property
(S$ million)



[1] Excludes CCT's interest in joint ventures' gross revenue.

[2] The gross revenue of CCT's interest in joint ventures, 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen, are shown above for information.

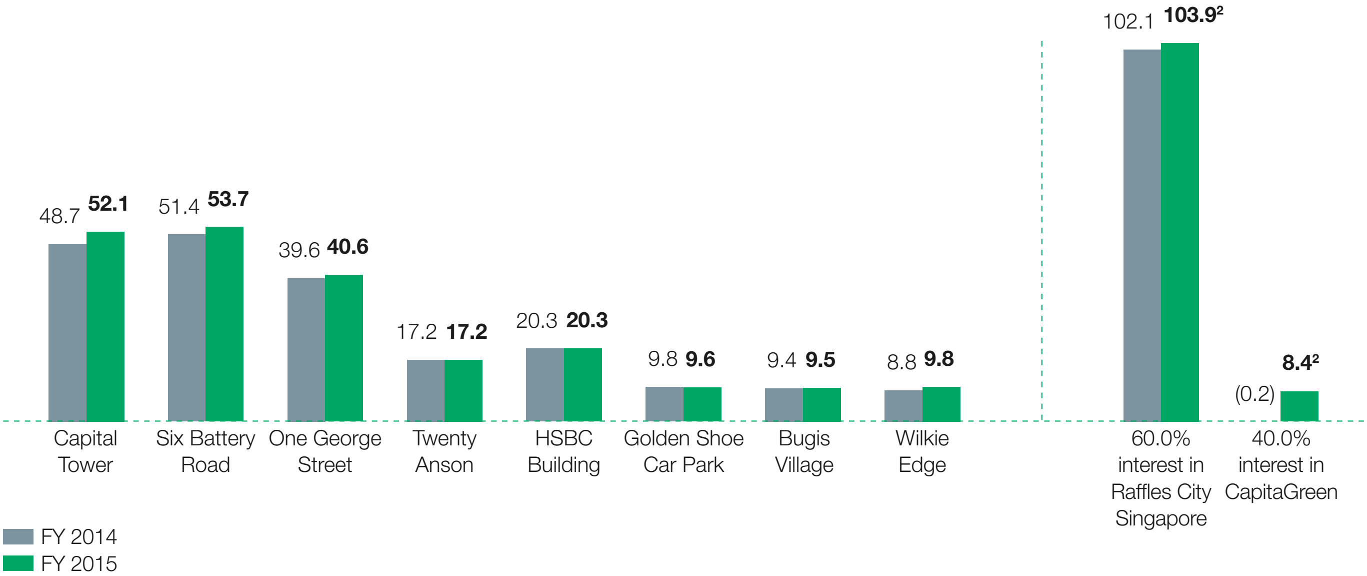
Financial Review

Net Property Income

Higher gross revenue in turn accounted for the higher net property income (NPI) which grew S$7.5 million or 3.7% to S$212.8 million[1].

NPI from most properties were higher in FY 2015 vis-à-vis FY 2014 except Golden Shoe Car Park which saw lower revenue translating to lower NPI in FY 2015.

FY 2015 Net Property Income by Property
(S$ million)



1 Excludes CCT's interest in joint ventures' net property income.
2 The net property income of CCT's interest in joint ventures, 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen, are shown above for information.

Distributable Income

Distributable income for FY 2015 was S$254.5 million, an increase of S$5.2 million or 2.1% higher than S$249.2 million reported in FY 2014. DPU for FY 2015 was 8.62 cents, an improvement of 0.16 cents or 1.9% from FY 2014 DPU of 8.46 cents. The higher DPU was due to better performance in NPI and more distribution from RCS Trust, which owns Raffles City Singapore.

Assets

As at 31 December 2015, the total assets for CCT Group were S$6,592.5 million, compared with S$6,521.1 million as at 31 December 2014. The increase of S$71.4 million was mainly due to the revaluation gain of the investment properties, increase in capital expenditure and increase in investment in joint ventures, albeit offset by a drop in cash and cash equivalents.

Total deposited property value, including 60.0% interest in RCS Trust and 40.0% interest in MSO Trust as at 31 December 2015, was S$7,721.5 million which was 1.2% higher compared to S$7,633.6 million as at 31 December 2014.

Net Asset Value

As at 31 December 2015, CCT's net asset value (NAV) per Unit excluding the distributable income for the second half of FY 2015 was S$1.73.

Prudent Capital Management

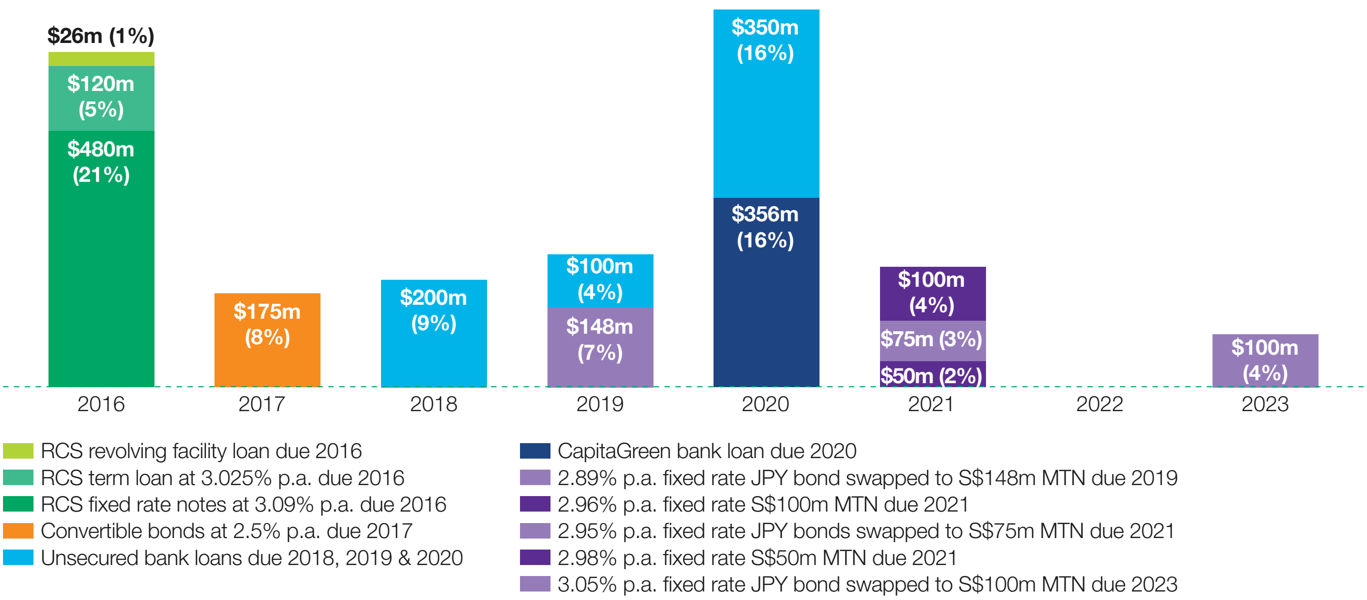
	Note	As at 31 December 2014	As at 31 December 2015
Unencumbered Assets as % of Total Assets (%)	1	100.0	**100.0**
Aggregate Leverage (%)	2	29.3	**29.5**
Net Debt/EBITDA (times)	3	5.0	**4.9**
Interest Coverage (times)	4	7.2	**7.4**
Average Term to Maturity (years)	5	3.9	**4.2**
Average Cost of Debt (%)	6	2.3	**2.5**
CCT's Issuer Rating (Standard & Poor's)		A-	**A-**

Notes
1 Wholly owned investment properties at CCT are all unencumbered.
2 In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures' borrowings and deposited property values are included when computing the aggregate leverage ratio.
3 Net debt excludes borrowings of RCS Trust and MSO Trust. EBITDA refers to earnings before interest, tax, depreciation and amortisation but after share of profit of associate and joint ventures.
4 Interest coverage is the ratio of EBITDA over finance costs which includes amortisation and transaction costs (excludes borrowings of RCS Trust and MSO Trust).
5 Excludes borrowings of RCS Trust and MSO Trust.
6 Ratio of interest expense over weighted average borrowings (excludes borrowings of RCS Trust and MSO Trust).

CCT's Debt Maturity Profile
(including CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust)

S$ (% of total borrowings)

As at 31 December 2015



Financial Review

Proactive Refinancing of Debt Ahead of Maturity

In FY 2015, CCT MTN Pte. Ltd. (CCT MTN), a wholly owned subsidiary of CCT, issued two medium term notes under the S$2.0 billion multicurrency Medium Term Note Programme (MTN Programme) as follows:

1. ¥8.6 billion eight-year floating rate notes at three month Japanese Yen (JPY) LIBOR plus 0.30% per annum on 17 February 2015, which was swapped to S$100.0 million at fixed interest rate of 3.05% per annum;
2. S$100.0 million six-year fixed rate notes at 2.96% per annum on 13 August 2015.

CCT MTN in turn on-lent the proceeds from the MTN issuances to CCT.

During the year, S$70.0 million 3.64% per annum fixed rate notes and S$200.0 million 3.25% per annum fixed rate notes under the MTN Programme were redeemed on 18 February 2015 and on 15 December 2015 respectively.

The fair value derivative for FY 2015, which was included in the financial statement as financial derivatives assets and financial derivatives liabilities was S$7.4 million and S$25.7 million respectively. This represented 0.35% of the net assets of CCT Group as at 31 December 2015.

CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust

CCT has a 60.0% interest in RCS Trust which owns Raffles City Singapore. Under the loan agreements between Silver Oak Ltd. (Silver Oak) and RCS Trust's Trustee-Manager, Silver Oak has granted RCS Trust a term loan facility of S$1.0 billion and a revolving credit facility (RCF) of S$300.0 million. RCS Trust has drawn down S$1.0 billion term loan in 2011 and as at 31 December 2015, S$44.0 million has been drawn down from RCF. CCT's 60.0% share thereof was S$626.4 million.

CCT has a 40.0% interest in MSO Trust which owns CapitaGreen. In 2015, bank borrowings of CapitaGreen were refinanced with a new five-year bank credit facility of S$900.0 million with maturity date in 2020. The S$900.0 million bank credit facility comprised S$700.0 million in term loan and S$200.0 million in RCF. MSO Trust has drawn down S$700.0 million term loan and as at 31 December 2015, S$190.0 million has been drawn down from RCF. CCT's 40.0% share thereof was S$356.0 million.

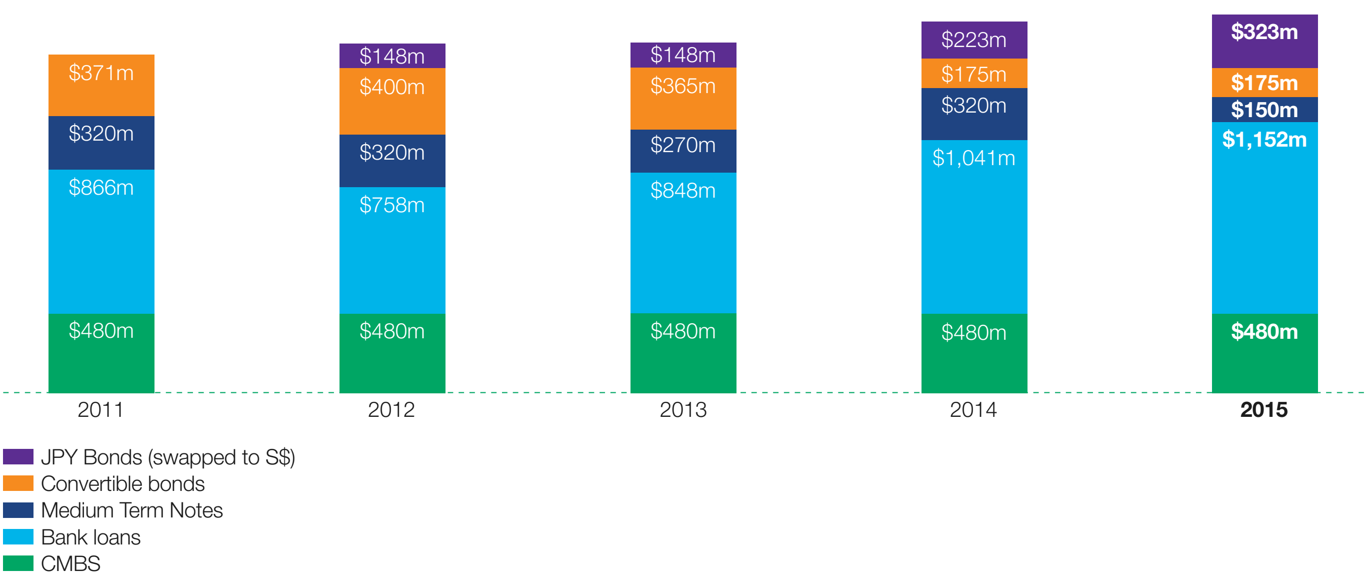
Diverse Funding Sources

CCT ensures diversified sources of funding by tapping different debt markets through various financial instruments. As at 31 December 2015, our funding sources comprised 50.5% bank loans, 21.0% commercial mortgage backed securities, 14.2% JPY bonds, 6.6% medium term notes and 7.7% convertible bonds.

Achieved Diversification of Funding Sources through the Years

(S$)

As at 31 December 2015



Enhanced Financial Flexibility

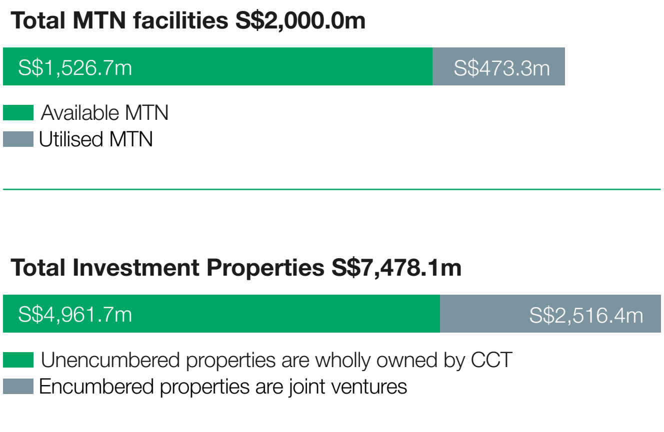
All of CCT's wholly owned assets are unencumbered. The Trust's unsecured assets are valued at S$5.0 billion as at 31 December 2015 – a significant sum that enhances financial flexibility. CCT also has untapped balance of S$1.5 billion from its MTN Programme as well as available bank credit facilities amounting to S$130.0 million which can be utilised for working capital or future financial obligations.

Prudent Capital Structure with Low Aggregate Leverage

CCT ended the financial year with a low aggregate leverage level of 29.5%, which is well below the regulatory limit of 45.0% under the revised Code of Collective Investment Schemes. CCT expects aggregate leverage to range between 30.0% to 40.0% through property market cycles. Assuming 40.0% aggregate leverage level, CCT has debt headroom of S$1.3 billion.

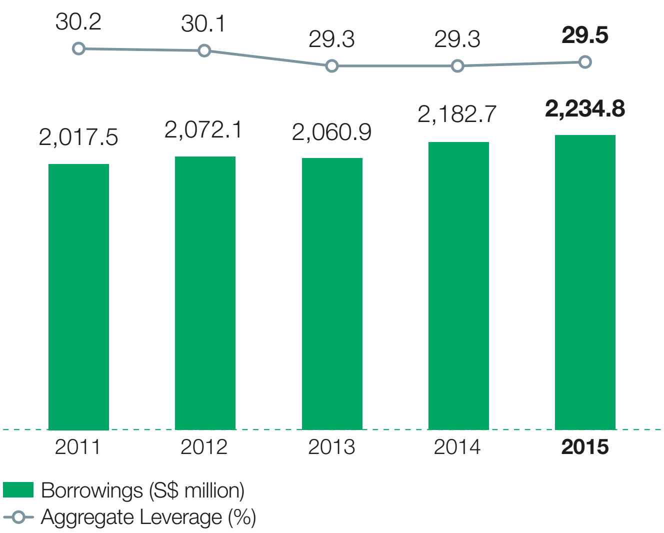
Financial Flexibility

As at 31 December 2015



Target Aggregate Leverage Below 40.0% through Market Cycles

As at 31 December



Stable Cost of Debt

CCT's average cost of debt remained low at 2.5% per annum, and with approximately 84% of its total borrowings on fixed interest rates, the fixed rate borrowings provide certainty of interest expense.

Cash Flow and Liquidity

As at 31 December 2015, CCT's cash and cash equivalents amounted to S$81.2 million, compared with S$101.1 million as at 31 December 2014.

Net cash generated from operating activities for FY 2015 was S$196.8 milion. This was an increase from S$188.5 million operating cash flow generated in the preceding year, a result of improved operational performance.

Net cash generated from investing activities for FY 2015 was S$63.7 million, which was an increase compared with FY 2014 of S$51.7 million. Higher distribution received from associate and joint venture and lower capital expenditure on investment properties accounted for the higher net cash generated from investing activities in FY 2015.

On the other hand, net cash used in financing activities in FY 2015 of S$280.4 million was higher than that in FY 2014 of S$223.2 million primarily due to more interest paid as well as higher distribution to Unitholders in FY 2015.

Unit Buy-back Mandate

CCT obtained approval from Unitholders during its AGM in 2015 for the Trust's Unit buy-back mandate. When engaged at strategic junctures, unit buy-back mitigates short-term market volatilities, offsets the effects of short-term speculation and bolsters market confidence in the Units. The Unit buy-back mandate was not used in FY 2015.

Financial Review

Strong Credit Rating by Standard & Poor's and Moody's

Standard & Poor's maintained CCT's long-term corporate credit rating at "A-" with stable outlook, reflecting the Trust's stable business performance supported by excellent asset quality and operating stability, good brand recognition, successful development track record, and stable earnings and cash flow.

On 12 February 2015, Moody's upgraded CCT's issuer ratings from "Baa1" to "A3" with stable outlook. The higher rating demonstrates CCT's strong market position with its quality property portfolio and healthy operating performance buoyed by a track record of active lease management. CCT's strong financial profile offers headroom to make debt-funded acquisitions for future growth and allows it to manage its refinancing risk.

Accounting Policies

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practise (RAP) 7 (Revised 2012) "Reporting Framework of Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes issued by MAS and the provisions of the Trust Deed.

Sensitivity Analysis

	Estimated DPU impact per annum
0.1% increase in interest rate	**-0.4%**
0.1% decrease in interest rate	**+0.4%**

As at 31 December 2015, approximately 84% of the Trust's total borrowings are on fixed interest rates, therefore minimising the impact due to changes in interest rates. It is estimated that a 0.1% increase or decrease in interest rate would have a 0.4% negative or positive impact on DPU per annum, based on FY 2015 DPU on a pro-forma basis, and excluding the impact on the floating rate borrowings of MSO Trust since MSO Trust did not contribute to the distribution in FY 2015.

	Estimated aggregate leverage impact per annum
0.25% increase in valuation of investment properties	**-0.1%**
0.25% decrease in valuation of investment properties	**+0.1%**

The Trust maintains a prudent low aggregate leverage of 29.5% as at 31 December 2015. It is estimated that a 0.25% increase or decrease in valuation would decrease or increase the Trust's aggregate leverage by 0.1% per annum.

	Estimated rental income impact per annum
1.0% increase in occupancy	**+S$3.8m**
1.0% decrease in occupancy	**-S$3.8m**
10.0% increase in committed rental rates	**+S$2.0m**
10.0% decrease in committed rental rates	**-S$2.0m**

CCT's rental income could be impacted by changes in its properties' occupancies and rental rates achieved. Assuming that the current average rental rate is maintained, it is estimated that a 1.0% increase or decrease in occupancy would result in S$3.8 million increase or decrease in rental income for FY 2015.[1]

Using leases committed in 2015 for lease renewals, rent reviews and vacant units as the baseline for assumption, the impact on rental income for every 10.0% increase or decrease in committed rental rates would lead to a corresponding change of approximately S$2.0 million for FY 2015.[1]

[1] Estimation includes 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen.

Operations Review

VALUE CREATION FOR CCT

Optimised Portfolio for Long-term Growth

The Trust's portfolio comprises 10 well-located properties in Singapore. These include four Grade A office buildings, two prime office buildings, three integrated developments and one multi-storey car park with ancillary retail units.

Guided by a rigorous portfolio reconstitution strategy to optimise Unitholder returns, the Trust pursues accretive acquisitions and value creation opportunities.

At the same time, we unlock the value of properties that have reached the optimal stage of their life cycles, and strengthen our financial flexibility to capture strategic market opportunities.

Proactive leasing efforts, AEIs and the potential distributable income from our 40.0% interest in CapitaGreen form the cornerstone of CCT's long-term growth, as we persist in exploring value-enhancing opportunities marked by a disciplined approach.

CapitaGreen

CapitaGreen well-positioned for long-term growth

Emerging from the redevelopment of the former Market Street Car Park into a 40-storey Grade A office building, CapitaGreen celebrated its grand opening on 9 September 2015 following its completion on 18 December 2014.

