CAPITALAND COMMERCIAL TRUST
2018 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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SUMMARY OF CCT GROUP RESULTS

	Notes	1Q 2018	1Q 2017	Change %
Gross Revenue (S$'000)	1	96,418	89,525	7.7
Net Property Income (S$'000)	1	77,209	69,855	10.5
Distributable Income (S$'000)	2	76,606	71,292	7.5
Distribution Per Unit ("DPU") (cents)	3	2.12	2.40	(11.7)
DPU (cents) (Restated for Rights Issue)	4	2.12	2.34	(9.4)
For Information Only DPU (cents) (Adjusted for Rights Units)	5	2.12	1.97	7.6

Notes:

(1) Gross revenue and net property income in 1Q 2018 were higher year-on-year arising from higher gross revenue and net property income from most of the properties. Revenue from Asia Square Tower 2 ("AST2") offset the loss in income due to the divestments of One George Street, Golden Shoe Car Park and Wilkie Edge.

(2) In 1Q 2018, CCT retained S$1.6 million of its taxable income available for distribution to Unitholders to be paid out later in FY2018. CCT is committed to distribute 100% of its taxable income available for distribution to Unitholders for the financial year ending 31 December 2018.

(3) DPU for 1Q 2018 of 2.12 cents was 11.7% lower than that of 1Q 2017 due to the enlarged number of CCT units of 3,611.7 million units as at 31 March 2018 (31 March 2017: 2,969.0 million units), arising from 513.5 million new units issued for the S$700.0 million rights issue on 26 October 2017 ("Rights Issue"), conversion of convertible bonds in FY 2017 and issuance of units for management fees.

(4) DPU for 1Q 2017 of 2.34 cents was restated for the Rights Issue, in accordance with paragraph 46 of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".

(5) DPU for 1Q 2017 of 1.97 cents was adjusted for the enlarged 3,611.7 million CCT units.

INTRODUCTION

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

As at 31 March 2018, CCT's property portfolio consists of Capital Tower, Six Battery Road, HSBC Building, Bugis Village and Twenty Anson. CCT also owns CapitaGreen through wholly owned subsidiary MSO Trust and Asia Square Tower 2 ("AST2") through Asia Square Tower 2 Pte. Ltd. ("AST2 Co."). AST2 Co. is held by MVKimi (BVI) Limited (collectively referred to as MVKimi Group), which is wholly owned by CCT.

CCT's portfolio also includes interest in Raffles City Singapore held through RCS Trust (60.0%), One George Street held through CCT's 50.0% interest in One George Street LLP ("OGS LLP") and CapitaSpring, a redevelopment of the former Golden Shoe Car Park, held through CCT's 45.0% interest in Glory Office Trust ("GOT") and Glory SR Trust ("GSRT"). In addition, CCT owns 11.0% of MRCB-Quill REIT ("MQREIT"), a commercial REIT listed in Malaysia.

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1(a)(i) Statement of Total Return & Distribution Statement (1Q 2018 vs 1Q 2017)