As at 31 December 2015, CapitaGreen attained an aggregate leasing commitment for approximately 643,000 sq ft, or 91.3% of NLA. The development's committed tenants span a variety of industries including banking, insurance and financial services, energy and commodities, IT, and real estate and property services. The strong occupancy for the asset is expected to translate into progressive contribution for CCT in 2016 from its 40.0% stake in CapitaGreen, which will help CCT to mitigate potential headwinds in the office market.

CapitaGreen is an example of a value creation opportunity by the Trust, transforming a public car park into a Grade A office building. As at 31 December 2015, the valuation of CapitaGreen on 100.0% interest stood at S$1.587 billion or S$2,253 psf (2014: S$1,526 billion or S$2,171 psf).

Completed at a total development cost of S$1.3 billion, CCT, which has a 40.0% interest in CapitaGreen, also has a call option to purchase the remaining 60.0% interest from joint venture partners, CapitaLand and Mitsubishi Estate Asia. The call option is exercisable within three years from 2015 to 2017, where the purchase price will be at market valuation subject to a minimum price. The minimum price computation is based on actual costs incurred since commencement of development in 2011 compounded at 6.3% per annum (less any net income received).

Operations Review

Driving value through AEIs

CCT engages in AEIs to strengthen its properties' competitiveness while enhancing long-term rental yields with the aim of generating value for the Trust and its portfolio.

Capital Tower underwent a S$35.0 million AEI from 4Q 2013 to 4Q 2015 that reinforces its prime position as a Grade A office tower. A higher return on investment of 8.2% was achieved compared to the initial target of 7.8%. The enhancements include new security turnstiles, self-registration kiosks and a revitalised main and mezzanine lobby. Upgrading works on the building's restrooms, lift interiors and upper and transfer lift lobbies were completed in December 2015.

The lounge area at level 36 was upgraded to provide a conducive meeting area. In addition, a café started operations in September 2015 providing customers of Capital Tower with another food and beverage (F&B) option.

Beyond aesthetics, Capital Tower's AEI also incorporates innovative green features such as more efficient lighting and the recycling of condensate water from the air-handling units for the cooling towers of the new chiller plant. Energy savings from these greening efforts are expected to reach about S$676,000 per year. The scheduled upgrades resulted in Capital Tower's BCA Green Mark Platinum Award in May 2013 for excellence in energy and water efficiency, environmental protection and indoor environmental quality.

Steady growth in portfolio value

Driven by an improvement in net property income, CCT's portfolio generated an increase in capital value. CapitaGreen has also been valued as an operating asset since December 2014. The value of CCT's portfolio and its joint venture properties was up 1.6% YoY to S$7,478.1 million as at end December 2015. Capitalisation rates ranging from 3.75% to 4.25% were adopted by the independent valuer for the valuation of CCT's office portfolio, similar to that for the valuation as at 31 December 2014. CapitaGreen's valuation capitalisation rate was 4.15% in December 2015 compared to 4.00% in December 2014 due to a change in valuer in June 2015.

Enhancing Portfolio Value: Valuation Increased by 1.6%

Investment Properties	Valuation as at 31 December 2014 (S$ m)	2015 (S$ m)	Variance (%)	2015 (S$ psf)	Cap rate per annum (%)	Discount rate per annum (%)
Capital Tower	1,309.0	**1,317.0**	0.6	**1,774**	3.85	7.25
Six Battery Road	1,330.0	**1,358.0**	2.1	**2,748**	3.75	7.25
One George Street	975.0	**1,010.0**	3.6	**2,258**	3.85	7.25
Twenty Anson	431.0	**431.0**	0.0	**2,094**	3.85	7.25
HSBC Building	450.0	**452.0**	0.4	**2,255**	3.85	7.25
Golden Shoe Car Park	141.0	**141.0**	0.0	**Nm[2]**	6.50	8.75
Wilkie Edge	191.0	**199.0**	4.2	**1,288**	4.25	7.25
Bugis Village[1]	55.4	**53.7**	-3.1	**443**	13.00	13.00
Raffles City Singapore (60.0% interest)	1,865.7	**1,881.6**	0.9	**Nm[2]**		
Office					4.25	7.25
Retail					5.25	7.50
Hotel					5.13	7.75
CapitaGreen (40.0% interest)	610.4	**634.8**	4.0	**2,253**	4.15	7.25
Total	**7,358.5**	**7,478.1**	**1.6**			

1 Bugis Village valuation saw a diminution compared to 12 months ago as the valuation has taken into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the State Lease on 1 April 2019 upon payment of S$6,610,208.53 plus accrued interest.

2 Nm indicates "Not meaningful".

PROACTIVE PORTFOLIO MANAGEMENT

Objectives for Continued Success

The Trust maintains differentiated investment objectives for each property type within its portfolio to ensure the competitiveness and value of its assets.

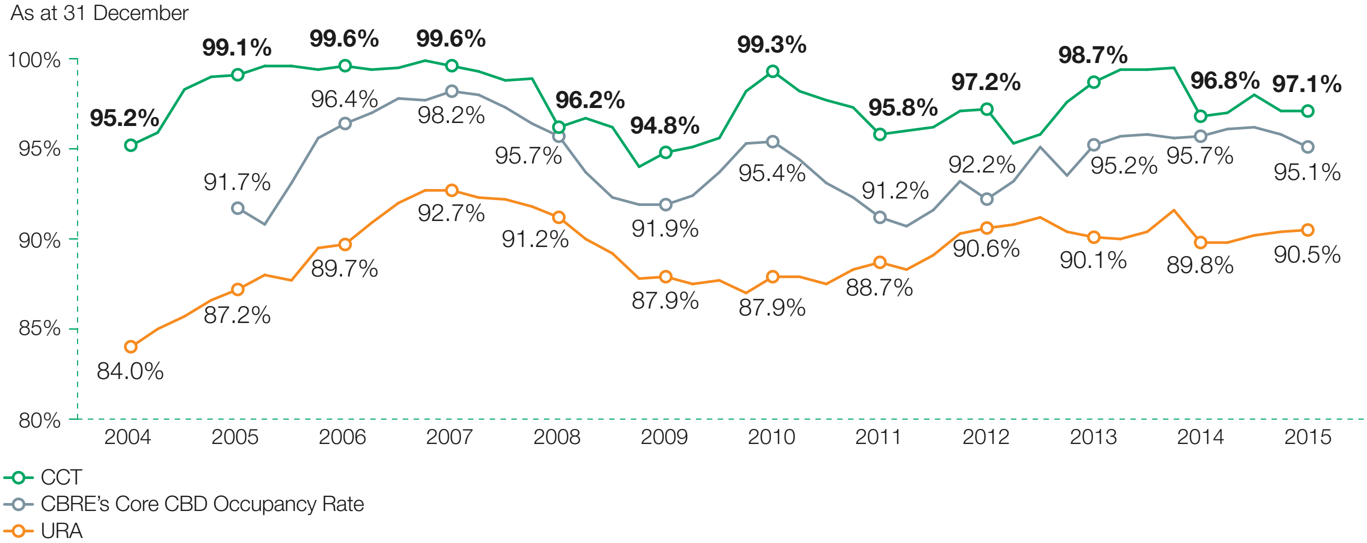
- With its Grade A office buildings, the Trust aims to optimise financial performance and consolidate the standing of these properties as the preferred Grade A offices within the CBD. This is achieved by focusing on customer experience and building management services, while creating solutions that are environmentally sustainable, thus leading to savings in property expenses.
- For its prime office properties, the Trust aims to optimise financial performance and asset value, and capitalise on their strategic locations to ensure the long-term stability of the portfolio.
- Likewise, the Trust aims to optimise the financial returns from its integrated developments while enhancing their positioning as unique office and shopping destinations.
- The Trust's objective for its car park is to optimise financial returns through the provision of quality parking facilities in the CBD, supported by varied retail and F&B options for the office community.

Strong Portfolio Performance

On the back of prime assets in choice locations, coupled with a strong customer-centric culture, CCT maintained a high portfolio occupancy of 93% to 99% since 2004. For FY 2015, CCT's portfolio committed occupancy, including CapitaGreen's 91.3% committed occupancy, continued to surpass market levels, reaching 97.1% as at 31 December 2015 versus CBRE's CBD Core market occupancy rate of 95.1%.

CCT's Committed Occupancy Since Inception

As at 31 December



Healthy take up and tenant retention from diverse industries

FY 2015 saw a healthy take up in leases with approximately 850,000 sq ft of leases signed during the year. Meanwhile, CCT continued to attract and retain tenants, achieving a tenant retention rate of about 83% and securing lease renewals with major tenants such as Credit Agricole Corporate and Investment Bank, Accenture Pte Ltd, Western Asset Management Company Pte Ltd and Phillip Securities Pte Ltd. This high retention rate resulted in a strong portfolio occupancy rate.

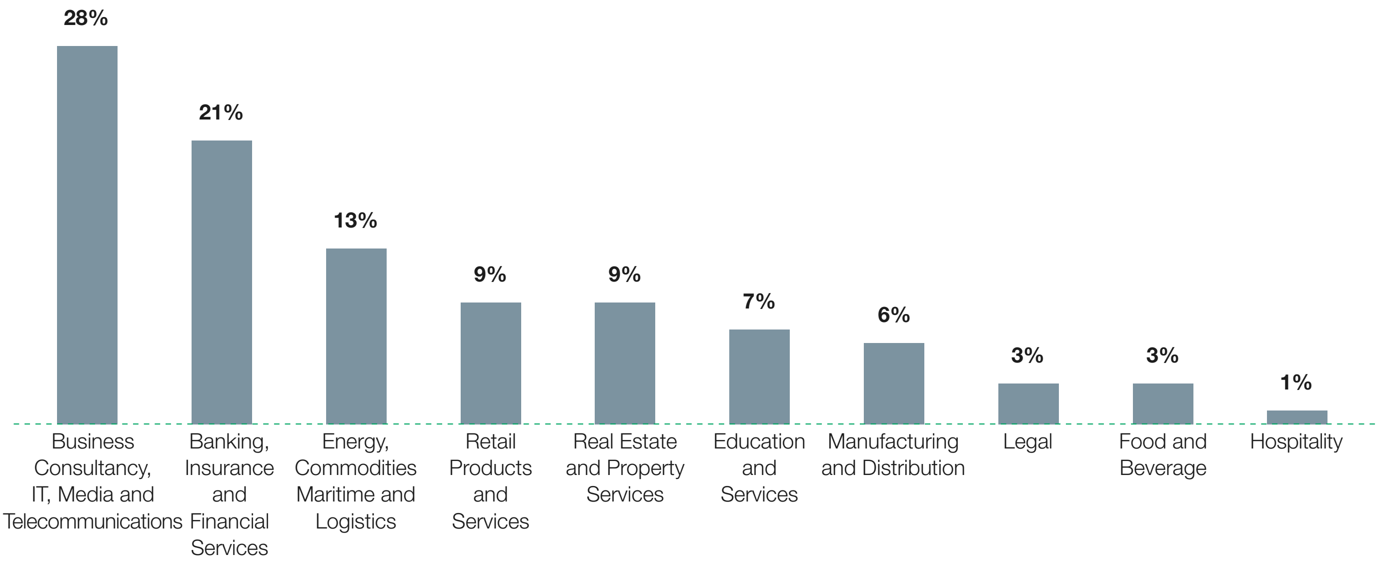
New tenants made up approximately 38% of total leases signed. They spanned diverse trade sectors with the three largest being Business Consultancy, IT, Media and Telecommunications, Banking, Insurance and Financial Services, and Energy, Commodities, Maritime and Logistics.

The weighted average lease term to expiry for new leases signed in 2015 is 3.6 years regardless of lease commencement dates. The proportion of revenue attributed to these leases is approximately 23% of the portfolio's committed monthly gross rental income as at 31 December 2015, that includes the proportionate interests in the revenue of joint ventures and excludes retail and hotel turnover rent.

Operations Review

Trade Mix of New Leases Signed in 2015 (By NLA)

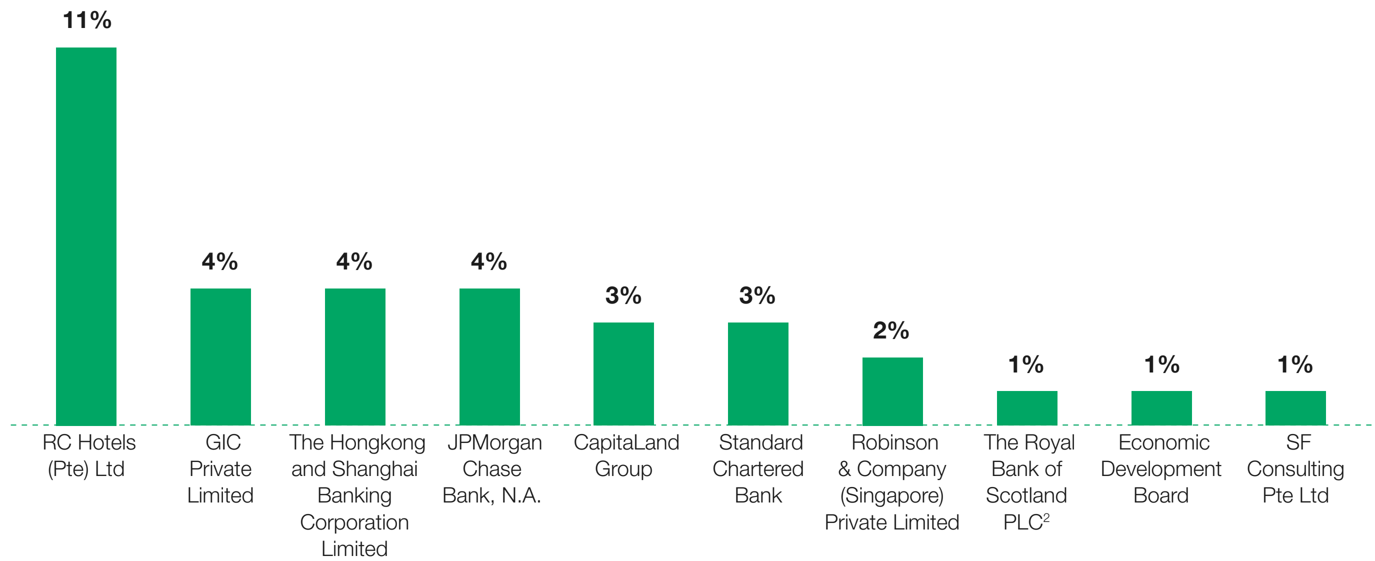
(Based on net lettable area of new leases committed and using 100% basis for Raffles City Singapore and CapitaGreen)



About 35% of the Trust's monthly gross rental income was contributed by its top 10 tenants which continue to underpin revenue. In terms of monthly gross rental income, RC Hotels (Pte) Ltd, GIC Private Limited and The Hongkong and Shanghai Banking Corporation Limited were the year's top three tenants.

Top 10 Tenants Contribute about 35% of Portfolio Monthly Gross Rental Income[1]

(Based on monthly gross rental income for December 2015 excluding retail turnover rent)



[1] Contribution from CCT's top 10 tenants has reduced to 35% from 42% in December 2014 due to enlarged contribution from 40.0% interest in CapitaGreen.
[2] The Royal Bank of Scotland PLC's lease will expire in March 2016.

CCT's Key Buildings' Expiring Profiles as a Percentage of Office Portfolio Committed Gross Rental Income

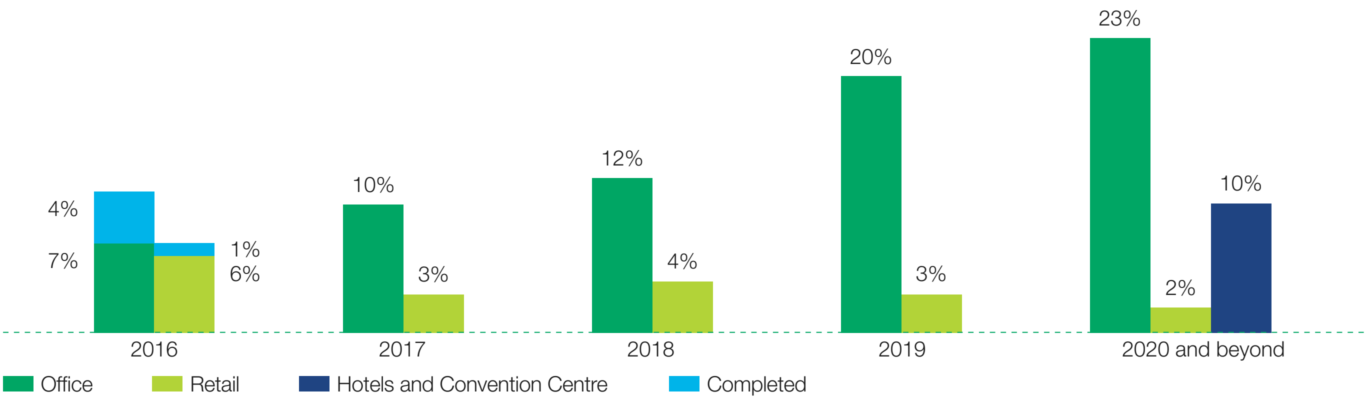
As at 31 December	2016 % of Expiring Leases	2016 Expiring Average Gross Rental Rate (psf)	2017 % of Expiring Leases	2017 Expiring Average Gross Rental Rate (psf)	2018 % of Expiring Leases	2018 Expiring Average Gross Rental Rate (psf)
Capital Tower	0.7%	S$9.15	0.0%	NA	1.0%	S$8.73
Six Battery Road	3.4%	S$10.81	5.0%	S$12.33	4.8%	S$12.67
One George Street	2.4%	S$8.69	4.0%	S$9.68	5.6%	S$9.70
Raffles City Tower	1.7%	S$9.01	2.6%	S$8.33	0.6%	S$9.93
Total/Weighted Average	**8.2%**	**S$9.57**	**11.6%**	**S$10.26**	**12.0%**	**S$10.61**

Well Spread Lease Expiry Profile

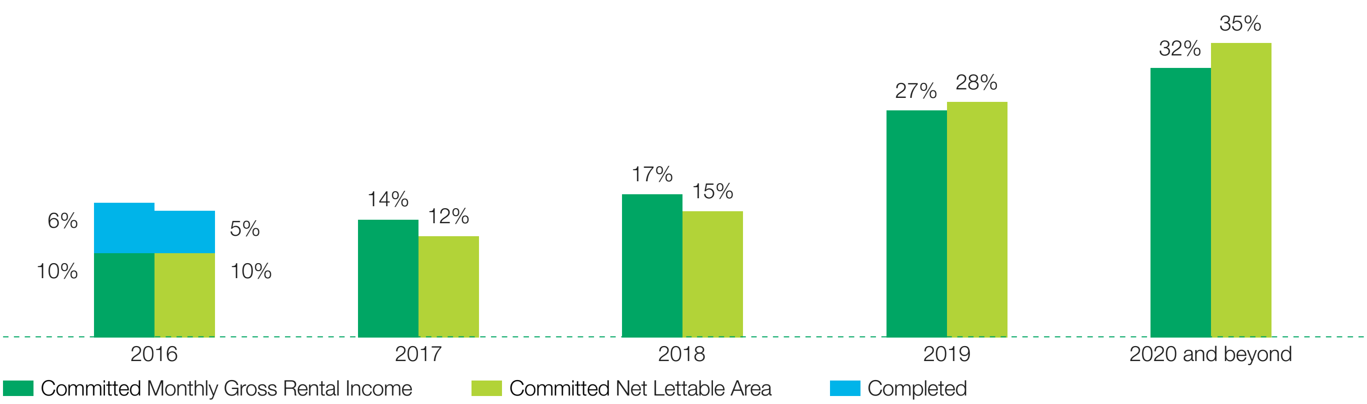
CCT engages in active lease management which supports a well spread lease expiry profile. Of the office leases expiring in 2016, leases representing about 6% of monthly gross rental income have been renewed as at 31 December 2015, leaving only leases representing around 10% to be renewed. The portfolio, comprising office, retail and hotels and convention centre leases, has a weighted average lease term to expiry of 7.5 years as at end December 2015.

Portfolio Lease Expiry Profile as at 31 December 2015

(Based on committed monthly gross rental income excluding retail and hotel turnover rent)



Office Lease Expiry Profile as at 31 December 2015

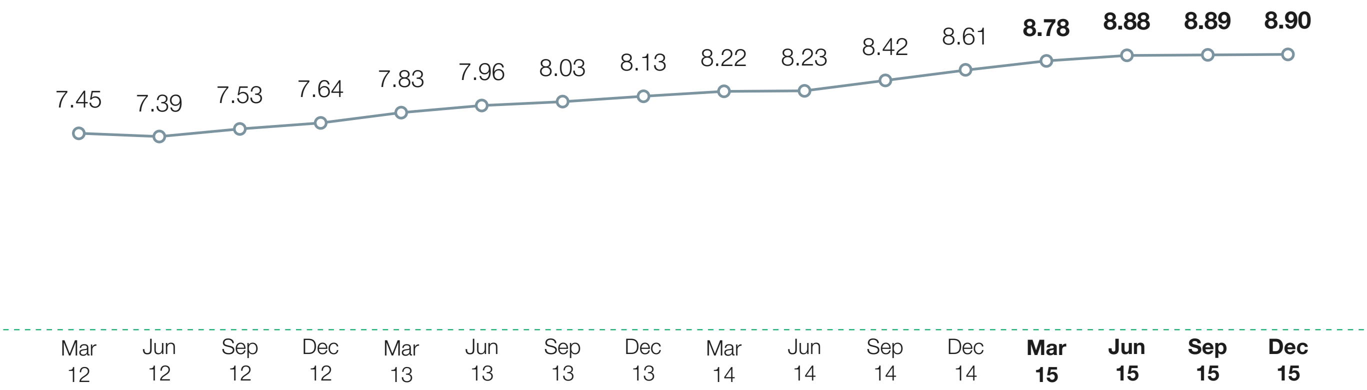


Operations Review

Office Portfolio Average Rental Rate Rises 3.4%

Average monthly rental for CCT's office portfolio continued to rise, reaching S$8.90 psf as at 31 December 2015 – an uplift of 3.4% from S$8.61 psf the year before. The increase was fuelled by higher committed rents than expired rents for office leases due during the financial year and included the committed rents of CapitaGreen.

CCT's Monthly Average Rent for Office Portfolio



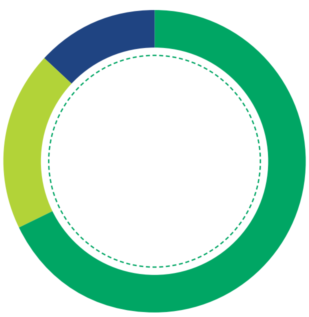
Average gross rent per month for office portfolio (S$ psf) = Total committed gross rent for office per month / Committed area of office per month

Income Contribution

CCT's gross rental income for FY 2015 comprised approximately 68% from office leases (2014: 66%), 19% from retail leases (2014: 20%) and 13% from hotels and convention centre leases (2014: 14%). Its top three trade sectors accounted for about 56% of the Trust's gross rental income, of which some 33%[1] was contributed by the Banking, Insurance and Financial Services sector (2014: 34%), 13% by the Hospitality sector (2014: 14%) and another 10% (2014: 12%) by the Retail Products and Services sector.

CCT's Income Contribution by Sector

(Based on FY 2015 gross rental income excluding retail turnover rent)



	%
Office	68
Retail	19
Hotels and Convention Centre	13

Diverse Tenant Mix in CCT's Portfolio

(Based on committed monthly gross rental income excluding retail turnover rent as at 31 December 2015)

	%
Banking, Insurance and Financial Services[1]	33
Hospitality	13
Retail Products and Services	10
Business Consultancy, IT, Media and Telecommunications	9
Food and Beverage	7
Manufacturing and Distribution	6
Real Estate and Property Services	6
Energy, Commodities, Maritime and Logistics	5
Education and Services	4
Legal	4
Government	3

[1] Excluding GIC Private Limited and tenants from the Insurance sector, the percentage of tenants from the Banking and Financial Services sector was 26%.

Property Details

Capital Tower

Integrated with lifestyle amenities, meeting facilities and retail outlets, Capital Tower is a 52-storey Grade A office building set in a landscaped plaza.

Property Information	
Location	168 Robinson Road
Title	Leasehold estate expiring 31 December 2094
Purchase Price in 2004 (S$ million)	793.9
Car Park Lots	415
Green Mark	Platinum

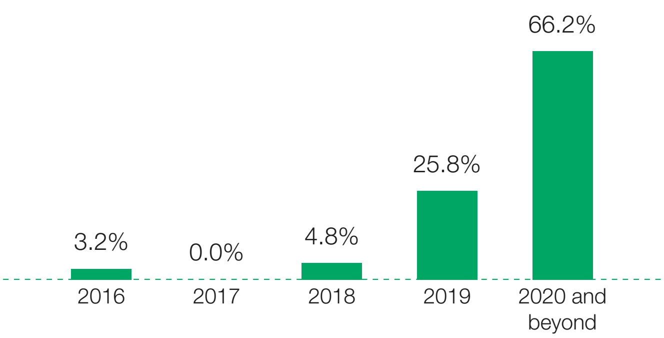
As At 31 December	2014	2015
Valuation (S$ million)	1,309.0	**1,317.0**
Net Lettable Area (sq m)	68,720	**68,964**
Net Lettable Area (sq ft)	739,702	**742,328**
Number of Tenants	20	**22**
Committed Occupancy (%)	100.0	**94.1**
Gross Rental Income (S$ million)	58.0	**63.8**
Gross Revenue (S$ million)	66.6	**70.5**
Net Property Income (S$ million)	48.7	**52.1**

Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	%
GIC Private Limited	4.4
JPMorgan Chase Bank, N.A.	3.6
CapitaLand Group	3.1

Building Lease Expiry Profile

(Based on building's committed monthly gross rental income excluding retail turnover rent)

As at 31 December 2015



Property Details

Six Battery Road

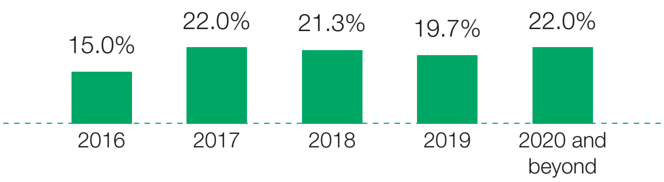
Six Battery Road, a 42-storey Grade A office building, is a Raffles Place landmark. Combining a prime location with towering views, excellent amenities and revitalised interiors, it was the first operating CBD office building to attain Green Mark Platinum standards.

Property Information	
Location	6 Battery Road
Title	Leasehold estate expiring 19 April 2825
Purchase Price in 2004 (S$ million)	675.2
Car Park Lots	190
Green Mark	Platinum

As At 31 December	2014	2015
Valuation (S$ million)	1,330.0	**1,358.0**
Net Lettable Area (sq m)	45,911	**45,911**
Net Lettable Area (sq ft)	494,186	**494,186**
Number of Tenants	96	**95**
Committed Occupancy (%)	99.2	**98.9**
Gross Rental Income (S$ million)	61.5	**65.0**
Gross Revenue (S$ million)	65.0	**68.7**
Net Property Income (S$ million)	51.4	**53.7**

Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	%
Standard Chartered Bank	3.1
Watson, Farley & Williams Asia Practice LLP	0.5
CBRE Pte. Ltd.	0.5

Building Lease Expiry Profile
(Based on building's committed monthly gross rental income excluding retail turnover rent)
As at 31 December 2015



One George Street

One George Street is a 23-storey Grade A office building in Raffles Place with eco-friendly features, sky gardens, large floor plates, advanced building automation and iconic roof gardens. It houses excellent amenities including F&B outlets, a fitness centre and a swimming pool.

Property Information	
Location	1 George Street
Title	Leasehold estate expiring 21 January 2102
Purchase Price in 2008 (S$ million)	1,165.0
Car Park Lots	178
Green Mark	Gold PLUS

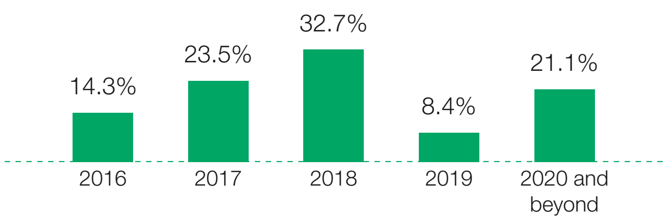
As At 31 December	2014	2015
Valuation (S$ million)	975.0	**1,010.0**
Net Lettable Area (sq m)	41,564	**41,564**
Net Lettable Area (sq ft)	447,395	**447,395**
Number of Tenants	48	**48**
Committed Occupancy (%)	100.0	**98.2**
Gross Rental Income (S$ million)	46.7	**48.8**
Gross Revenue (S$ million)	50.2	**52.0**
Net Property Income (S$ million)	39.6	**40.6**

Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	%
The Royal Bank of Scotland PLC	1.3
Borouge Pte. Ltd.	1.0
Diageo Singapore Pte. Ltd.	0.8

Building Lease Expiry Profile

(Based on building's committed monthly gross rental income excluding retail turnover rent)

As at 31 December 2015



Property Details

Raffles City Singapore

Raffles City Singapore is a prime landmark and one of Singapore's largest mixed-use developments. Served by three MRT lines, it comprises the 42-storey Raffles City Tower, Raffles City Shopping Centre, Raffles City Convention Centre, the 73-storey Swissôtel The Stamford Singapore, the 28-storey twin-towers Fairmont Singapore and three levels of basement car parks.

Property Information	
Location	250 & 252 North Bridge Road, 2 Stamford Road and 80 Bras Basah Road
Title	Leasehold estate expiring 15 July 2078
Purchase Price in 2006 (S$ million)	2,166.0
Car Park Lots	1,045
Green Mark	Gold

As At 31 December (100.0% interest)	2014	2015
Valuation (S$ million)	3,109.5	**3,136.0**
Net Lettable Area (sq m)	74,391	**74,699**
Net Lettable Area (sq ft)	800,750	**804,062**
Number of Tenants	275	**269**
Committed Occupancy (%)	100.0	**99.2**
Gross Rental Income (S$ million)	221.9	**223.7**
Gross Revenue (S$ million)	232.5	**234.4**
Net Property Income (S$ million)	170.2	**173.1**
Annual Shopper Traffic (million)	34.4	**33.8**

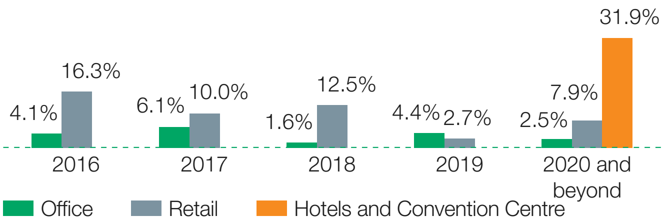
Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	%
RC Hotels (Pte) Ltd	11.0
Robinson & Company (Singapore) Private Limited	1.8
Economic Development Board	1.2

Major Usage Mix (Based on building's committed monthly gross rental income excluding retail and hotel turnover rent as at 31 December 2015)	%
Hotels and Convention Centre	31.9
Retail	49.4
Office	18.7

Building Lease Expiry Profile

(Based on building's committed monthly gross rental income excluding retail and hotel turnover rent)

As at 31 December 2015



CapitaGreen

CapitaGreen is an ultra-modern 40-storey Grade A office tower that occupies the site of the former Market Street Car Park. With a net lettable area of about 704,000 square feet, it is the only CBD office building in Singapore's Downtown Core that was completed in end-2014.

Property Information		
Location	138 Market Street	
Title	Leasehold estate expiring 31 March 2073	
Car Park Lots	180	
Joint Venture Partners (%)	CapitaLand CCT Mitsubishi Estate Asia	50.0 40.0 10.0
Total Development Cost (S$ million)	1,300	
Date of TOP	18 December 2014	
Green Mark	Platinum	

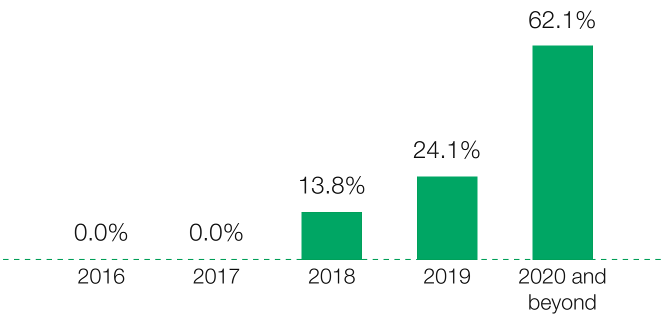
As At 31 December (100.0% interest)	**2014**	**2015**
Valuation (S$ million)	1,526.0	**1,587.0**
Net Lettable Area (sq m)	65,298	**65,428**
Net Lettable Area (sq ft)	702,000	**704,270**
Number of Tenants	22	**36**
Committed Occupancy (%)	69.3	**91.3**
Gross Rental Income (S$ million)	–	**35.7**
Gross Revenue (S$ million)	–	**38.3**
Net Property Income (S$ million)	–	**21.1**

Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	**%**
Lloyd's of London (Asia) Pte Ltd	0.7
Twitter Asia Pacific Pte. Ltd.	0.6
Cargill International Trading Pte Ltd	0.5

Building Lease Expiry Profile

(Based on building's committed monthly gross rental income excluding retail turnover rent)

As at 31 December 2015



Property Details

Twenty Anson

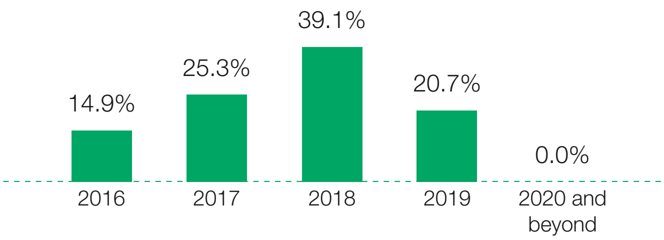
Twenty Anson is a 20-storey prime office building in downtown Tanjong Pagar. Served by Tanjong Pagar MRT station and major expressways, this Green Mark Platinum development features a modern facade, column-free floor plates, a roof garden and a café.

Property Information	
Location	20 Anson Road
Title	Leasehold estate expiring 22 November 2106
Purchase Price in 2012 (S$ million)	430.0
Car Park Lots	55
Green Mark	Platinum

As At 31 December	2014	2015
Valuation (S$ million)	431.0	**431.0**
Net Lettable Area (sq m)	19,051	**19,117**
Net Lettable Area (sq ft)	205,067	**205,778**
Number of Tenants	20	**21**
Committed Occupancy (%)	97.8	**97.9**
Gross Rental Income (S$ million)	17.8	**19.6**
Gross Revenue (S$ million)	22.3	**22.2**
Net Property Income (S$ million)	17.2	**17.2**

Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	%
Toyota Motor Asia Pacific Pte Ltd	0.9
BlackRock Advisors Singapore Pte. Ltd.	0.6
KCG Asia Pacific Pte. Ltd.	0.4

Building Lease Expiry Profile
(Based on building's committed monthly gross rental income excluding retail turnover rent)
As at 31 December 2015



HSBC Building

HSBC Building is a 21-storey office tower with excellent frontage, convenient transport access and views of Marina Bay. It houses The Hongkong and Shanghai Banking Corporation Limited (HSBC Bank), the sole tenant who bears the building's operating expenses including property tax while CCT manages the insurance and structural maintenance matters. The lease to HSBC Bank will expire in April 2019.

Property Information	
Location	21 Collyer Quay
Title	Leasehold estate expiring 18 December 2849
Purchase Price in 2005 (S$ million)	153.9
Car Park Lots	55
Green Mark	Certified

As At 31 December	2014	2015
Valuation (S$ million)	450.0	**452.0**
Net Lettable Area (sq m)	18,624	**18,624**
Net Lettable Area (sq ft)	200,467	**200,467**
Number of Tenants	1	**1**
Committed Occupancy (%)	100.0	**100.0**
Gross Rental Income (S$ million)	20.4	**20.4**
Gross Revenue (S$ million)	20.4	**20.4**
Net Property Income (S$ million)	20.3	**20.3**

Property Details

Wilkie Edge

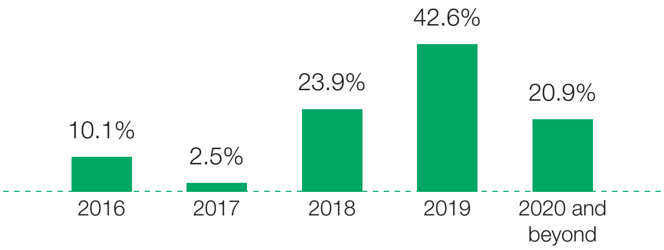
Wilkie Edge is a 12-storey integrated development comprising office space and retail units. Its distinctive facade features a huge LED screen that lights up the surrounding cultural precinct. Located at the junction of Wilkie Road and Selegie Road, it is in close proximity to Dhoby Ghaut MRT interchange station.

Property Information	
Location	8 Wilkie Road
Title	Leasehold expiring 20 February 2105
Purchase Price in 2007 (S$ million)	182.7
Car Park Lots	215
Green Mark	Gold

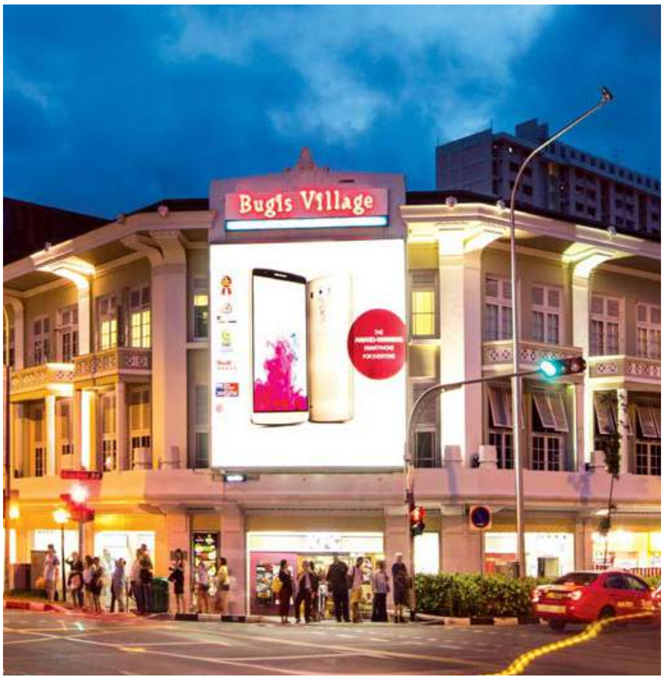
As At 31 December	2014	2015
Valuation (S$ million)	191.0	**199.0**
Net Lettable Area (sq m)	14,206	**14,357**
Net Lettable Area (sq ft)	152,912	**154,539**
Number of Tenants	23	**23**
Committed Occupancy (%)	100.0	**100.0**
Gross Rental Income (S$ million)	11.4	**12.8**
Gross Revenue (S$ million)	12.9	**14.3**
Net Property Income (S$ million)	8.8	**9.8**

Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	%
SF Consulting Pte Ltd	1.1
Kaplan Learning Institute Pte. Ltd.	0.9
Tower Research Capital (Singapore) Pte. Ltd.	0.2

Building Lease Expiry Profile
(Based on building's committed monthly gross rental income excluding retail turnover rent)
As at 31 December 2015



Bugis Village



Bugis Village comprises 34 restored pre-war shophouses in a vibrant heritage enclave. Located opposite Bugis MRT station, the three-storey shophouses accommodate a mix of offices, schools and tuition centres, as well as hair salons, restaurants and retail outlets.

Property Information

Location	62 to 67 Queen Street, 151 to 166 Rochor Road, 229 to 253 Victoria Street (Odd numbers only)
Title	Leasehold estate expiring 30 March 2088[1]
Purchase Price in 2004 (S$ million)	56.5
Car Park Lots	NA

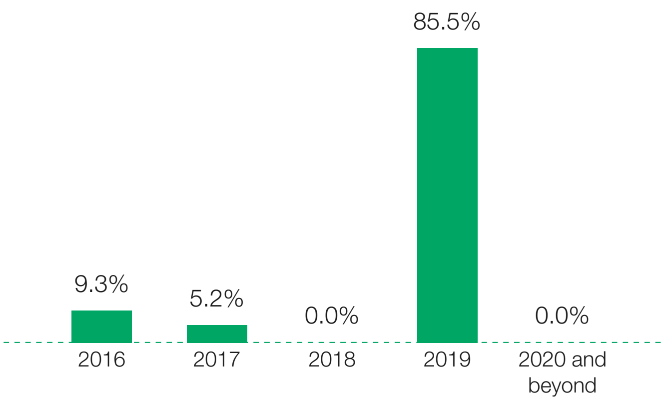
As At 31 December	**2014**	**2015**
Valuation (S$ million)	55.4	**53.7**
Net Lettable Area (sq m)	11,254	**11,254**
Net Lettable Area (sq ft)	121,140	**121,140**
Number of Tenants	77	**80**
Committed Occupancy (%)	94.8	**100.0**
Gross Rental Income (S$ million)	11.5	**11.7**
Gross Revenue (S$ million)	11.9	**12.1**
Net Property Income (S$ million)	9.4	**9.5**

Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	**%**
Golden Pass (S) Pte. Ltd.	0.1
Kentucky Fried Chicken Management Pte Ltd	0.1
Japan Home (Retail) Pte. Ltd.	0.1

Building Lease Expiry Profile

(Based on building's committed monthly gross rental income excluding retail turnover rent)

As at 31 December 2015



[1] The leasehold title and the valuation take into account the right of the President of the Republic of Singapore, as lessor under the State Lease, to terminate the State Lease on 1 April 2019 upon payment of S$6,610,208.53 plus accrued interest.