		Group			Trust		
Statement of Total Return	**Note**	**1Q 2018**	**1Q 2017**	**Change**	**1Q 2018**	**1Q 2017**	**Change**
		S$'000	S$'000	%	S$'000	S$'000	%
Gross rental income	1	91,817	82,846	10.8	70,129	61,871	13.3
Car park income	2	1,445	2,758	(47.6)	1,074	2,431	(55.8)
Other income	3	3,156	3,921	(19.5)	2,186	3,286	(33.5)
Gross revenue		**96,418**	**89,525**	**7.7**	**73,389**	**67,588**	**8.6**
Property management fees	4	(2,166)	(2,016)	7.4	(1,664)	(1,473)	13.0
Property tax		(7,635)	(7,564)	0.9	(5,640)	(5,635)	0.1
Other property operating expenses	5	(9,408)	(10,090)	(6.8)	(7,618)	(8,185)	(6.9)
Property operating expenses		**(19,209)**	**(19,670)**	**(2.3)**	**(14,922)**	**(15,293)**	**(2.4)**
Net property income	6	**77,209**	**69,855**	**10.5**	**58,467**	**52,295**	**11.8**
Interest income	7	1,202	248	NM	9,693	3,625	NM
Investment income	8	1,647	-	NM	35,097	29,247	20.0
Amortisation of intangible asset	9	-	(813)	NM	-	(813)	NM
Asset management fees:	10						
- Base fees		(1,908)	(1,707)	11.8	(1,503)	(1,307)	15.0
- Performance fees		(2,865)	(2,640)	8.5	(2,426)	(2,288)	6.0
Trust and other operating expenses	11	(839)	(1,041)	(19.4)	(9,456)	(927)	NM
Finance costs	12	(19,335)	(17,949)	7.7	(14,129)	(10,587)	33.5
Net income before share of profit of joint ventures		**55,111**	**45,953**	**19.9**	**75,743**	**69,245**	**9.4**
Share of profit (net of tax) of:							
- Joint ventures	13	22,992	19,946	15.3	-	-	-
Net income		**78,103**	**65,899**	**18.5**	**75,743**	**69,245**	**9.4**
Loss on disposal of subsidiary	14	-	-	-	(4,478)	-	NM
Total return for the period before tax		**78,103**	**65,899**	**18.5**	**71,265**	**69,245**	**2.9**
Tax expense	15	(1,133)	(139)	NM	(231)	(138)	67.4
Total return for the period after tax		**76,970**	**65,760**	**17.0**	**71,034**	**69,107**	**2.8**
Distribution Statement							
Net income before share of profit of joint ventures		55,111	45,953	19.9	75,743	69,245	9.4
Net tax and other adjustments	16	(2,877)	3,908	NM	863	2,047	(57.8)
Distribution from joint ventures	17	24,372	21,431	13.7	-	-	-
Distributable income to unitholders		**76,606**	**71,292**	**7.5**	**76,606**	**71,292**	**7.5**

NM – Not Meaningful

Notes:

(1) Gross rental income in 1Q 2018 was higher vis-à-vis 1Q 2017 due to contribution from AST2, which offset the loss in gross rental income due to the divestments of One George Street, Golden Shoe Car Park and Wilkie Edge. Higher gross rental income from CapitaGreen also added to the increase in gross rental income.

(2) Car park income was lower in 1Q 2018 largely due to the divestments of the Golden Shoe Car Park, One George Street and Wilkie Edge.

(3) Other income in 1Q 2018 decreased mainly due to divestments of the properties as well as the absence of yield stabilization sum, from Twenty Anson in 1Q 2018 as the yield stabilization sum was fully utilized in 3Q 2017.

(4) Property management fees for 1Q 2018 were higher vis-à-vis 1Q 2017 due to higher net property income.

(5) The decrease in other property operating expenses in 1Q 2018 versus 1Q 2017 was mainly due to divestments of the properties.

(6) The following was included as part of the net property income:

	Group			Trust		
	1Q 2018 S$'000	**1Q 2017** S$'000	**Change** %	**1Q 2018** S$'000	**1Q 2017** S$'000	**Change** %
Depreciation and amortisation of lease incentives	1,486	1,388	7.1	461	396	16.4
Impairment losses on trade receivables	12	-	NM	12	-	NM

(7) Interest income includes the following:

	Group			Trust		
	1Q 2018 S$'000	**1Q 2017** S$'000	**Change** %	**1Q 2018** S$'000	**1Q 2017** S$'000	**Change** %
Interest income from cash balance	223	248	(10.1)	190	207	(8.2)
Interest income from unitholder's loan [7a]	979	-	NM	9,503	3,418	NM
Total	1,202	248	NM	9,693	3,625	NM

(7a) At the Trust level, higher interest income in 1Q 2018 vis-à-vis 1Q 2017 was due to unitholder's loans granted to AST2 Co. from 1 November 2017. At the Group level, it relates to CCT's 45.0% share in interest income from unitholder's loan to GOT and GSRT that hold the re-development of former Golden Shoe Car Park.