Property Details

Golden Shoe Car Park

The 10-storey Golden Shoe Car Park on Market Street is the largest parking facility in the CBD. Besides offices on the top floor, it houses an array of retail and F&B outlets on the ground floor that cater to the office crowd.

Property Information	
Location	50 Market Street
Title	Leasehold estate expiring 31 January 2081
Purchase Price in 2004 (S$ million)	72.1
Car Park Lots	1,053
Green Mark	Gold PLUS

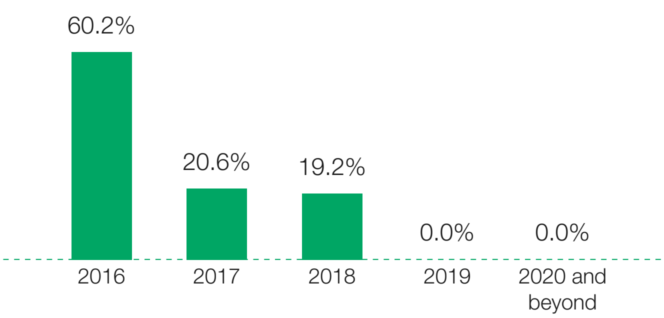
As At 31 December	2014	2015
Valuation (S$ million)	141.0	**141.0**
Net Lettable Area (sq m)	4,341	**4,333**
Net Lettable Area (sq ft)	46,724	**46,637**
Number of Tenants	44	**39**
Committed Occupancy (%)	100.0	**97.3**
Gross Rental Income (S$ million)	6.6	**6.5**
Car Park Income (S$ million)	6.5	**6.3**
Gross Revenue (S$ million)	13.3	**13.0**
Net Property Income (S$ million)	9.8	**9.6**

Top 3 tenants' contribution to portfolio monthly gross rental income for December 2015	%
May Hua Food Court Pte. Ltd.	0.2
DCA Architects Pte Ltd	0.1
KKS International (S) Pte Ltd	0.1

Building Lease Expiry Profile

(Based on building's committed monthly gross rental income excluding retail turnover rent)

As at 31 December 2015



Glossary

AEI	Asset Enhancement Initiative
CapitaLand	CapitaLand Limited
CapitaLand Group	CapitaLand and its subsidiaries (including the Manager)
CapitaLand Singapore or CLS	CapitaLand Singapore Limited, a wholly owned subsidiary of CapitaLand
CB	Convertible Bonds
CBD	Central Business District
CCT Group	CCT and its subsidiaries
CDP	The Central Depository (Pte) Limited
CIS Code	Code on Collective Investment Schemes
CMS	Capital Markets Services
CMBS	Commercial Mortgage Backed Securities
Committed Occupancy	Occupancy rate based on committed leases
CPI	Consumer Price Index
Deposited Property	The gross assets of CCT, RCS Trust or MSO Trust (as the case may be), including all its authorised investments held or deemed to be held upon the trusts under the respective Trust Deeds.
Direct Capitalisation Method	A valuation method appraisers use to estimate the value of income producing real estate where the net income of the property is capitalised for the remaining unexpired term of the lease period. An appropriate capitalisation rate derived from the relevant sales evidence, is then applied to the net income.
Discounted Cashflow Method	A valuation method appraisers use to estimate the value of income producing real estate, where net operating income is discounted at an appropriate discount rate to derive the market value. The capital value of the property considers the 10-year discounted income stream and the present value of its adopted terminal value.
GDP	Gross Domestic Product
GFA	Gross Floor Area
Gross Rental Income	Gross Rental Income comprises base rent (after rent rebates, where applicable, including turnover rent, advertising and promotion levy, where applicable) and tenant service charge, which is a contribution paid by tenants towards the Property Operating Expenses.
Gross Revenue	Comprises gross rental income, car park income and other income
Interest Service Coverage Ratio	Ratio of earnings before interest, tax, depreciation and amortisation over interest expenses of CCT Group.
kg	Kilogram
kWh	Kilowatt-hour
LHS	Left-hand side
Listing Manual	Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST)

Glossary

Management Expense Ratio	Refers to the expenses of the Group excluding property expenses, borrowing costs and income tax expense as a percentage of weighted average net assets.
Manager	CapitaLand Commercial Trust Management Limited, in its capacity as manager of CCT
MAS	Monetary Authority of Singapore
MRT	Mass Rapid Transit
MTN	Medium Term Note
m^3	Cubic metres
NLA	Net Lettable Area
NPI	Net Property Income. Comprises Gross Revenue less Property Operating Expenses for CCT, RCS Trust or MSO Trust.
%	Per Centum or Percentage
psf	Per Square Foot
psm	Per Square Metre
Property Funds Appendix	The Property Funds Appendix of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore
Property Managers	CapitaLand Commercial Management Pte. Ltd. and CapitaLand (RCS) Property Management Pte. Ltd.
Property Operating Expenses	Comprises property tax, property management fee and other property operating expenses (comprising utility expenses, reimbursement of salaries and related expenses, marketing expenses, repairs and maintenance expenses, general and administrative expenses as well as other miscellaneous expenses).
Property Yield	Net Property Income as a percentage of the asset value
QoQ	Quarter-on-Quarter
REIT / S-REITs	Real Estate Investment Trust / Singapore Real Estate Investment Trusts
RHS	Right-hand side
SFA	Securities and Futures Act, Chapter 289
sq ft	Square feet/foot
sq m	Square metre
S$	Singapore dollars
Trust	CapitaLand Commercial Trust or CCT
Trustee	HSBC Institutional Trust Services (Singapore) Limited as trustee of CCT
Unit	A unit representing an undivided interest in CCT
Unitholder	The registered holder for the time being of a Unit, including person so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, meaning where the context requires, the Depositor whose Securities Account with CDP is credited with Units.
YoY	Year-on-Year

Financial Statements

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”) is under a duty to take into custody and hold the assets of CapitaLand Commercial Trust (formerly known as CapitaCommercial Trust) (the “Trust”) and its subsidiaries (the “Group”) in trust for the unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand Commercial Trust Management Limited (the “Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the deed of trust dated 6 February 2004 constituting the Trust, as amended, restated and supplemented by the first supplemental deed dated 15 July 2005, the second supplemental deed dated 20 April 2006, the third supplemental deed dated 11 August 2006, the fourth supplemental deed dated 31 October 2007, the first amending and restating deed dated 26 March 2008, the sixth supplemental deed dated 24 August 2010, the seventh supplemental deed dated 27 April 2012, the eighth supplemental deed dated 13 August 2012, the ninth supplemental deed dated 8 March 2013 and the tenth supplemental deed dated 6 May 2015 between the Manager and the Trustee (the “Trust Deed”) in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the period covered by these financial statements, set out on pages 113 to 173 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Esther Fong
Senior Vice President, Trustee Services

Singapore
23 February 2016

Statement by the Manager

In the opinion of the directors of CapitaLand Commercial Trust Management Limited, the accompanying financial statements set out on pages 113 to 173 comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds, Portfolio Statements, Statements of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of CapitaLand Commercial Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust as at 31 December 2015, the total return, distributable income, movements in unitholders' funds and cash flows of the Group and of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
CapitaLand Commercial Trust Management Limited

Lynette Leong Chin Yee
Director

Singapore
23 February 2016

Auditors' Report to the Unitholders of CapitaLand Commercial Trust

(formerly known as CapitaCommercial Trust)

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 6 February 2004 (as amended))

We have audited the accompanying financial statements of CapitaLand Commercial Trust (formerly known as CapitaCommercial Trust) (the "Trust") and its subsidiaries (the "Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2015, the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Statements of Cash Flows of the Group and the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 113 to 173.

Manager's responsibility for the financial statements

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 December 2015 and the total return, distributable income, movements in unitholders' funds and cash flows of the Group and of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 February 2016

Statements of Financial Position

As at 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Non-current assets					
Plant and equipment	4	1,272	1,453	1,272	1,440
Investment properties	5	4,961,700	4,882,400	4,961,700	4,451,400
Intangible asset	6	3,416	4,822	3,416	4,822
Subsidiaries	7	–	–	167,657	435,576
Joint ventures	8	1,452,447	1,427,895	997,780	984,933
Associate	9	–	63,899	–	51,479
Available-for-sale quoted investment	10	41,621	–	41,621	–
Financial derivatives	15	5,611	1,160	5,611	1,160
		6,466,067	6,381,629	6,179,057	5,930,810
Current assets					
Trade and other receivables	11	43,540	38,345	43,451	37,576
Cash and cash equivalents	12	81,212	101,085	67,151	76,719
Financial derivatives	15	1,726	–	1,726	–
		126,478	139,430	112,328	114,295
Total assets		**6,592,545**	**6,521,059**	**6,291,385**	**6,045,105**
Current liabilities					
Trade and other payables	13	37,263	47,355	199,900	39,415
Current portion of security deposits		8,611	11,437	8,611	10,876
Interest-bearing liabilities	14	–	270,000	–	270,000
Current tax payable		64	3	60	–
		45,938	328,795	208,571	320,291
Non-current liabilities					
Non-current portion of security deposits		31,848	28,300	31,848	23,510
Interest-bearing liabilities	14	1,083,623	800,972	1,083,623	800,972
Financial derivatives	15	25,719	40,298	25,719	40,298
Convertible bonds	16	171,281	169,206	171,281	169,206
		1,312,471	1,038,776	1,312,471	1,033,986
Total liabilities		**1,358,409**	**1,367,571**	**1,521,042**	**1,354,277**
Net assets		**5,234,136**	**5,153,488**	**4,770,343**	**4,690,828**
Represented by:					
Unitholders' funds		**5,234,136**	**5,153,488**	**4,770,343**	**4,690,828**
Units in issue ('000)	17	2,952,931	2,944,849	2,952,931	2,944,849
		$	**$**	**$**	**$**
Net asset value per Unit		1.77	1.75	1.62	1.59

The accompanying notes form an integral part of these financial statements.

Statements of Total Return

Year ended 31 December 2015

		Group		Trust	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Gross revenue	18	273,219	262,608	262,408	240,289
Property operating expenses	19	(60,467)	(57,359)	(58,186)	(52,240)
Net property income		**212,752**	**205,249**	**204,222**	**188,049**
Investment income	20	871	–	88,424	87,087
Interest income		3,979	3,732	10,023	16,002
Base asset management fees	21	(5,131)	(4,892)	(5,131)	(4,892)
Performance asset management fees	21	(9,307)	(8,681)	(9,307)	(8,681)
Finance costs	22	(36,032)	(36,434)	(36,018)	(36,422)
Audit fees		(260)	(277)	(241)	(258)
Amortisation of intangible asset		(1,406)	(3,512)	(1,406)	(3,512)
Trustee's fees		(644)	(620)	(644)	(620)
Valuation fees		(300)	(303)	(275)	(266)
Other expenses	23	(1,972)	(1,466)	(1,978)	(1,464)
Net income before share of profit of associate and joint ventures		**162,550**	**152,796**	**247,669**	**235,023**
Share of profit (net of tax) of:					
- Associate		1,820	4,745	–	–
- Joint ventures		95,510	212,612	–	–
Net income		259,880	370,153	247,669	235,023
Premium on repurchase of convertible bonds		–	(2,713)	–	(2,713)
Dilution (loss)/gain on investment in associate		(18,903)	–	2,629	–
Gain on disposal of available-for-sale unquoted investment		–	226	–	226
Net increase in fair value of investment properties		66,452	81,219	66,949	83,222
Total return for the year before tax		**307,429**	**448,885**	**317,247**	**315,758**
Tax expense	24	(149)	(3)	(60)	–
Total return for the year		**307,280**	**448,882**	**317,187**	**315,758**
Earnings per Unit (cents)					
Basic	25	10.42	15.41	10.76	10.84
Diluted	25	10.24	15.06	10.57	10.65

The accompanying notes form an integral part of these financial statements.

Distribution Statements

Year ended 31 December 2015

	Group		Trust	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Amount available for distribution to Unitholders at 1 January	128,772	122,325	128,772	122,325
Net income before share of profit of associate and joint ventures	162,550	152,796	247,669	235,023
Net tax and other adjustments (Note A)	6,774	9,139	6,490	10,155
Tax-exempt income distribution	296	4,035	296	4,035
Distribution from joint ventures	84,835	83,243	–	–
	254,455	249,213	254,455	249,213
Amount available for distribution to Unitholders	383,227	371,538	383,227	371,538
Distributions to Unitholders:				
Distribution of 4.13 cents per Unit for the period from 1/7/2013 to 31/12/2013	–	(118,893)	–	(118,893)
Distribution of 4.22 cents per Unit for the period from 1/1/2014 to 30/6/2014	–	(123,873)	–	(123,873)
Distribution of 4.24 cents per Unit for the period from 1/7/2014 to 31/12/2014	(124,862)	–	(124,862)	–
Distribution of 4.31 cents per Unit for the period from 1/1/2015 to 30/6/2015	(127,081)	–	(127,081)	–
	(251,943)	(242,766)	(251,943)	(242,766)
Amount available for distribution to Unitholders at 31 December	**131,284**	**128,772**	**131,284**	**128,772**
Distribution per Unit (cents)[1]	**8.62**	**8.46**	**8.62**	**8.46**

[1] The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to the second half of 2015 will be paid after 31 December 2015.

Distribution Statements (continued)

Year ended 31 December 2015

Note A – Net tax and other adjustments comprise:

		Group		Trust	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-tax deductible/(chargeable) items:					
- Amortisation of transaction costs on borrowings and convertible bonds		3,610	7,024	3,596	7,012
- Amortisation of lease incentives		1,238	(330)	1,149	(508)
- Amortisation of intangible asset		1,406	3,512	1,406	3,512
- Asset management fees paid and payable in Units		3,841	3,701	3,841	3,701
- Depreciation of plant and equipment		303	330	301	325
- Net profits from subsidiaries		(2,436)	(4,356)	–	–
- Trustee's fees		644	620	644	620
- Tax-exempt income retained		(763)	–	(3,187)	(3,422)
- Other items		(1,069)	(1,362)	(1,260)	(1,085)
Net tax and other adjustments		6,774	9,139	6,490	10,155

Statements of Movements in Unitholders' Funds

Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Net assets at 1 January		5,153,488	4,912,713	4,690,828	4,582,357
Operations					
Total return for the year		307,280	448,882	317,187	315,758
Unitholders' transactions					
Creation of Units:					
- Units issued in respect of RCS Trust's asset management fees		8,846	8,662	8,846	8,662
- Asset management fees paid in Units		3,800	3,650	3,800	3,650
- Conversion of convertible bonds		–	74,304	–	74,304
		12,646	86,616	12,646	86,616
Distributions to Unitholders		(251,943)	(242,766)	(251,943)	(242,766)
Repurchase and redemption of convertible bonds		–	(37,111)	–	(37,120)
Net decrease in net assets resulting from Unitholders' transactions		(239,297)	(193,261)	(239,297)	(193,270)
Foreign currency translation reserves					
Foreign currency translation differences		10,010	(2,013)	–	–
Capital reserves	26				
Repurchase, redemption and conversion of convertible bonds		–	(17,869)	–	(17,869)
Hedging reserves	27				
Effective portion of change in fair value of cash flow hedges		14,111	3,852	14,111	3,852
Share of hedging reserves of joint venture		1,030	1,184	–	–
		15,141	5,036	14,111	3,852
Available-for-sale reserves	28	(12,486)	–	(12,486)	–
Net assets at 31 December		**5,234,136**	**5,153,488**	**4,770,343**	**4,690,828**

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2015

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value[1] 2015 $'000	Carrying Value[1] 2014 $'000	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 %
Group									
Investment properties - Office buildings									
Singapore									
Six Battery Road	Leasehold	999 years	809 years	6 Battery Road	Commercial	1,358,000	1,330,000	26.0	25.8
Capital Tower	Leasehold	99 years	79 years	168 Robinson Road	Commercial	1,317,000	1,309,000	25.2	25.4
One George Street	Leasehold	99 years	86 years	1 George Street	Commercial	1,010,000	975,000	19.3	18.9
HSBC Building	Leasehold	999 years	834 years	21 Collyer Quay	Commercial	452,000	450,000	8.6	8.7
Twenty Anson[2]	Leasehold	99 years	91 years	20 Anson Road	Commercial	431,000	431,000	8.2	8.4
Investment property - Car park building									
Singapore									
Golden Shoe Car Park	Leasehold	99 years	65 years	50 Market Street	Transport facilities	141,000	141,000	2.7	2.7
Investment properties - Other buildings									
Singapore									
Wilkie Edge	Leasehold	99 years	89 years	8 Wilkie Road	Commercial	199,000	191,000	3.8	3.7
Bugis Village[3]	Leasehold	99 years	72 years	62 to 67 Queen Street 151 to 166 Rochor Road 229 to 253 (odd numbers only) Victoria Street	Commercial	53,700	55,400	1.0	1.1
Investment properties, at valuation (Note 5)						4,961,700	4,882,400	94.8	94.7
Investment in associate (Note 9)						–	63,899	–	1.2
Investment in joint ventures (Note 8)						1,452,447	1,427,895	27.7	27.7
Available-for-sale quoted investment (Note 10)						41,621	–	0.8	–
Other assets and liabilities (net)						(1,221,632)	(1,220,706)	(23.3)	(23.6)
Net assets						**5,234,136**	**5,153,488**	**100.0**	**100.0**

1 The carrying value of investment properties are at valuation.

2 Twenty Anson is held directly by the Trust subsequent to purchasing the property from FirstOffice Pte. Ltd., a wholly owned subsidiary of the Trust, during the year.

3 The valuation of Bugis Village takes into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019, upon payment of a sum of S$6,610,208.53 plus accrued interest.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2015

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value[1] 2015 $'000	Carrying Value[1] 2014 $'000	Percentage of Net Assets 2015 %	Percentage of Net Assets 2014 %
Trust									
Investment properties - Office buildings									
Singapore									
Six Battery Road	Leasehold	999 years	809 years	6 Battery Road	Commercial	1,358,000	1,330,000	28.5	28.3
Capital Tower	Leasehold	99 years	79 years	168 Robinson Road	Commercial	1,317,000	1,309,000	27.6	27.9
One George Street	Leasehold	99 years	86 years	1 George Street	Commercial	1,010,000	975,000	21.2	20.8
HSBC Building	Leasehold	999 years	834 years	21 Collyer Quay	Commercial	452,000	450,000	9.5	9.6
Twenty Anson[2]	Leasehold	99 years	91 years	20 Anson Road	Commercial	431,000	–	9.0	–
Investment property - Car park building									
Singapore									
Golden Shoe Car Park	Leasehold	99 years	65 years	50 Market Street	Transport facilities	141,000	141,000	3.0	3.0
Investment properties - Other buildings									
Singapore									
Wilkie Edge	Leasehold	99 years	89 years	8 Wilkie Road	Commercial	199,000	191,000	4.2	4.1
Bugis Village[3]	Leasehold	99 years	72 years	62 to 67 Queen Street 151 to 166 Rochor Road 229 to 253 (odd numbers only) Victoria Street	Commercial	53,700	55,400	1.1	1.2
Investment properties, at valuation (Note 5)						4,961,700	4,451,400	104.1	94.9
Available-for-sale quoted investment (Note 10)						41,621	–	0.9	–
Other assets and liabilities (net)						(232,978)	239,428	(5.0)	5.1
Net assets						**4,770,343**	**4,690,828**	**100.0**	**100.0**

[1] The carrying value of investment properties are at valuation.

[2] Twenty Anson is held directly by the Trust subsequent to purchasing the property from FirstOffice Pte. Ltd., a wholly owned subsidiary of the Trust, during the year.

[3] The valuation of Bugis Village takes into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019, upon payment of a sum of S$6,610,208.53 plus accrued interest.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements

As at 31 December 2015

Investment Properties

On 31 December 2015, independent valuations of Capital Tower, Six Battery Road, HSBC Building, One George Street, Twenty Anson, Bugis Village, Wilkie Edge and Golden Shoe Car Park were undertaken by CBRE Pte. Ltd. (2014: CBRE Pte. Ltd.).

The Manager believes that the independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations were based on direct capitalisation method and discounted cash flow analysis. The valuations were performed on the same basis as 2014.

The net increase in fair value of the investment properties has been taken to the statement of total return.

Investment properties comprise mainly commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. Contingent rents recognised in the Statements of Total Return of the Group and of the Trust amounted to $573,000 (2014: $512,000) and $568,000 (2014: $510,000) respectively.

Statements of Cash Flows

Year ended 31 December 2015

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cash flows from operating activities				
Total return for the year before tax	307,429	448,885	317,247	315,758
Adjustments for:				
Amortisation of intangible asset	1,406	3,512	1,406	3,512
Amortisation of lease incentives	1,238	(330)	1,149	(508)
Asset management fees paid and payable in Units	3,841	3,701	3,841	3,701
Depreciation of plant and equipment	303	330	301	325
Dilution loss/(gain) on investment in associate	18,903	–	(2,629)	–
Finance costs	36,032	36,434	36,018	36,422
Foreign exchange loss	353	375	353	375
Gain on disposal of plant and equipment	*	*	*	*
Gain on disposal of available-for-sale unquoted investment	–	(226)	–	(226)
Interest income	(3,979)	(3,732)	(10,023)	(16,002)
Investment income	(871)	–	(88,424)	(87,087)
Net increase in fair value of investment properties	(66,452)	(81,219)	(66,949)	(83,222)
Premium on redemption of convertible bonds	–	2,713	–	2,713
Share of profit of associate and joint ventures	(97,330)	(217,357)	–	–
Operating income before working capital changes	200,873	193,086	192,290	175,761
Changes in working capital:				
Trade and other receivables	(2,360)	(202)	(3,289)	(1,432)
Trade and other payables	(2,329)	(5,815)	4,665	(807)
Security deposits	723	1,440	6,073	1,046
Cash generated from operations	196,907	188,509	199,739	174,568
Tax paid	(88)	(4)	–	–
Net cash from operating activities	**196,819**	**188,505**	**199,739**	**174,568**
Net cash from operating activities carried forward	196,819	188,505	199,739	174,568

* Less than $1,000

Statements of Cash Flows

Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Net cash from operating activities brought forward		196,819	188,505	199,739	174,568
Cash flows from investing activities					
Capital expenditure on investment properties		(21,131)	(29,817)	(20,132)	(28,575)
Capital redemption and return of cash by available-for-sale unquoted investment		–	232	–	232
Distributions from associate		2,450	3,459	2,450	3,459
Distributions from available-for-sale quoted investment		786	–	786	–
Distributions from joint venture		84,717	82,687	84,717	82,687
Interest income received		1,020	200	7,402	12,470
Loan to joint venture		(4,000)	(4,800)	(4,000)	(4,800)
Purchase of plant and equipment		(173)	(259)	(184)	(254)
Repayment of loan by subsidiary		–	–	267,919	–
Acquisition of property		–	–	(267,919)	–
Net cash from investing activities		**63,669**	**51,702**	**71,039**	**65,219**
Cash flows from financing activities					
Distributions to Unitholders		(251,943)	(242,766)	(251,943)	(242,766)
Interest paid		(33,418)	(30,673)	(33,403)	(30,660)
Payment of transaction costs related to borrowings and convertible bonds		–	(12)	–	(12)
Proceeds from interest-bearing liabilities		490,000	295,000	490,000	295,000
Repayment of interest-bearing liabilities		(485,000)	(75,000)	(485,000)	(75,000)
Repurchase and redemption of convertible bonds		–	(169,735)	–	(169,735)
Net cash used in financing activities		**(280,361)**	**(223,186)**	**(280,346)**	**(223,173)**
Net (decrease)/increase in cash and cash equivalents		(19,873)	17,021	(9,568)	16,614
Cash and cash equivalents at 1 January		101,085	84,064	76,719	60,105
Cash and cash equivalents at 31 December	12	**81,212**	**101,085**	**67,151**	**76,719**

Significant non-cash transactions

During the year, 8,082,009 (2014: 8,008,559) Units were issued at various unit prices in satisfaction of asset management fees payable to the Manager, amounting to $3,800,000 (2014: $3,650,000) for the Group and $8,846,000 (2014: $8,662,000) on behalf of RCS Trust. The Trust received units in RCS Trust (see note 8) in settlement for the amount paid on its behalf.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 23 February 2016.

1 General

CapitaLand Commercial Trust (formerly known as CapitaCommercial Trust) (the "Trust") is a Singapore-domiciled unit trust established pursuant to the trust deed dated 6 February 2004 (as amended) (the "Trust Deed") between CapitaLand Commercial Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 11 May 2004 and was included under the Central Provident Fund ("CPF") Investment Scheme on 11 May 2004.

The consolidated financial statements of the Trust as at and for the year ended 31 December 2015 comprise the Trust and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in its associate and joint ventures.

For financial reporting purposes, the Group is regarded as a subsidiary of CapitaLand Singapore Limited. Accordingly, the ultimate holding Company is CapitaLand Limited. The immediate and ultimate holding companies are incorporated in the Republic of Singapore.

The principal activity of the Group is to invest in income producing real estate and real estate related assets, which are used or substantially used for commercial purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures of these services are as follows:

(i) Property management fees

Under the property management agreements, property management fees are charged at 3.00% per annum of the net property income of the properties except for HSBC Building which is charged at 0.25% per annum of the net property income.

The property management fees are payable monthly in arrears.

(ii) Asset management fees

The Manager is entitled under Clause 15.1 of the Trust Deed to receive, in respect of each quarter in arrear, the amount of the asset management fees which comprise a base component of 0.10% per annum of the value of Deposited Property and a performance component of 5.25% per annum of net income of the Trust for each financial year. "Deposited Property" refers to all the assets of the Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the Trust Deed, except for the following:

(a) the investment in RCS Trust, a joint venture;

(b) the investment in MSO Trust, a joint venture; and

(c) the investment in MRCB-Quill REIT ("MQREIT") (formerly known as Quill Capita Trust ("QCT")) when it was classified as an associate.

Notes to the Financial Statements

1 General (continued)

(ii) Asset management fees (continued)

During the year, the Group's interest in MQREIT was reduced from 30.0% to 17.7%. As a result of the reduction in interest, the Group's investment in MQREIT was reclassified from "Associate" to "Available-for-sale quoted investment". The "Available-for-sale quoted investment" amount is included in the Deposited Property for the computation of asset management fees.

The Manager is entitled under Clause 15.1.3 of the Trust Deed to receive, at the option of the Manager, the asset management fees wholly in the form of cash, wholly in the form of Units or a combination of both. When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of the asset management fees attributable to such period at an issue price equal to the Market Price.

(iii) Acquisition fee and divestment fee

The Manager is entitled under Clause 15.2 of the Trust Deed to receive acquisition fee in cash at the rate of 1% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the acquisition price and a divestment fee in cash at the rate of 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the sale price.

(iv) Trustee's fees

Pursuant to Clause 15.3 of the Trust Deed, the Trustee's fees shall not exceed 0.10% per annum of the value of Deposited Property (except for the investment in RCS Trust, a joint venture) subject to a minimum sum of $8,000 per month payable out of the Deposited Property of the Trust. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

The Trustee's fees are payable quarterly in arrears.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

Notes to the Financial Statements

2 Basis of preparation (continued)

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with RAP 7 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in following notes:

- Note 5 – Valuation of investment properties
- Note 28 – Valuation of financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – Valuation of investment properties
- Note 28 – Valuation of financial instruments

Notes to the Financial Statements

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Investments in associate and joint ventures

An associate is an entity in which the Group has a significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in an associate and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the associate and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries, associate and joint ventures by the Trust

Investments in subsidiaries, associate and joint ventures are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.2 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on the disposal of an item of plant and equipment is determined as the difference between the proceeds from disposal and the carrying amount of the item, and is recognised net within other expenses in the statement of total return on the date of disposal.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Items of plant and equipment are depreciated on a straight-line basis in the statement of total return over the estimated useful lives of each component.

The estimated useful lives for the current and comparative years of significant items of plant and equipment are as follows:

- Furniture, fittings and equipment 2 to 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.3 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

Cost includes expenditure that is directly attributable to the acquisition of the investment, which includes transaction costs.

Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by MAS.

Any gain or loss on disposal of an investment property is calculated as the difference between the net proceeds from disposal and the carrying amount of the item. The gain or loss on disposal of investment property is recognised in statement of total return.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.4 Intangible asset

Intangible asset acquired by the Group and the Trust is measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated based on the costs of the asset and recognised in the Statements of Total Return on a systematic basis over the estimated useful life.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less accumulated impairment losses.

3.5 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation and available-for-sale equity instruments.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant proportion of the cumulative amount in the foreign exchange translation reserve is reclassified to the statement of total return as part of the gain or loss on disposal.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.6 Financial instruments

Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return.

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80% – 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect the reported statement of total return.

Derivative financial instruments are recognised initially at fair value; any attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedge

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect the statement of total return, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in Unitholders' funds. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged item is a non-financial asset, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period or periods during which the non-financial item affects the statement of total return. In other cases as well, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period that the hedged item affects the statement of total return. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in the hedging reserve is reclassified to the statement of total return.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the statement of total return.

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the statement of total return.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.6 Financial instruments (continued)

Non-derivative financial instruments

The Group initially recognises loans and receivables, deposits and convertible bonds issued on the date that they are originated. All other financial instruments are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfer nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial instruments into the following categories: loans and receivables, available-for-sale financial assets and other financial liabilities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised on the date that they are originated at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and short-term bank deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Available-for-sale financial assets

The Group's investments in certain equity securities are classified as available-for-sale financial assets if they are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised directly in Unitholders' funds. When an investment is derecognised, the gain or loss accumulated in Unitholders' funds is reclassified to the statement of total return. Available-for-sale financial assets which are unquoted and where the fair value cannot be measured reliably, are stated at cost.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.6 Financial instruments (continued)

Other financial liabilities

Other financial liabilities comprise trade and other payables, security deposits and interest-bearing liabilities.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method.

Convertible bonds accounted for as compound financial instruments

Convertible bonds that can be converted into units at the option of the holder where the number of units to be issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments.

The liability component of the convertible bonds is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not remeasured subsequent to initial recognition. When the conversion option is exercised or lapsed, its carrying amount will be transferred to unitholders' funds. No gain or loss is recognised on conversion.

When a convertible bond is being redeemed before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) are allocated to the liability and equity components of the instrument at the date of redemption. Any resulting gain or loss relating to the liability component is recognised in the statement of total return. The remaining purchase consideration is recognised in unitholders' funds.

3.7 Impairment

Non-derivative financial assets

A financial asset not classified at fair value through the statement of total return, including interest in an associate and jointly controlled entities, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.7 Impairment (continued)

Non-derivative financial assets *(continued)*

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. The individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through statement of total return.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in Unitholders' funds to statement of total return. The cumulative loss that is reclassified from Unitholders' funds to statement of total return is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in statement of total return. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in Unitholders' funds.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated.

An impairment loss is recognised in the statement of total return if the carrying amount of an asset or cash-generating unit ("CGU") exceeds its estimated recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets or CGUs. Impairment losses are recognised in the statement of total return unless it reverses a previous revaluation, credited to Unitholders' funds, in which case it is charged to Unitholders' funds.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.8 Unitholders' funds

Unitholders' funds are classified as equity. Incremental costs directly attributable to the issue of Units are recognised as a deduction from equity.

3.9 Revenue recognition

Rental income from operating leases

Rental income from operating leases is recognised as revenue in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Car park income

Car park income is recognised in the statement of total return on a receipt basis.

Interest income

Interest income is recognised in the statement of total return as it accrues, using the effective interest method.

Investment income

Investment income is recognised in the statement of total return on the date that the Group's right to receive payment is established.

3.10 Government grants

Grants that compensate the Group for expenses incurred are recognised in the statement of total return as other income on a systematic basis in the periods in which the expenses are recognised.

3.11 Expenses

Property operating expenses

Property operating expenses consist of property tax, utilities, maintenance, property management reimbursements, property management fees using the applicable formula stipulated in Note 1(i) for the Trust, Note 8(i) for RCS Trust and Note 8(iv) for MSO Trust, marketing expenses and other property outgoings in relation to investment properties where such expenses are the responsibility of the Group.

Property operating expenses are recognised on an accrual basis.

Asset management fees

Asset management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(ii) for the Trust, Note 8(ii) for RCS Trust and Note 8(v) for MSO Trust.

Trustee's fees

The Trustee's fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(iv) for the Trust and Note 8(iii) for RCS Trust.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the statement of total return except to the extent that it relates to a business combination, or items recognised directly in Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In the ordinary course of business, there are many transactions and calculations for which the ultimate tax treatment is uncertain. Therefore, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when the Group believes that certain positions may not be fully sustained upon review by tax authorities, despite the Group's belief that its tax return positions are supportable. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.12 Tax (continued)

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling, which includes a distribution of at least 90% of the taxable income of the Trust, the Trust will not be taxed on the portion of taxable income of the Trust that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trust. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with IRAS.

Individuals and Qualifying Unitholders are entitled to receive taxable income distributions at gross from the Trust. For other types of Unitholders (other than foreign non-individual Unitholders), the Trust is required to withhold tax at the prevailing corporate tax rate (currently 17%) on the taxable income distributions made by the Trust. Such Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate (currently 17%) by the Trust. Qualifying foreign non-individual Unitholders are entitled to receive taxable income distributions net of withholding tax at a reduced rate of 10% for distributions made on or before 31 March 2020.

A Qualifying Unitholder is a Unitholder who is:

(a) a Singapore-incorporated company which is tax resident in Singapore;

(b) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association);

(c) a Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deduction at source in respect of distributions from the Trust;

(d) an agent bank or a Supplementary Retirement Scheme ("SRS") operator acting as nominee for individuals who have purchased Units within the Central Provident Fund Investment Scheme ("CPFIS") or the SRS respectively; or

(e) a nominee who can demonstrate that the Units are held for beneficial owners who are individuals or who fall within the classes of Unitholders listed in (a) to (c) above.

The Trust has a distribution policy where it is required to distribute at least 90% of its taxable income, other than gains from the sale of real estate properties that are determined by IRAS to be trading gains. For the taxable income that is not distributed, referred to as retained taxable income, tax will be assessed on the Trust. Where such retained taxable income is subsequently distributed, the Trust need not deduct tax at source.

Notes to the Financial Statements

3 Significant accounting policies (continued)

3.13 Finance costs

Finance costs comprise interest expense on borrowings and convertible bonds, amortisation of borrowings and convertible bonds related transaction costs and accretion of convertible bonds interest that are recognised in the statement of total return using the effective interest method over the period of borrowings and the convertible bonds.

3.14 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Trust by the weighted average number of units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of units outstanding for the effects of all dilutive potential units.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chief Executive Officer and Board of Directors of the Manager (the Group's "Chief Operating Decision Makers" or "CODMs") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire items of plant and equipment and investment properties.

3.16 New standards, interpretations and revised recommended accounting practice not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Trust. The Group does not plan to adopt these standards early.

Notes to the Financial Statements

4 Plant and equipment

	Furniture, fittings and equipment 2015 $'000	Furniture, fittings and equipment 2014 $'000
Group		
Cost		
At 1 January	2,497	2,327
Additions	134	287
Disposals/write-off	(182)	(117)
At 31 December	2,449	2,497
Accumulated depreciation		
At 1 January	1,044	847
Charge for the year	303	330
Disposals/write-off	(170)	(133)
At 31 December	1,177	1,044
Carrying amounts		
At 1 January	1,453	1,480
At 31 December	1,272	1,453
Trust		
Cost		
At 1 January	2,472	2,307
Additions	133	282
Disposals/write-off	(156)	(117)
At 31 December	2,449	2,472
Accumulated depreciation		
At 1 January	1,032	840
Charge for the year	301	325
Disposals/write-off	(156)	(133)
At 31 December	1,177	1,032
Carrying amounts		
At 1 January	1,440	1,467
At 31 December	1,272	1,440

Notes to the Financial Statements

5 Investment properties

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
At 1 January	4,882,400	4,769,000	4,451,400	4,338,000
Acquisition	–	–	431,000	–
Capital expenditure	12,848	32,181	12,351	30,178
Net increase in fair value recognised in statement of total return	66,452	81,219	66,949	83,222
At 31 December	4,961,700	4,882,400	4,961,700	4,451,400

As at 31 December 2015 and 31 December 2014, all investment properties held by the Group and Trust are unencumbered.

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuations are prepared by considering the estimated rental value of the property by applying the appropriate valuation methods i.e. the capitalisation method and discounted cashflow method.

The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and ongoing vacancy to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the land lease from the valuation date at an appropriate capitalisation rate. The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value.

In determining the fair values of investment properties, the valuers have used the above valuation methods which involve certain estimates. The Manager reviews the key valuation parameters and underlying data including market-corroborated capitalisation rates and discount rates adopted by the valuers and is of the view that the estimates are reflective of the current market conditions as at the reporting date.

Notes to the Financial Statements

6 Intangible asset

	Group and Trust 2015 $'000	Group and Trust 2014 $'000
Cost		
At 1 January and 31 December	17,100	17,100
Accumulated amortisation		
At 1 January	12,278	8,766
Amortisation for the year	1,406	3,512
At 31 December	13,684	12,278
Carrying amounts		
At 1 January	4,822	8,334
At 31 December	3,416	4,822

Intangible asset represents the unamortised yield stabilization sum received by the Group under the Deed of Yield Stabilization ("YS Deed") dated 22 March 2012 in relation to Twenty Anson. The YS Deed which expired on 21 September 2015, together with the unutilised yield stabilization amount, was assigned to the Trust upon the acquisition of Twenty Anson on 1 July 2015. The Trust will continue to utilise the yield stabilization sum to top up any shortfall or deficiency in the property income of Twenty Anson until the sum is fully utilised (see note 18).

7 Subsidiaries

	Trust 2015 $'000	Trust 2014 $'000
Unquoted equity investments at cost	167,657	167,657
Loan to a subsidiary	–	267,919
	167,657	435,576

In 2014, the loan to a subsidiary was unsecured and bore an effective interest rate of 4.6% per annum. The loan was repaid during the year following the disposal of Twenty Anson by its subsidiary to the Trust.

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of incorporation/ business	Effective equity interest held by the Trust 2015 %	Effective equity interest held by the Trust 2014 %
CCT MTN Pte. Ltd. ("CCT MTN")[1]	Singapore	100	100
FirstOffice Pte. Ltd. ("FOPL")[1]	Singapore	100	100

1 Audited by KPMG LLP Singapore

Notes to the Financial Statements

8 Joint ventures

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Investments in joint ventures	1,335,647	1,315,095	880,980	872,133
Loan to joint venture	116,800	112,800	116,800	112,800
	1,452,447	1,427,895	997,780	984,933

The loan to joint venture is unsecured, bears an effective interest rate of 3.14% (2014: 3.12%) per annum and not repayable within 12 months.

Details of the joint ventures are as follows:

Name of joint ventures	Place of constitution/ business	Effective equity interest held by the Trust	
		2015 %	2014 %
RCS Trust[1]	Singapore	60	60
MSO Trust[1]	Singapore	40	40

[1] Audited by KPMG LLP Singapore

RCS Trust

RCS Trust is an unlisted special purpose trust constituted under a trust deed ("Trust Deed of RCS Trust") dated 18 July 2006 entered into between HSBC Institutional Trust Services (Singapore) Limited as trustee-manager ("Trustee-Manager") of RCS Trust, HSBC Institutional Trust Services (Singapore) Limited as trustee of CapitaLand Mall Trust ("CMT"), the Trustee, CapitaLand Mall Trust Management Limited as Manager of CMT, and the Manager. RCS Trust is 60% owned by the Trust and 40% owned by CMT. RCS Trust holds Raffles City Singapore, an integrated development which comprised of retail, hotel, convention centre and office.

RCS Trust has entered into several service agreements in relation to management of the RCS Trust and its property operations. The fee structures of these services are as follows:

(i) Property management fees

Under the property management agreement, property management fees are charged as follows:

(a) 2.00% per annum of the property income of the property; and

(b) 2.50% per annum of the net property income of the property.

The property management fees are payable monthly in arrears.

(ii) Asset management fees

Pursuant to Clause 11.1 of the Trust Deed of RCS Trust, the asset management fees shall be paid in respect of each quater in arrear and comprise a base component of 0.25% per annum of the value of deposited property of RCS Trust and a performance component of 4.00% per annum of the net property income of RCS Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the Trust Deed of RCS Trust.

Notes to the Financial Statements

8 Joint ventures (continued)

RCS Trust (continued)

(ii) Asset management fees (continued)

Pursuant to Clause 11.3 of the Trust Deed of RCS Trust, the asset management fees shall be paid entirely in the form of units or, with the unanimous approval of the Manager and CapitaLand Mall Trust Management Limited as Manager of CapitaLand Mall Trust, either partly in units and partly in cash or wholly in cash. When paid in the form of Units, pursuant to Clause 11.3.2 of the Trust Deed of RCS Trust, the Trustee-Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of the asset management fees attributable to such period at an issue price equal to the net asset value per Unit or at such other issue price as may be agreed in writing between the Trustee-Manager, the CCT Manager and the CMT Manager.

(iii) Trustee-Manager's fees

Pursuant to Clause 11.4 of the Trust Deed of RCS Trust, the Trustee-Manager's fees shall not exceed 0.10% per annum of the value of deposited property of RCS Trust, as defined in the Trust Deed of RCS Trust (subject to a minimum sum of $15,000 per month), payable out of the deposited property of RCS Trust. The Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

The Trustee-Manager's fees are payable quarterly in arrears.