(8) At the Trust level, the increase in 1Q 2018 versus 1Q 2017 was mainly due to distribution from MQREIT and OGS LLP (CCT's 50.0% interest) in 1Q 2018 (1Q 2017: Nil) as well as higher distribution from MSO Trust. At the Group level, the investment income in 1Q 2018 relates to distribution from MQREIT for the period 1 July to 31 December 2017 (1Q 2017 : Nil as MQREIT had paid an advance distribution for 1 July to 31 December 2016 in 4Q 2016).

(9) In 1Q 2017, this relates to the amortisation of yield stabilization sum of Twenty Anson.

NM – Not Meaningful

(10) Asset management fees were higher in 1Q 2018 versus 1Q 2017 due to higher deposited property values and net investment income.

(11) At the Trust level, Trust and other operating expenses in 1Q 2018 had included lease charges of S$8.8 million payable to the subsidiary, AST2 Co.. The Trust has entered into a lease arrangement for AST2 with its subsidiary, AST2 Co., for a period of 21 years from 1 January 2018. At the Group level, the lease charges were eliminated and the Trust and other operating expenses were lower in 1Q 2018 vis-a-vis 1Q 2017 due to lower professional fees.

(12) Finance costs include the following:

	Group			Trust		
	1Q 2018 S$'000	**1Q 2017** S$'000	**Change** %	**1Q 2018** S$'000	**1Q 2017** S$'000	**Change** %
Interest cost (12a)	18,219	16,822	8.3	13,254	9,701	36.6
Amortisation and transaction costs	1,116	1,127	(1.0)	875	886	(1.2)
Total	19,335	17,949	7.7	14,129	10,587	33.5

(12a) Increase in interest cost in 1Q 2018 from 1Q 2017 for both the Group and the Trust was due to net increase in bank borrowings. Included in 1Q 2018 interest cost at the Trust level was finance lease charges payable to AST2 Co. of S$2.1 million.

(13) In 1Q 2018, the share of profit of joint ventures relates to results for RCS Trust (CCT's 60.0% interest), OGS LLP (CCT's 50.0% interest), GOT (CCT's 45.0% interest) and GSRT (CCT's 45.0% interest) . For 1Q 2017, it relates to results of RCS Trust (CCT's 60.0% interest). Summary of the share of results of joint ventures, based on CCT's respective share of interest in the joint ventures, are as follows:

	For information only		
	Group		
	1Q 2018 S$'000	**1Q 2017** S$'000	**Change** %
Gross revenue (13a)	41,265	34,108	21.0
Property operating expenses (13b)	(9,771)	(8,166)	19.7
Net property income	31,494	25,942	21.4
Finance costs (13c)	(5,656)	(3,676)	53.9
Trust and other expenses (13d)	(2,846)	(2,320)	22.7
Net profit of joint ventures (after tax)	22,992	19,946	15.3

(13a) In 1Q 2018, it relates mainly to CCT's share of gross revenue from RCS Trust (S$35.0 million) and OGS LLP (S$6.2 million). In 1Q 2017, it relates to CCT's share of gross revenue from RCS Trust (S$34.1 million).

(13b) In 1Q 2018, it relates mainly to CCT's share of property operating expenses of RCS Trust and OGS LLP. Whereas, in 1Q 2017, it relates to CCT's share of property operating expenses of RCS Trust.

(13c) The increase in share of finance costs in 1Q 2018 vis-à-vis 1Q 2017 was mainly due to share of OGS LLP's finance costs.

(13d) This amount includes asset management fees.

(14) This relates to the disposal of FirstOffice Pte. Ltd. ("FOPL"), a wholly owned subsidiary of CCT which was dissolved on 23 April 2018.

(15) The higher income tax for 1Q 2018 at CCT Group was mainly due to income tax for AST2 Co..

NM – Not Meaningful

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

	Group			Trust		
	1Q 2018 S$'000	**1Q 2017** S$'000	**Change** %	**1Q 2018** S$'000	**1Q 2017** S$'000	**Change** %
Asset management fee payable in Units [16a]	1,556	964	61.4	1,556	964	61.4
Trustee's fees	250	210	19.0	199	159	25.2
Amortisation and transaction costs (Finance)	1,116	1,127	(1.0)	875	886	(1.2)
Temporary differences and other items [16b]	(5,799)	1,607	NM	(1,767)	38	NM
Total	(2,877)	3,908	NM	863	2,047	(57.8)

(16a) Amount in 1Q 2018 relates to asset management fees of AST2 payable in Units (1Q 2017: relates to asset management fees of Wilkie Edge and One George Street).