MSO Trust

MSO Trust is an unlisted special purpose trust constituted under a trust deed ("Trust Deed of MSO Trust") dated 15 June 2011 entered between Market Street Office Trustee Pte. Ltd. as trustee-manager of MSO Trust, the Trustee and the Manager.

On 13 July 2011, the Trustee and the Manager entered into a joint venture agreement with CapitaLand Singapore Limited ("CLS") and Mitsubishi Estate Asia Pte. Ltd. ("MEA"). Under the agreement, the Trust, CLS and MEA own 40%, 50% and 10% equity interest respectively in MSO Trust. MSO Trust holds CapitaGreen, a commercial office tower located in the central business district.

(iv) Property management fees

Under the property management agreement, property management fees are charged based on 3.00% per annum of the Net Property Income before the Property Manager's property management fees. The property management fees are payable monthly in arrears.

(v) Asset management fees

Pursuant to Clause 11.1 of the Trust Deed of MSO Trust, the asset management fees shall be paid in respect of each quater in arrear and comprise a base component of 0.10% per annum of the value of deposited property of MSO Trust and a performance component of 5.25% per annum of the net property income of MSO Trust for each financial year. Deposited property refers to all the assets of MSO Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the Trust Deed of MSO Trust.

Pursuant to Clause 11.3 of the Trust Deed of MSO Trust, the asset management fees shall be paid in the form of cash.

Notes to the Financial Statements

8 Joint ventures (continued)

The following table summarises the financial information of joint ventures, based on the financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition, not adjusted for the percentage ownership held by the Group, were as follows:

	2015		2014	
	RCS Trust $'000	MSO Trust $'000	RCS Trust $'000	MSO Trust $'000
Results				
Gross revenue	234,355	38,295	232,493	–
Expenses[a]	(111,732)	(48,006)	(112,003)	(3,032)
Net increase in fair value of investment property and investment property under construction	13,089	44,916	73,928	242,935
Total return for the year	135,712	35,205	194,418	239,903
Assets and liabilities				
Non-current assets	3,137,077	1,596,022	3,110,389	1,533,316
Current assets[b]	18,828	17,743	16,590	23,617
Total assets	3,155,905	1,613,765	3,126,979	1,556,933
Current liabilities[c]	1,130,184	95,024	81,574	977,856
Non-current liabilities[d]	15,340	1,195,193	1,044,089	293,315
Total liabilities	1,145,524	1,290,217	1,125,663	1,271,171
Net assets	2,010,381	323,548	2,001,316	285,762
Group's interest in net assets of investee at 1 January	1,200,790	114,305	1,158,713	17,166
Increase in investment in joint venture with no change in effective interest[e]	8,846	–	8,662	–
Share of total return for the year	81,428	14,082	116,651	95,961
Share of hedging reserves for the year	–	1,031	–	1,184
Distributions received and receivable during the year	(84,835)	–	(83,236)	(6)
Carrying amount of interest in investee at 31 December	1,206,229	129,418	1,200,790	114,305
Group's share of joint ventures' capital commitment	23,197	–	9,396	–

[a] Includes:				
depreciation	205	23	114	–
interest expense	35,031	29,082	31,097	906
tax credit	–	–	–	4
[b] Includes cash and cash equivalents	13,252	15,825	9,163	21,089
[c] Includes current financial liabilities (excluding trade and other payables and provisions)	1,042,763	–	–	816,996
[d] Includes non-current financial liabilities (excluding trade and other payables and provisions)	–	1,177,590	1,026,209	282,240

[e] Increase in investment by way of issuance of units in RCS Trust.

Notes to the Financial Statements

8 Joint ventures (continued)

The Trust is committed to incur capital commitment of $340.0 million (2014: $340.0 million) in MSO Trust, of which an amount up to $317.6 million (2014: $317.6 million) will be provided by unitholder's loan to be drawn down in multiple tranches progressively over time based on the needs of MSO Trust. As at 31 December 2015, the Trust had provided a total of $139.2 million (2014: $135.2 million) to MSO Trust comprising $22.4 million (2014: $22.4 million) as equity and $116.8 million (2014: $112.8 million) as unitholder's loan.

The Trust has also provided undertakings on security margin, in respect of its 40% interest on the $900.0 million (2014: $890.0 million) bank facility granted to MSO Trust. As at 31 December 2015, the amount drawn down under the bank facility was $890.0 million (2014: $820.0 million) of which the Trust will provide undertakings on security margin relating to $356.0 million (2014: $328.0 million) of the amount drawn.

9 Associate

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Investment in associate	–	63,899	–	58,850
Accumulated impairment loss	–	–	–	(7,371)
	–	63,899	–	51,479

Details of the associate are as follows:

Name of associate	Place of constitution/ business	Effective equity interest held by the Trust 2015 %	Effective equity interest held by the Trust 2014 %
MRCB-Quill REIT ("MQREIT") (formerly known as Quill Capita Trust ("QCT")[1])	Malaysia	–	30

[1] Audited by Ernst & Young Malaysia.

MQREIT (formerly known as QCT) is a real estate investment trust constituted in Malaysia by a trust deed dated 9 October 2006 and has its place of business in Malaysia. The principal activity of MQREIT is to own and invest in commercial properties, primarily in Malaysia.

Notes to the Financial Statements

9 Associate (continued)

During the year, the Group's interest in MQREIT was reduced from 30.0% to 17.7%. As a result of the reduction in interest, the Group's investment in MQREIT was reclassified from "Associate" to "Available-for-sale quoted investment". The Group recorded a dilution loss of $18,903,000 on the investment.

	2014 $'000
Results	
Gross revenue	26,912
Total return for the year	15,815
Assets and liabilities	
Total assets	320,278
Total liabilities	120,325
Group's interest in net assets of investee at 1 January	65,002
Share of total return for the year	4,745
Foreign currency translation reserves	(2,013)
Distributions received during the year	(3,835)
Carrying amount of interest in investee at 31 December	63,899

10 Available-for-sale quoted investment

	Group and Trust	
	2015 $'000	2014 $'000
Available-for-sale quoted investment, fair value	41,621	–

Available-for-sale quoted investment represents the Group's and Trust's 17.7% interest in MQREIT.

Notes to the Financial Statements

11 Trade and other receivables

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables	621	361	621	332
Investment income receivable from joint venture	22,014	21,896	22,014	21,896
Interest receivable from joint venture	14,338	10,672	14,338	10,672
Interest receivable from subsidiary	–	–	–	338
Interest receivable from swaps	302	–	302	–
Amount due from related parties (trade)	2	4	2	4
Deposits	203	245	55	49
Other receivables	3,733	4,002	3,792	3,121
Loans and receivables	41,213	37,180	41,124	36,412
Prepayments	2,327	1,165	2,327	1,164
	43,540	38,345	43,451	37,576

There is no allowance for impairment arising from the amounts receivable from joint ventures.

The Group's most significant tenant accounts for $49,000 (2014: $43,000) of the trade receivables carrying amount at the reporting date.

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants. These tenants are engaged in diversified businesses and are of good quality and strong credit standing. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, the Manager believes that no additional credit risk, beyond amounts provided for collection losses, is inherent in the Group's trade receivables.

Impairment losses

The aging of trade receivables at the reporting date is as follows:

	2015		2014	
	Gross $'000	Impairment losses $'000	Gross $'000	Impairment losses $'000
Group				
Not past due	620	–	353	–
Past due 31 – 90 days	–	–	8	–
Past due more than 90 days	1	–	–	–
	621	–	361	–
Trust				
Not past due	620	–	324	–
Past due 31 – 90 days	–	–	8	–
Past due more than 90 days	1	–	–	–
	621	–	332	–

Notes to the Financial Statements

11 Trade and other receivables (continued)

The Manager believes that no impairment allowance is necessary in respect of the trade receivables as these receivables relate mainly to tenants that have a good record with the Group or have sufficient security deposits as collateral.

12 Cash and cash equivalents

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cash at bank and in hand	81,212	51,085	67,151	26,719
Fixed deposits with financial institutions	–	50,000	–	50,000
Cash and cash equivalents in the statements of cash flows	81,212	101,085	67,151	76,719

The weighted average effective interest rates relating to cash and cash equivalents at the reporting date for the Group and Trust were 0.42% (2014: 0.58%) and 0.43% (2014: 0.65%) per annum respectively.

13 Trade and other payables

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade payables and accrued operating expenses	19,697	28,136	19,261	26,448
Amounts due to related parties (trade)	4,081	3,853	4,077	3,807
Amounts due to subsidiary (non-trade)	–	–	163,082	–
Other deposits and advances	8,299	10,720	8,294	4,514
Interest payable	5,186	4,646	5,186	4,646
	37,263	47,355	199,900	39,415

Included in trade payables and accrued operating expenses was an amount due to the Trustee of $166,000 (2014: $159,000) for the Group and the Trust.

Included in the amounts due to related parties (trade) was an amount due to the Manager of $3,562,000 (2014: $3,360,000) for the Group and for the Trust and an amount due to the property manager of $497,000 for the Group and $498,000 for the Trust (2014: $465,000 for the Group and $420,000 for the Trust).

Included in the other deposits and advances for the Group and the Trust was the yield stabilization amount in relation to Twenty Anson.

Included in interest payable of the Trust was an amount due to the subsidiary of $1,886,000 (2014: $1,946,000).

Notes to the Financial Statements

14 Interest-bearing liabilities

This note provides information about the contractual terms of the Group's and the Trust's interest-bearing liabilities.

	Group and Trust 2015 $'000	Group and Trust 2014 $'000
Current liabilities		
Medium term notes (unsecured)	–	270,000
Non-current liabilities		
Term loans (unsecured)	447,024	446,020
Revolving credit facilities (unsecured)	200,000	125,000
Medium term notes (unsecured)	436,599	229,952
	1,083,623	800,972
Total	1,083,623	1,070,972

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	2015 Face value $'000	2015 Carrying amount $'000	2014 Face value $'000	2014 Carrying amount $'000
Group and Trust						
Unsecured						
Floating rates						
SGD floating rate term loans[1] and revolving credit facilities	SOR[2] + margin	2018 to 2020	650,000	647,024	575,000	571,020
JPY[3] Medium Term Notes[4]	3M LIBOR[5] + margin	2021 to 2023	175,000	171,499	75,000	69,552
Fixed rates						
SGD Medium Term Notes	2.96% to 2.98%	2021	150,000	150,000	320,000	320,000
JPY[3] Medium Term Notes[4]	1.35875%	2019	148,300	115,100	148,300	110,400
			1,123,300	1,083,623	1,118,300	1,070,972

1 Included in the floating rate term loans is an amount of $480.0 million (2014: $360.0 million) which is hedged by interest rate swaps with notional contract amounts of $480.0 million (2014: $360.0 million). The fixed interest rates ranges from 0.57% to 1.71% (2014: 0.36% to 0.785%) per annum.

2 Swap Offer Rate ("SOR").

3 Japanese Yen ("JPY")

4 The Trust has entered into cross currency swaps to hedge the total of JPY24.9 billion (2014: JPY16.3 billion) medium term notes into notional principal amount of $323.3 million (2014: $223.3 million) at fixed interest rates ranging from 2.8875% to 3.05% (2014: 2.8875% to 2.95%) per annum.

5 3-Month London Interbank Offered Rate.

Notes to the Financial Statements

14 Interest-bearing liabilities (continued)

The interest-bearing liabilities comprised the following:

Unsecured medium term notes

The Group has a $2.0 billion unsecured Multicurrency Medium Term Note Programme ("Programme") under its subsidiary, CCT MTN. Under the CCT MTN Programme, the Group may issue notes in any currency.

At 31 December 2015, notes issued by the Group were as follows:

(i) Nil (2014: $270.0 million) fixed rate notes maturing in 2015;

(ii) $150.0 million (2014: $50.0 million) fixed rate notes maturity in 2021; and

(iii) JPY24.9 billion (2014: JPY16.3 billion) medium term notes, which comprises JPY10.0 billion, JPY6.3 billion and JPY8.6 billion maturing between 2019 to 2023 (2014: 2019 to 2021). The Trust had entered into cross currency swaps to swap the JPY notes into Singapore dollars.

Unsecured bank facilities, overdraft and guarantee facilities of the Trust

As at 31 December 2015, the Trust has an aggregate of $780.0 million (2014: $780.0 million) unsecured bank facilities, comprising a combination of $450.0 million (2014: $450.0 million) term loans and $330.0 million (2014: $330.0 million) revolving credit facilities with various maturities of up to 4.7 years (2014: 5.7 years) from various banks. The Trust has drawn down $650.0 million (2014: $575.0 million) of the unsecured bank facilities.

The Trust also has an omnibus line facility of up to $5.0 million. As at 31 December 2015, the Trust has utilised $1.9 million (2014: $3.0 million) from the omnibus line facility for letter of guarantees.

15 Financial derivatives

	Group and Trust	
	2015	**2014**
	$'000	**$'000**
Non-current assets		
Interest rate swaps	–	1,160
Cross currency swaps	5,611	–
	5,611	1,160
Current assets		
Interest rate swaps	1,726	–
Non-current liabilities		
Cross currency swaps	25,719	40,298

Interest rate swaps

At 31 December 2015, the Group held interest rate swaps with a total notional contract amount of $480.0 million (2014: $360.0 million) to provide fixed rate funding for terms up to 1 year. The swaps are to hedge the exposure to varying cash flows due to changes in interest rates.

Notes to the Financial Statements

15 Financial derivatives (continued)

Cross currency swaps

At 31 December 2015, the Group held JPY/S$ (2014: JPY/S$) cross currency swaps of notional contract amount totalling JPY24.9 billion (2014: JPY16.3 billion) to hedge its foreign currency risk arising from its JPY borrowings. The Group has designated the cross currency swaps as a hedging instrument in a cash flow hedge. The swap matures on the same date as the JPY borrowings.

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Gross amounts of recognised financial instruments $'000	Gross amounts of recognised financial instruments offset in the statement of financial position $'000	Net amounts of financial instruments included in the statement of financial position $'000	Related financial instruments that are not offset $'000	Net amount $'000
Group and Trust					
31 December 2015					
Financial assets					
Interest rate swaps	1,726	–	1,726	(1,285)	441
Cross currency swaps	5,611	–	5,611	(5,611)	–
Financial liabilities					
Cross currency swaps	25,719	–	25,719	(6,896)	18,823
31 December 2014					
Financial assets					
Interest rate swaps	1,160	–	1,160	(581)	579
Financial liabilities					
Cross currency swaps	40,298	–	40,298	(581)	39,717

Notes to the Financial Statements

16 Convertible bonds

	Group and Trust 2015 $'000	Group and Trust 2014 $'000
At 1 January	169,206	351,276
Repurchase and redemption of convertible bonds	–	(118,538)
Conversion of convertible bonds	–	(67,800)
Interest accretion, including transaction costs	2,075	4,268
At 31 December	171,281	169,206

Convertible bonds due 2017

In September 2012, the Trust issued $175.0 million principal amount of convertible bonds due 2017 (the "CB 2017") with interest rate at 2.5% per annum. The CB 2017 can be converted by bondholders into Units at the conversion price of $1.5409 (2014: $1.5865) up to the close of business on 2 September 2017, subject to adjustment to the conversion price in the event a distribution is paid or made to unitholders.

The CB 2017 may be redeemed, in whole or in part, at the option of the Trustee at any time after 12 September 2015 but not less than seven business days prior to 12 September 2017 (subject to satisfaction of certain conditions).

Unless previously redeemed, converted or purchased and cancelled, the CB 2017 will be redeemed on 12 September 2017 at 100% of its principal amount together with accrued interest.

As at 31 December 2015, the aggregate principal amount of the CB 2017 was $175.0 million (2014: $175.0 million).

17 Units in issue

	Group and Trust 2015 '000	Group and Trust 2014 '000
Units in issue:		
At 1 January	2,944,849	2,878,774
Units created:		
- asset management fees in relation to RCS Trust paid in Units	5,652	5,637
- asset management fees in relation to One George Street and Wilkie Edge paid in Units	2,430	2,372
- conversion of convertible bonds	–	58,066
At 31 December	2,952,931	2,944,849
Units to be issued:		
- asset management fees in relation to RCS Trust payable in Units	1,668	1,300
- asset management fees in relation to One George Street and Wilkie Edge payable in Units	723	545
	2,391	1,845
Total issued and issuable Units at 31 December	2,955,322	2,946,694

Notes to the Financial Statements

17 Units in issue (continued)

Units issued during the year were as follows:

(a) 5,652,478 (2014: 5,636,310) Units were issued at issue prices ranging from $1.3375 to $1.7369 (2014: $1.423 to $1.667) per Unit, amounting to $8,846,000 (2014: $8,662,000) as payment for the asset management fees in relation to RCS Trust for the period from 1 October 2014 to 30 September 2015 (2014: 1 October 2013 to 30 September 2014).

(b) 2,429,531 (2014: 2,372,249) Units were issued at issue prices ranging from $1.3375 to $1.7369 (2014: $1.423 to $1.667) per Unit, amounting to $3,800,000 (2014: $3,650,000) as payment for the asset management fees in relation to One George Street and Wilkie Edge for the period from 1 October 2014 to 30 September 2015 (2014: 1 October 2013 to 30 September 2014).

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per Unit.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

Under the Trust Deed, a Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

Notes to the Financial Statements

18 Gross revenue

	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Gross rental income	248,753	234,042	238,884	216,208
Car park income	11,510	11,711	11,406	11,510
Other income	12,956	16,855	12,118	12,571
	273,219	262,608	262,408	240,289

Other income includes yield stabilization income of $1,406,000 (2014: $3,512,000) accrued for Twenty Anson. Pursuant to the Deed of Yield Stabilization dated 22 March 2012 ("YS Deed") in relation to the acquisition of 100% equity interest in FOPL, a yield stabilization sum ("YS Sum") of $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 $430.0 million, for a period of 3.5 years from 22 March 2012. The YS Deed was assigned to the Trust upon the acquisition of Twenty Anson on 1 July 2015 which expired on 21 September 2015. The Trust will continue to utilise the yield stabilization sum to top up any shortfall in net property income of Twenty Anson until it is fully utilised. For the year ended 31 December 2015, the yield stabilization sum was computed based on a yield of 4.0% (2014: 4.0%) per annum of the property purchase value of $430.0 million. The balance YS Sum was $3.4 million (2014: $4.8 million) as at 31 December 2015.

19 Property operating expenses

	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Property tax	23,023	19,615	22,149	17,952
Utilities	7,303	9,887	7,013	9,130
Property management reimbursements	8,057	7,606	7,752	7,000
Property management fees	6,002	5,770	5,738	5,238
Marketing expenses	2,792	2,578	2,749	1,978
Maintenance and others	13,290	11,903	12,785	10,942
	60,467	57,359	58,186	52,240

20 Investment income

	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Distribution income from joint ventures	–	–	84,835	83,252
Distribution income from associate	–	–	2,718	3,835
Distribution income from available-for-sale quoted investment	871	–	871	–
	871	–	88,424	87,087

Notes to the Financial Statements

21 Asset management fees

Asset management fees comprise a base component and performance component. Asset management fees for One George Street and Wilkie Edge of $3,841,000 (2014: $3,701,000) are paid and payable in Units. Asset management fees are paid and payable in cash for the rest of the assets.

22 Finance costs

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Interest expense	32,422	29,410	32,422	29,410
Transaction costs	3,610	7,024	3,596	7,012
	36,032	36,434	36,018	36,422

23 Other expenses

Included in other expenses were non-audit fees paid and payable to auditors of the Group and the Trust of $15,000 (2014: $13,000).

24 Tax expense

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Current tax expense				
Current year	64	3	60	–
Adjustment for prior year	85	–	–	–
	149	3	60	–
Reconciliation of effective tax rate				
Total return for the year before tax	307,429	448,885	317,247	315,758
Tax calculated using Singapore tax rate of 17% (2014: 17%)	52,263	76,310	53,932	53,679
Non-deductible expenses	3,819	2,018	716	2,839
Non-taxable income	(11,297)	(13,846)	(11,381)	(14,838)
Effects of profit of associate and joint ventures (net of tax)	(1,514)	(22,799)	–	–
Tax transparency	(43,207)	(41,680)	(43,207)	(41,680)
Adjustment for prior year	85	–	–	–
	149	3	60	–

Notes to the Financial Statements

25 Earnings per Unit

(a) Basic Earnings per Unit

The calculation of basic earnings per Unit is based on the total return for the year and weighted average number of Units during the year, calculated as follows:

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Total return for the year	307,280	448,882	317,187	315,758

	Group and Trust	
	2015 '000	2014 '000
Weighted average number of units		
Issued Units at 1 January	2,944,849	2,878,774
Effect of creation of new Units:		
- issued as payment of RCS Trust's asset management fees	2,898	3,108
- issued as payment of asset management fees of One George Street and Wilkie Edge	1,238	1,297
- issued as conversion of convertible bonds	–	30,397
Weighted average number of Units in issue at 31 December	2,948,985	2,913,576

	Group		Trust	
	2015 cents	2014 cents	2015 cents	2014 cents
Basic earnings per Unit	10.42	15.41	10.76	10.84

Notes to the Financial Statements

25 Earnings per Unit (continued)

(b) Diluted Earnings per Unit

In calculating diluted earnings per Unit, the total return for the year and weighted average number of Units during the year are adjusted for the effects of all dilutive potential Units, calculated as follows:

	Group		Trust	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Total return for the year	307,280	448,882	317,187	315,758
Interest expense on convertible bonds	6,450	6,383	6,450	6,383
	313,730	455,265	323,637	322,141

	Group and Trust	
	2015 '000	**2014 '000**
Number of units		
Weighted average number of Units used in calculation of basic earnings per share	2,948,985	2,913,576
Effect of conversion of convertible bonds	113,570	110,306
Weighted average number of Units in issue (diluted)	3,062,555	3,023,882

	Group		Trust	
	2015 cents	**2014 cents**	**2015 cents**	**2014 cents**
Diluted earnings per Unit	10.24	15.06	10.57	10.65

26 Capital reserves

Capital reserves relate to the value of the options granted to bondholders to convert their convertible bonds into Units, net of transaction cost incurred which has been accounted for as a deduction against equity.

27 Hedging reserves

Hedging reserves comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet to mature.

28 Available-for-sale reserves

Available-for-sale reserves comprise the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

Notes to the Financial Statements

29 Financial risk management

Capital management

The Board of Directors of the Manager (the “Board”) reviews the Group’s and the Trust’s capital management policy regularly so as to optimise the Group’s and the Trust’s funding structure. Capital consists of Unitholders’ funds. The Board also monitors the Group’s and the Trust’s exposures to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Trust and its subsidiaries are subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (together the “Aggregate Leverage”) of a property fund should not exceed 35% of its deposited property except that the Aggregate Leverage of a property fund may exceed 35% of its deposited property (up to a maximum of 60%) if a credit rating of the property fund from Fitch Inc., Moody’s or Standard & Poor’s is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds 35% of its deposited property.

Standard & Poor’s has assigned A- to CCT’s long-term corporate rating since 2014, with stable outlook. During the year, Moody’s upgraded the Group’s issuer rating to “A3” from “Baa1” with stable outlook. The Group and the Trust have complied with the Aggregate Leverage limit during the financial year. There were no changes in the Group’s approach to capital management during the financial year.

Overview of risk management

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The Manager continually monitors the Group’s risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

The Audit Committee oversees how the Manager monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the Financial Statements

29 Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations to the Group.

Exposure to credit risk

The carrying amounts of financial assets in the statements of financial position represent the Group and the Trust's maximum exposure to credit risk, before taking into account security deposits held as collateral.

Prior to signing lease agreements, credit assessments of prospective tenants are carried out. Security deposits are collected from tenants when the lease agreements are signed. On an ongoing basis, the Manager monitors the outstanding balances of the tenants continuously to minimise exposure to credit risk of the tenants.

The Manager establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to the individually significant exposure.

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by investing only in liquid securities and only with counterparties that have sound credit ratings. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At 31 December 2015 and 31 December 2014, there were no significant concentrations of credit risk other than the amounts due from joint ventures of $36,352,000 (2014: $32,568,000).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Manager monitors its liquidity risk, maintains a level of cash and cash equivalents and refinances borrowings to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the CIS Code issued by MAS concerning limits on total borrowings.

As at 31 December 2015, the Group and the Trust have undrawn bank facilities available for operating activities of $130.0 million (2014: $205.0 million) (see note 14). In addition, the Group may issue up to $1,526.7 million (2014: $1,456.7 million) notes under its $2.0 billion unsecured Multicurrency Medium Term Note Programme (see note 14).

Notes to the Financial Statements

29 Financial risk management (continued)

Liquidity risk *(continued)*

Exposure to liquidity risk

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments/components and excluding the impact of netting agreements:

			Cash flows		
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'000**
Group					
31 December 2015					
Non-derivative financial liabilities					
Medium Term Notes	436,599	508,491	6,734	173,669	328,088
SGD floating rate term loans and revolving credit facilities	647,024	710,551	15,450	695,101	–
Convertible bonds	171,281	186,807	4,375	182,432	–
Trade and other payables	37,263	37,263	37,263	–	–
Security deposits	40,459	40,459	8,611	30,731	1,117
	1,332,626	1,483,571	72,433	1,081,933	329,205
Derivative financial instruments					
Interest rate swaps (net-settled)	(1,726)	(2,136)	(2,136)	–	–
Cross currency swaps (gross-settled)	20,108	–	–	–	–
- Outflow	–	374,923	9,545	182,034	183,344
- (Inflow)	–	(334,232)	(2,284)	(155,869)	(176,079)
	18,382	38,555	5,125	26,165	7,265
	1,351,008	1,522,126	77,558	1,108,098	336,470
31 December 2014					
Non-derivative financial liabilities					
Medium Term Notes	499,952	568,871	279,902	161,644	127,325
SGD floating rate term loans and revolving credit facilities	571,020	618,164	8,792	331,016	278,356
Convertible bonds	169,206	186,807	4,375	182,432	–
Trade and other payables	47,355	47,355	47,355	–	–
Security deposits	39,737	39,737	11,437	28,264	36
	1,327,270	1,460,934	351,861	703,356	405,717
Derivative financial instruments					
Interest rate swaps (net-settled)	(1,160)	(1,367)	(329)	(1,038)	–
Cross currency swaps (gross-settled)	40,298	–	–	–	–
- Outflow	–	259,667	6,495	174,116	79,056
- (Inflow)	–	(233,190)	(1,855)	(155,684)	(75,651)
	39,138	25,110	4,311	17,394	3,405
	1,366,408	1,486,044	356,172	720,750	409,122

Notes to the Financial Statements

29 Financial risk management (continued)

Liquidity risk *(continued)*

Exposure to liquidity risk (continued)

			Cash flows		
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'000**
Trust					
31 December 2015					
Non-derivative financial liabilities					
Medium Term Notes	436,599	508,491	6,734	173,669	328,088
SGD floating rate term loans and revolving credit facilities	647,024	710,551	15,450	695,101	–
Convertible bonds	171,281	186,807	4,375	182,432	–
Trade and other payables	199,900	199,900	199,900	–	–
Security deposits	40,459	40,459	8,611	30,731	1,117
	1,495,263	1,646,208	235,070	1,081,933	329,205
Derivative financial instruments					
Interest rate swaps (net-settled)	(1,726)	(2,136)	(2,136)	–	–
Cross currency swaps (gross-settled)	20,108	–	–	–	–
- Outflow	–	374,923	9,545	182,034	183,344
- (Inflow)	–	(334,232)	(2,284)	(155,869)	(176,079)
	18,382	38,555	5,125	26,165	7,265
	1,513,645	1,684,763	240,195	1,108,098	336,470
31 December 2014					
Non-derivative financial liabilities					
Medium Term Notes	499,952	568,871	279,902	161,644	127,325
SGD floating rate term loans and revolving credit facilities	571,020	618,164	8,792	331,016	278,356
Convertible bonds	169,206	186,807	4,375	182,432	–
Trade and other payables	39,415	39,415	39,415	–	–
Security deposits	34,386	34,386	10,876	23,474	36
	1,313,979	1,447,643	343,360	698,566	405,717
Derivative financial instruments					
Interest rate swaps (net-settled)	(1,160)	(1,367)	(329)	(1,038)	–
Cross currency swaps (gross-settled)	40,298	–	–	–	–
- Outflow	–	259,667	6,495	174,116	79,056
- (Inflow)	–	(233,190)	(1,855)	(155,684)	(75,651)
	39,138	25,110	4,311	17,394	3,405
	1,353,117	1,472,753	347,671	715,960	409,122

Notes to the Financial Statements

29 Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices which will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to foreign currency risk

The Group is exposed to foreign currency risk on interest-bearing borrowings that were denominated in a currency other than the functional currency of the Group. The currency giving rise to this risk is the Japanese Yen ("JPY"). The Group hedges this risk by entering into cross currency swaps with notional contract amounts totalling JPY24.9 billion (2014: JPY16.3 billion). The cross currency swaps mature on the same date that the interest-bearing borrowings are due for repayment and are designated as a cash flow hedge. Total fair value of cross currency swaps as at 31 December 2015 for the Group and the Trust was $20.1 million (2014: $40.3 million) and it represented 0.38% (2014: 0.78%) of the net assets of the Group and 0.42% (2014: 0.86%) of the Trust.

The Group's and Trust's exposures to foreign currency based on notional amounts are as follows:

	Japanese Yen	
	2015	**2014**
	$'000	**$'000**
Group and Trust		
Interest-bearing liabilities	286,599	179,952

Sensitivity analysis

A 10% strengthening of Japanese Yen against Singapore Dollar at the reporting date would increase the Unitholders' Funds by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	Unitholders' funds $'000
Group and Trust	
31 December 2015	
Japanese Yen (10% strengthening)	1,454
31 December 2014	
Japanese Yen (10% strengthening)	1,488

A 10% weakening of Japanese Yen against Singapore Dollar at 31 December would have had the equal but opposite effect on Japanese Yen to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

29 Financial risk management (continued)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

Interest rate swaps with a total notional amount of $480.0 million (2014: $360.0 million) by the Trust have been entered into at the reporting date. The swaps are being used to hedge the exposure to varying cash flows due to changes in interest rates.

The fair value of interest rate swaps as at 31 December 2015 for the Group and Trust was $1.7 million (2014: $1.2 million). Interest rate swaps represented 0.033% (2014: 0.023%) of the net assets of the Group and 0.036% (2014: 0.025%) for the Trust.

Sensitivity analysis

In managing the interest rate risk, the Manager aims to reduce the impact of short-term fluctuations on the Group's total return before income tax.

A change of 100 basis points ("bp") in interest rate at the reporting date would increase/(decrease) the Statement of Total Return and Unitholders' Funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Statement of total return		**Unitholders' funds**	
	100 bp increase $'000	**100 bp decrease $'000**	**100 bp increase $'000**	**100 bp decrease $'000**
Group and Trust				
31 December 2015				
Variable rate instruments	(8,215)	6,632	–	–
Interest rate swaps	4,800	(4,800)	1,204	(1,209)
Cross currency swaps	1,715	(132)	516	(34)
Cashflow sensitivity (net)	(1,700)	1,700	1,720	(1,243)
31 December 2014				
Variable rate instruments	(6,446)	2,645	–	–
Interest rate swaps	3,600	(1,399)	892	(346)
Cross currency swaps	696	(77)	174	(19)
Cashflow sensitivity (net)	(2,150)	1,169	1,066	(365)

Notes to the Financial Statements

29 Financial risk management (continued)

Equity price risk

The Group's exposures to changes in equity price relates to available-for-sale investment in a quoted security listed in Malaysia.

Sensitivity analysis

As at 31 December 2015, if the price for the equity security increased by 5% with all other variables being held constant, the increase in Unitholders' Funds would be $2.1 million (2014: Not applicable). A similar 5% decrease in the prices would have an equal but opposite effect.

Accounting classification and fair values

The classification of financial assets and liabilities are as follows.

	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000
Group						
31 December 2015						
Available-for-sale quoted investment	10	–	–	41,621	–	41,621
Trade and other receivables	11	–	41,213	–	–	41,213
Cash and cash equivalents	12	–	81,212	–	–	81,212
Financial derivatives	15	7,337	–	–	–	7,337
		7,337	122,425	41,621	–	171,383
Trade and other payables	13	–	–	–	(37,263)	(37,263)
Security deposits		–	–	–	(40,459)	(40,459)
Interest-bearing liabilities	14	–	–	–	(1,083,623)	(1,083,623)
Financial derivatives	15	(25,719)	–	–	–	(25,719)
Convertible bonds	16	–	–	–	(171,281)	(171,281)
		(25,719)	–	–	(1,332,626)	(1,358,345)
31 December 2014						
Trade and other receivables	11	–	37,180	–	–	37,180
Cash and cash equivalents	12	–	101,085	–	–	101,085
Financial derivatives	15	1,160	–	–	–	1,160
		1,160	138,265	–	–	139,425
Trade and other payables	13	–	–	–	(47,355)	(47,355)
Security deposits		–	–	–	(39,737)	(39,737)
Interest-bearing liabilities	14	–	–	–	(1,070,972)	(1,070,972)
Financial derivatives	15	(40,298)	–	–	–	(40,298)
Convertible bonds	16	–	–	–	(169,206)	(169,206)
		(40,298)	–	–	(1,327,270)	(1,367,568)

Notes to the Financial Statements

29 Financial risk management (continued)

Accounting classification and fair values (continued)

	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000
Trust						
31 December 2015						
Available-for-sale quoted investment	10	–	–	41,621	–	41,621
Trade and other receivables	11	–	41,124	–	–	41,124
Cash and cash equivalents	12	–	67,151	–	–	67,151
Financial derivatives	15	7,337	–	–	–	7,337
		7,337	108,275	41,621	–	157,233
Trade and other payables	13	–	–	–	(199,900)	(199,900)
Security deposits		–	–	–	(40,459)	(40,459)
Interest-bearing liabilities	14	–	–	–	(1,083,623)	(1,083,623)
Financial derivatives	15	(25,719)	–	–	–	(25,719)
Convertible bonds	16	–	–	–	(171,281)	(171,281)
		(25,719)	–	–	(1,495,263)	(1,520,982)
31 December 2014						
Trade and other receivables	11	–	36,412	–	–	36,412
Cash and cash equivalents	12	–	76,719	–	–	76,719
Financial derivatives	15	1,160	–	–	–	1,160
		1,160	113,131	–	–	114,291
Trade and other payables	13	–	–	–	(39,415)	(39,415)
Security deposits		–	–	–	(34,386)	(34,386)
Interest-bearing liabilities	14	–	–	–	(1,070,972)	(1,070,972)
Financial derivatives	15	(40,298)	–	–	–	(40,298)
Convertible bonds	16	–	–	–	(169,206)	(169,206)
		(40,298)	–	–	(1,313,979)	(1,354,277)

Notes to the Financial Statements

29 Financial risk management (continued)

Measurement of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Trust.

(i) *Derivatives*

The fair value of interest rate swaps is the estimated amount that would be received or paid to terminate the swaps at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Fair values of interest rate swaps and cross currency swaps are obtained based on quotes provided by the financial institution at the reporting date.

(ii) *Other financial assets and liabilities*

The fair value of quoted securities is their quoted bid price at the balance sheet date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair value.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument in the statement of financial position.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, is computed from the market rates as follows:

	Group and Trust	
	2015	**2014**
	%	**%**
Security deposits	2.37	0.25 – 1.53
Interest-bearing borrowings	1.88 – 2.52	1.73 – 4.70

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

29 Financial risk management (continued)

Assets and liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2015				
Financial assets measured at fair value				
Available-for-sale quoted investment	41,621	–	–	41,621
Investment properties	–	–	4,961,700	4,961,700
Interest rate swaps	–	7,337	–	7,337
	41,621	7,337	4,961,700	5,010,658
Financial liability measured at fair value				
Cross currency swaps	–	25,719	–	25,719
31 December 2014				
Financial assets measured at fair value				
Investment properties	–	–	4,882,400	4,882,400
Interest rate swaps	–	1,160	–	1,160
	–	1,160	4,882,400	4,883,560
Financial liability measured at fair value				
Cross currency swaps	–	40,298	–	40,298
Trust				
31 December 2015				
Financial assets measured at fair value				
Available-for-sale quoted investment	41,621	–	–	41,621
Investment properties	–	–	4,961,700	4,961,700
Interest rate swaps	–	7,337	–	7,337
	41,621	7,337	4,961,700	5,010,658
Financial liability measured at fair value				
Cross currency swaps	–	25,719	–	25,719
31 December 2014				
Financial assets measured at fair value				
Investment properties	–	–	4,451,400	4,451,400
Interest rate swaps	–	1,160	–	1,160
	–	1,160	4,451,400	4,452,560
Financial liability measured at fair value				
Cross currency swap	–	40,298	–	40,298

Notes to the Financial Statements

29 Financial risk management (continued)

Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed[1]

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2015				
Financial liabilities not measured at fair value				
Non-current portion of security deposits	–	–	30,156	30,156
Interest-bearing liabilities	–	1,101,022	–	1,101,022
Convertible bonds	183,276	–	–	183,276
	183,276	1,101,022	30,156	1,314,454
31 December 2014				
Financial liabilities not measured at fair value				
Non-current portion of security deposits	–	–	27,401	27,401
Interest-bearing liabilities	–	1,061,396	–	1,061,396
Convertible bonds	198,742	–	–	198,742
	198,742	1,061,396	27,401	1,287,539
Trust				
31 December 2015				
Financial liabilities not measured at fair value				
Non-current portion of security deposits	–	–	30,156	30,156
Interest-bearing liabilities	–	1,101,022	–	1,101,022
Convertible bonds	183,276	–	–	183,276
	183,276	1,101,022	30,156	1,314,454
31 December 2014				
Financial liabilities not measured at fair value				
Non-current portion of security deposits	–	–	22,635	22,635
Interest-bearing liabilities	–	1,061,396	–	1,061,396
Convertible bonds	198,742	–	–	198,742
	198,742	1,061,396	22,635	1,282,773

[1] Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

The entity's policy is to recognise transfers out of Level 3 as of the end of the reporting period during which the transfer has occurred. There were no transfers between levels during the year.

Notes to the Financial Statements

29 Financial risk management (continued)

Level 3 fair values

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy for investment properties is set out in note 5.

The following table shows the significant unobservable inputs used in the measurement of fair value of investment properties:

Valuation techniques	Significant unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow analysis	Discount rate	7.25%[1] (2014: 7.50%)	The estimated fair value increases with a lower discount rate
Capitalisation of income approach	Capitalisation rate	3.75% - 4.25%[1] (2014: 3.75% - 4.25%)	The estimated fair value increases with a lower capitalisation rate

[1] Excludes Bugis Village and Golden Shoe Car Park discount rate range of 8.75% to 13.00% (2014: 9.00% to 13.00%) and capitalisation rate range of 6.50% to 13.00% (2014: 6.50% to 13.00%).

Key unobservable inputs

Key unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10-year bonds issued by the Singapore Government, adjusted for a risk premium to reflect the risk of investing in the asset class.

- Capitalisation rate, based on investment property yields derived from comparable sales transactions, taking into consideration the qualities of the respective properties.

Notes to the Financial Statements

30 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager (CapitaLand Commercial Trust Management Limited) and Property Manager (CapitaLand Commercial Management Pte. Ltd.) are indirect wholly owned subsidiaries of a substantial Unitholder of the Trust.

In the normal course of the operations of the Group, the asset management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively.

During the financial year, other than those disclosed elsewhere in the financial statements, there were significant related party transactions, which were carried out in the normal course of business as follows:

	Group		Trust	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Administrative fees and reimbursables paid to subsidiary	–	–	43	40
Asset management fees paid or payable to the Manager	14,438	13,573	14,438	13,573
Interest received or receivable from joint venture	3,666	3,517	3,666	3,517
Interest received or receivable from subsidiary	–	–	6,111	12,324
Interest paid or payable to subsidiary	–	–	11,396	11,319
Leasing commissions paid or payable to related companies of the Manager	3,406	2,686	3,362	2,308
Marketing expenses paid or payable to related companies of the Manager	1	–	1	–
Project management fees paid or payable to related company of the Manager	532	328	513	289
Property management fees and reimbursables paid or payable to related company of the Manager	14,059	13,376	13,490	12,238
Rental income and other related income from related companies of the Manager	14,099	8,436	14,099	8,436
Rental income and other related income from joint venture	274	513	274	513

Notes to the Financial Statements

31 Operating segments

For the purpose of the assessment of segment performance, the Group's CODMs have focused on main business segments: Capital Tower, Six Battery Road, One George Street, Other office buildings and Car park and other buildings. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

This primary format is based on the Group's management and internal reporting structure for the purpose of allocating resources and assessing performance by the Group's CODMs.

Segment property income represents income generated from its tenants. Segment property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the Group's CODMs for the purpose of assessment of segment performance.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Segment results, assets and liabilities include terms directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing borrowings and expenses, related assets and expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the Group's reportable segments is presented in the tables below. Amounts reported for the prior year have been represented to conform to the requirements of FRS 108.

Reportable segments

The Group invest in the following:

Office buildings	Capital Tower, Six Battery Road, HSBC Building, One George Street, Twenty Anson
Car park and other buildings	Golden Shoe Car Park, Bugis Village and Wilkie Edge

Notes to the Financial Statements

31 Operating segments (continued)

Reportable segments *(continued)*

Group

31 December 2015

	Capital Tower $'000	Six Battery Road $'000	One George Street $'000	Other office buildings $'000	Total office buildings $'000	Car park and other buildings $'000	All segments $'000
Gross rental income	63,849	64,994	48,812	40,095	217,750	31,003	248,753
Car park income	1,848	1,241	850	206	4,145	7,365	11,510
Others	4,772	2,474	2,362	2,285	11,893	1,063	12,956
Gross revenue	70,469	68,709	52,024	42,586	233,788	39,431	273,219
Segment net property income	52,108	53,666	40,636	37,543	183,953	28,799	212,752
Interest income							3,979
Finance costs							(36,032)
Unallocated expenses							(37,052)
Share of profit of associate (net of tax)							1,820
Share of profit of joint ventures (net of tax)							95,510
Other material non-cash item:							
- Net increase in fair value of investment properties							66,452
Consolidated return for the year before tax							**307,429**
Tax expense							(149)
Consolidated return for the year after tax							**307,280**
Segment assets and liabilities							
Reportable segment assets	1,322,452	1,360,280	1,011,351	884,532	4,578,615	395,804	4,974,419
Available-for-sale quoted investment							41,621
Investment in joint ventures							1,452,447
Unallocated assets							124,058
Total assets							**6,592,545**
Reportable segment liabilities	10,222	19,875	15,532	11,482	57,111	10,051	67,162
Unallocated liabilities							1,291,247
Total liabilities							**1,358,409**
Other segmental information							
Depreciation and amortisation	475	230	535	183	1,423	118	1,541
Capital expenditure	10,084	1,113	708	633	12,538	310	12,848

Notes to the Financial Statements

31 Operating segments (continued)

Reportable segments *(continued)*

Group

31 December 2014

	Capital Tower $'000	Six Battery Road $'000	One George Street $'000	Other office buildings $'000	Total office buildings $'000	Car park and other buildings $'000	All segments $'000
Gross rental income	57,984	61,548	46,663	38,281	204,476	29,566	234,042
Car park income	1,895	1,173	923	202	4,193	7,518	11,711
Others	6,736	2,238	2,644	4,284	15,902	953	16,855
Gross revenue	66,615	64,959	50,230	42,767	224,571	38,037	262,608
Segment net property income	48,748	51,376	39,581	37,535	177,240	28,009	205,249
Interest income							3,732
Finance costs							(36,434)
Unallocated expenses							(22,238)
Share of profit of associate (net of tax)							4,745
Share of profit of joint ventures (net of tax)							212,612
Other material non-cash item:							
- Net increase in fair value of investment properties							81,219
Consolidated return for the year before tax							**448,885**
Tax expense							(3)
Consolidated return for the year after tax							**448,882**
Segment assets and liabilities							
Reportable segment assets	1,317,261	1,334,432	981,438	905,814	4,538,945	389,839	4,928,784
Investment in associate							63,899
Investment in joint ventures							1,427,895
Unallocated assets							100,481
Total assets							**6,521,059**
Reportable segment liabilities	14,753	23,538	15,659	13,712	67,662	10,429	78,091
Unallocated liabilities							1,289,480
Total liabilities							**1,367,571**
Other segmental information							
Depreciation and amortisation	(1,174)	275	580	183	(136)	136	–
Capital expenditure	24,578	4,625	208	2,003	31,414	767	32,181

Notes to the Financial Statements

31 Operating segments (continued)

Geographical segments

The Group's operations are all in Singapore. In 2014, the Group's operations are all in Singapore except for its associate, whose operations are in Malaysia. The investment in the associate was reclassified to an investment in available-for-sale due to a reduction in interest in 2015.

In presenting information on the basis of geographical segments, segment revenue and assets of the Group is based on the geographical location of the properties.

	Revenue $'000	Non-current assets $'000
31 December 2015		
Singapore	273,219	6,424,446
Malaysia (Investment in available-for-sale)	–	41,621
31 December 2014		
Singapore	262,608	6,317,730
Malaysia (Investment in associate)	–	63,899

Major customers

Revenue from two major customers of the Group approximates $41,028,000 (2014: $39,296,000) and was attributable to tenants in HSBC Building and Capital Tower (2014: HSBC Building and Capital Tower).

32 Commitments

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Capital expenditure commitments:				
- contracted but not provided for	3,082	24,080	3,082	23,478

The Group and the Trust lease out their investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group		Trust	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Within 1 year	239,667	240,828	239,667	221,719
After 1 year but within 5 years	539,892	577,148	539,892	551,439
After 5 years	71,341	107,094	71,341	107,094
	850,900	925,070	850,900	880,252

Notes to the Financial Statements

33 Financial ratios

	Note	Group 2015 %	Group 2014 %
Expenses to weighted average net assets	A		
- expenses ratio excluding performance related fees		0.16	0.15
- expenses ratio including performance related fees		0.34	0.33
Portfolio turnover rate	B	–	–

Note A : The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property operating expenses, borrowing cost and income tax expense.

Note B : The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

Additional Information

Interested Person (as defined in the Listing Manual) and Interested Party (as defined in the Property Funds Appendix) Transactions

The transactions entered into with interested persons during the financial year, which falls under the Listing Manual and Property Funds Appendix (excluding transactions of less than S$100,000 each), are as follows:

Name of Interested Person/ Interested Party	Aggregate value (excluding transactions of less than S$100,000 each and transactions conducted under unitholder's mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions during the financial year under review under unitholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000 each) S$'000
CapitaLand Limited and its subsidiaries or associates		
- Manager's management fees	24,009	–
- Property management fees and reimbursables	21,832	–
- Leasing commissions	263	–
- Project management fees	322	–
- Additional sponsors' undertaking to lenders of bank loan facilities	4,000	–
	50,426	**–**
Temasek Holdings (Private) Limited and its associates		
- Rental and service charge income	1,930	
- Provision of security system	657	
- Provision of refuse removal services	1,098	–
	3,685	**–**
HSBC Institutional Trust Services (Singapore) Limited		
- Trustee's fee	880	–
	880	**–**

Save as disclosed above, there were no additional related party transactions (excluding transaction of less than S$100,000 each) entered into during the financial year under review.

CCT is deemed to have obtained Unitholders approval on 12 April 2004 through the approval of the shareholders of CapitaLand Limited (as outlined in the Introductory Document dated 16 March 2004) in relation to payments for the asset management fees, payments for acquisition and divestment fees, payments of property management fees, reimbursements and leasing commissions to the property manager in respect of payroll and related expenses as well as payments of the Trustee's fees, which are therefore not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Such payments are not to be included in the aggregate value of total related party transactions as governed by Rules 905 and 906 of the SGX-ST Listing Manual.

Please also see Related Parties on Note 30 in the financial statements.

According to disclosure requirements under paragraph 11, item (i) of the Appendix 6 to Code of Collective Investment Scheme, the total operating expenses incurred by CCT and its respective proportionate interests in joint ventures (being RCS Trust and MSO Trust) in FY 2015 was S$132.7 million. This translates to 2.5% of the property fund's net asset value as at 31 December 2015. Taxation incurred was S$149,000.

Additional Information

Subscription of CCT Units

For the financial year ended 31 December 2015, an aggregate of 8,082,009 Units were issued and subscribed for. As at 31 December 2015, 2,952,931,319 Units were in issue and outstanding.

Asset Management Fees Paid in Units

A summary of Units issued for payment of the asset management fees (part payment) during or in respect of the financial year are as follows:

For Period	Issue Date	Units issued	Issue Price[1] S$	Total Value S$'000
Asset Management Fees				
1 January 2015 to 31 March 2015	30 April 2015	1,819,430	1.7369	3,160
1 April 2015 to 30 June 2015	4 August 2015	2,049,708	1.5537	3,185
1 July 2015 to 30 September 2015	2 November 2015	2,368,101	1.3375	3,167
1 October 2015 to 31 December 2015	2 February 2016	2,390,360	1.3381	3,199
				12,711

[1] Based on the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten business days of the relevant period in which the management fees accrued.

Additional Information

CBRE

CBRE Pte. Ltd.

6 Battery Road #32-01
Singapore 049909

T (65) 6224 8181
F (65) 6225 1987

www.cbre.com.sg

Co. Reg. No.: 197701161R
Agency License No.: L3002163I

31 December 2015

HSBC Institutional Trust Services (Singapore) Limited
As Trustee of CapitaLand Commercial Trust
21 Collyer Quay #10-02 HSBC Building
Singapore 049320

CapitaLand Commercial Trust Management Limited
As Manager of CapitaLand Commercial Trust
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Dear Sirs

LETTER OF INDEPENDENT DECLARATION – CAPITALAND COMMERCIAL TRUST

We, CBRE Pte. Ltd., being the Valuer of CapitaLand Commercial Trust ("CCT"), hereby declare and confirm that:

1. Our valuations are independent opinions of the market values of the properties based on our reported assumptions;
2. We are independent of CCT, CapitaLand Commercial Trust Management Limited in its capacity as Manager of CCT, HSBC Institutional Trust Services (Singapore) Limited in its capacity as Trustee of CCT, each of the significant holders of CCT, adviser or other party whom CCT is contracting with; We do not have any pending business transactions, contracts under negotiation or other arrangements with the Manager, adviser or other party whom the Trustee is contracting with, and there are no other factors that would interfere with our ability to give an independent and professional valuation of the properties;
3. We confirm that we are authorized under any law of the state or country where the valuation takes place to practice as a valuer and issue a valuation report;
4. We confirm that we have the necessary expertise and experience in valuing properties of the type in question and in the relevant area;
5. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of CCT, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event; and
6. All of our directors are persons of good repute and have the necessary experience for the performance of their duties.

We have no objection to include the above declaration in your Annual Report.

Yours faithfully
For and on behalf of
CBRE Pte. Ltd.

Sim Hwee Yan (Ms)
Executive Director

RESTRICTED

Additional Information

CBRE

CBRE Pte. Ltd.

6 Battery Road #32-01
Singapore 049909

T (65) 6224 8181
F (65) 6225 1987

www.cbre.com.sg

Co. Reg. No.: 197701161R
Agency License No.: L3002163I

31 December 2015

HSBC Institutional Trust Services (Singapore) Limited
As Trustee-Manager of RCS Trust
21 Collyer Quay #10-02 HSBC Building
Singapore 049320

CapitaLand Commercial Trust Management Limited
As Manager of CapitaLand Commercial Trust
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

CapitaLand Mall Trust Management Limited
As Manager of CapitaLand Mall Trust
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Dear Sirs

LETTER OF INDEPENDENT DECLARATION – RCS TRUST

We, CBRE Pte. Ltd., being the Valuer of RCS Trust hereby declare and confirm that:

1. Our valuation is an independent opinion of the market value of the property based on our reported assumptions;

2. We are independent of RCS Trust, CapitaLand Commercial Trust Management Limited as Manager of CapitaLand Commercial Trust ("CCT"), CapitaLand Mall Trust Management Limited as Manager of CapitaLand Mall Trust ("CMT"), HSBC Institutional Trust Services (Singapore) Limited as Trustee-Manager of RCS Trust, each of the significant holders of RCS Trust, adviser or other party whom CCT, CMT or RCS Trust is contracting with;

3. We have the following business transactions with the Trustee-Manager:
   1) Interested party rental valuation for 250 North Bridge Road #05-01/01A/01B & corridor space at Raffles City Tower
   The fees for the above do not account for more than 10% of turnover of CBRE Pte. Ltd. Other than the above, we do not have any pending business transactions, contracts under negotiation or other arrangements with the Trustee-Manager, adviser or other party whom CCT is contracting with, and there are no other factors that would interfere with our ability to give an independent and professional valuation of the properties;

4. We confirm that we are authorized under any law of the state or country where the valuation takes place to practice as a valuer and issue a valuation report;

5. We confirm that we have the necessary expertise and experience in valuing properties of the type in question and in the relevant area;

6. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of CCT, CMT or RCS Trust, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event; and

7. All of our directors are persons of good repute and have the necessary experience for the performance of their duties.

Yours faithfully
For and on behalf of
CBRE Pte. Ltd.

Sim Hwee Yan (Ms)
Executive Director

RESTRICTED

Additional Information

CBRE

CBRE Pte. Ltd.

6 Battery Road #32-01
Singapore 049909

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F (65) 6225 1987

www.cbre.com.sg

Co. Reg. No.: 197701161R
Agency License No.: L3002163I

31 December 2015

Market Street Office Trustee Pte. Ltd.
As Trustee-Manager of MSO Trust
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

CapitaLand Commercial Trust Management Limited
As Manager of CapitaLand Commercial Trust
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Dear Sirs

LETTER OF INDEPENDENT DECLARATION – MSO TRUST

We, CBRE Pte. Ltd., being the Valuer of MSO Trust hereby declare and confirm that:

1. Our valuation is an independent opinion of the market value of the property based on our reported assumptions;

2. We are independent of MSO Trust, Market Street Office Trustee Pte. Ltd. as Trustee-Manager of MSO Trust, CapitaLand Commercial Trust Management Limited as Manager of CapitaLand Commercial Trust ("CCT"), each of the significant holders of MSO Trust, adviser or other party whom MSO Trust is contracting with; We do not have any pending business transactions, contracts under negotiation or other arrangements with the Manager, adviser or other party whom the trustee is contracting with, and there are no other factors that would interfere with our ability to give an independent and professional valuation of the properties;

3. We have the following business transactions with the Trustee-Manager:
   1) Sole agency for leasing at CapitaGreen in Singapore

   The fees for the above do not account for more than 10% of turnover of CBRE Pte. Ltd. Other than the above, we do not have any pending business transactions, contracts under negotiation or other arrangements with the Trustee-Manager, adviser or other party whom CCT is contracting with, and there are no other factors that would interfere with our ability to give an independent and professional valuation of the properties;

4. We confirm that we are authorized under any law of the state or country where the valuation takes place to practice as a valuer and issue a valuation report;

5. We confirm that we have the necessary expertise and experience in valuing properties of the type in question and in the relevant area;

6. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of MSO Trust, Market Street Office Trustee Pte. Ltd. as Trustee-Manager of MSO Trust and CapitaLand Commercial Trust Management Limited as Manager of CCT the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event; and

7. All of our directors are persons of good repute and have the necessary experience for the performance of their duties.

Yours faithfully
For and on behalf of
CBRE Pte. Ltd.

Sim Hwee Yan (Ms)
Executive Director

RESTRICTED

Statistics of Unitholdings

As at 23 February 2016

Issued and Fully Paid Units
2,955,321,679 Units (Voting Rights: 1 Vote per Unit)
Market capitalisation of S$4,196,556,784 based on market closing Unit price of S$1.42 on 23 February 2016

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	337	1.2	7,187	0.0
100 - 1,000	7,188	26.0	4,493,915	0.1
1,001 - 10,000	15,139	54.8	67,033,488	2.3
10,001 - 1,000,000	4,954	17.9	210,155,259	7.1
1,000,001 and above	33	0.1	2,673,631,830	90.5
Total	**27,651**	**100.0**	**2,955,321,679**	**100.0**

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	26,527	95.9	2,944,296,298	99.6
Malaysia	605	2.2	5,608,418	0.2
Others	519	1.9	5,416,963	0.2
Total	**27,651**	**100.0**	**2,955,321,679**	**100.0**

TWENTY LARGEST UNITHOLDERS

Name	No. of Units	%
SBR Private Limited	640,349,000	21.7
Citibank Nominees Singapore Pte Ltd	511,552,319	17.3
DBS Nominees (Private) Limited	357,340,343	12.1
HSBC (Singapore) Nominees Pte Ltd	350,618,852	11.9
E-Pavilion Pte Ltd	185,137,000	6.3
DBSN Services Pte. Ltd.	164,387,302	5.6
Raffles Nominees (Pte) Limited	153,306,413	5.2
CapitaLand Commercial Trust Management Limited	118,375,268	4.0
United Overseas Bank Nominees (Private) Limited	70,711,873	2.4
BNP Paribas Securities Services Singapore Branch	18,802,805	0.6
Bank Of Singapore Nominees Pte. Ltd.	14,566,105	0.5
DB Nominees (Singapore) Pte Ltd	12,178,044	0.4
OCBC Securities Private Limited	10,169,868	0.3
OCBC Nominees Singapore Private Limited	6,363,469	0.2
Pei Hwa Foundation Limited	6,004,000	0.2
DBS Vickers Securities (Singapore) Pte Ltd	5,304,862	0.2
Koo Boon Hooi (Qiu Wenhui)	5,300,000	0.2
Gralf Max Hans Sieghold	5,000,000	0.2
Macquarie Capital Securities (Singapore) Pte Limited	4,805,200	0.2
Lee Pineapple Company Pte Ltd	4,620,000	0.2
Total	**2,644,892,723**	**89.5**

Statistics of Unitholdings

As at 23 February 2016

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2016

Based on the Register of Directors' Unitholdings, save for those disclosed below, none of the Directors holds any interest in Units and convertible securities issued by CCT.

	No. of Units	
Name of Director	**Direct Interest**	**Deemed Interest**
Soo Kok Leng	16,059	–
Lim Ming Yan	199,000	–
Lynette Leong Chin Yee	102,000	–
Dato' Mohammed Hussein	107,116	–
Goh Kian Hwee	18,542	–
Wen Khai Meng	19,839	–
Chong Lit Cheong	16,073	–

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 23 FEBRUARY 2016

Based on the information available to the Manager, as at 23 February 2016, the unitholdings of Substantial Unitholders of CCT are as follows:

	Direct Interest		Deemed Interest	
Name of Substantial Unitholder	**No. of Units**	**%**	**No. of Units**	**%**
Temasek Holdings (Private) Limited (THPL)	–	–	947,792,858[1]	32.1
CapitaLand Limited (CL)	–	–	943,861,268[2]	31.9
CapitaLand Singapore Limited (CLS)	–	–	943,861,268[3]	31.9
SBR Private Limited (SBR)	640,349,000	21.7	–	–
CapitaLand (Office) Investments Pte Ltd (COI)	–	–	640,349,000[4]	21.7
E-Pavilion Pte. Ltd. (E-Pavilion)	185,137,000	6.3	–	–
CapitaLand Investments Pte Ltd (CIPL)	–	–	185,137,000[5]	6.3

1 THPL is deemed to have an interest in the unitholdings in which its associated companies have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore. THPL is wholly owned by the Minister for Finance.

2 CL is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries namely, SBR, E-Pavilion and CapitaLand Commercial Trust Management Limited (CCTML).

3 CLS is deemed to have an interest in the unitholdings of its direct wholly owned subsidiary namely, CCTML and its indirect wholly owned subsidiaries namely, SBR and E-Pavilion.

4 COI is deemed to have an interest in the unitholding of its direct wholly owned subsidiary namely, SBR.

5 CIPL is deemed to have an interest in the unitholding of its direct wholly owned subsidiary namely, E-Pavilion.

FREE FLOAT

Based on the information available to the Manager, as at 23 February 2016, approximately 67% of the Units were held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

Corporate Information

CAPITALAND COMMERCIAL TRUST

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Public Accountants and Chartered Accountants
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Fax: +65 6225 0984
Partner-in-charge: Mr Lau Kam Yuen
(With effect from financial year ended 31 December 2014)

UNIT REGISTRAR
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THE MANAGER

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Email: ask-us@cct.com.sg
Website: www.cct.com.sg

BOARD OF DIRECTORS
Soo Kok Leng
Chairman & Non-Executive Independent Director

Lim Ming Yan
Deputy Chairman & Non-Executive Non-Independent Director

Lynette Leong Chin Yee
Chief Executive Officer & Executive Non-Independent Director

Dato' Mohammed Hussein
Non-Executive Independent Director

Lam Yi Young
Non-Executive Independent Director

Goh Kian Hwee
Non-Executive Independent Director

Wen Khai Meng
Non-Executive Non-Independent Director

Chong Lit Cheong
Non-Executive Non-Independent Director

AUDIT COMMITTEE
Dato' Mohammed Hussein
Chairman

Lam Yi Young
Goh Kian Hwee

CORPORATE DISCLOSURE COMMITTEE
Wen Khai Meng
Chairman

Chong Lit Cheong
Soo Kok Leng

EXECUTIVE COMMITTEE
Lim Ming Yan
Chairman

Lynette Leong Chin Yee
Wen Khai Meng
Chong Lit Cheong

ASSISTANT COMPANY SECRETARY
Honey Vaswani

THE PROPERTY MANAGERS

CapitaLand Commercial Management Pte. Ltd.
168 Robinson Road
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Fax: +65 6713 2999

CapitaLand (RCS) Property Management Pte. Ltd.
252 North Bridge Road
#B1-44D Raffles City Shopping Centre
Singapore 179103
Tel: +65 6338 7766
Fax: +65 6337 3618

Counter Name: CapitaCom Trust
Stock Code: C61U

This Annual Report to Unitholders may contain forward-looking statements. Forward-looking statement is subject to inherent uncertainties and is based on numerous assumptions. Actual performance, outcomes and results may differ materially from those expressed in forward-looking statements. Representative examples of factors which may cause the actual performance, outcomes and results to differ materially from those in the forward-looking statements include (without limitation) changes in general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate investment opportunities, competition from other companies, shifts in customers' demands, changes in operating conditions, 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 the current views of management on future events.

CapitaLand Commercial Trust Management Limited
Registration Number: 200309059W

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