(16b) The change in temporary differences and other items was mainly due to the profits of AST2 Co..

(17) For 1Q 2018, it relates to distribution from RCS Trust (CCT's 60.0% interest) and OGS LLP (CCT's 50.0% interest). For 1Q 2017, it relates to distribution from RCS Trust (CCT's 60.0% interest).

NM – Not Meaningful

1(b)(i) Statement of Financial Position as at 31 March 2018 vs 31 December 2017

		Group			Trust		
	Note	**31 Mar 2018**	**31 Dec 2017**	**Change**	**31 Mar 2018**	**31 Dec 2017**	**Change**
		S$'000	S$'000	%	S$'000	S$'000	%
Non-current assets							
Plant and equipment		984	1,002	(1.8)	972	980	(0.8)
Investment properties	1	7,363,556	7,408,000	(0.6)	3,792,842	3,698,000	2.6
Interest in subsidiaries	2	-	-	-	2,658,662	2,827,171	(6.0)
Available-for-sale investment	3	39,978	47,533	(15.9)	39,978	47,533	(15.9)
Interest in joint ventures	4	1,738,954	1,732,140	0.4	1,425,737	1,420,289	0.4
Financial derivatives	5	11,534	-	NM	10,388	-	NM
Total non-current assets		**9,155,006**	**9,188,675**	**(0.4)**	**7,928,579**	**7,993,973**	**(0.8)**
Current assets							
Asset held for sale	6	44,009	-	NM	44,009	-	NM
Trade and other receivables		43,187	42,746	1.0	52,075	49,011	6.3
Cash and cash equivalents		98,846	122,581	(19.4)	81,186	72,346	12.2
Financial derivatives	5	183	-	NM	183	-	NM
Total current assets		**186,225**	**165,327**	**12.6**	**177,453**	**121,357**	**46.2**
Total assets	7	**9,341,231**	**9,354,002**	**(0.1)**	**8,106,032**	**8,115,330**	**(0.1)**
Current liabilities							
Trade and other payables	8	76,513	90,293	(15.3)	68,576	226,571	(69.7)
Current portion of security deposits		7,120	4,002	77.9	5,557	2,545	NM
Interest-bearing liabilities	9	19,067	-	NM	19,067	-	NM
Financial derivatives	5	-	81	NM	-	81	NM
Current tax payable		3,470	3,187	8.9	449	379	18.5
Total current liabilities		**106,170**	**97,563**	**8.8**	**93,649**	**229,576**	**(59.2)**
Non-current liabilities							
Non-current portion of security deposits		62,915	66,404	(5.3)	41,121	21,694	89.6
Interest-bearing liabilities	10	2,762,737	2,720,208	1.6	1,875,121	1,832,818	2.3
Financial derivatives	5	40,227	52,904	(24.0)	31,854	37,476	(15.0)
Other payables	11	-	-	-	135,145	-	NM
Total non-current liabilities		**2,865,879**	**2,839,516**	**0.9**	**2,083,241**	**1,891,988**	**10.1**
Total liabilities		**2,972,049**	**2,937,079**	**1.2**	**2,176,890**	**2,121,564**	**2.6**
Net assets		**6,369,182**	**6,416,923**	**(0.7)**	**5,929,142**	**5,993,766**	**(1.1)**
Unitholders' funds		**6,369,182**	**6,416,923**	**(0.7)**	**5,929,142**	**5,993,766**	**(1.1)**

NM – Not Meaningful

Notes:

(1) Investment properties as at 31 March 2018 for the Trust were higher than that as at 31 December 2017 due to the property interest of AST2 of S$138.5 million arising from the lease arrangement between AST2 Co. and CCT which took effect from 1 January 2018. The Trust had elected to classify and account for this property interest as an investment property under the accounting standard. This is offset by reclassification of Bugis Village to Asset held for sale under current asset, having taken into consideration the notification of early termination of the State Lease from the Lessor received on 28 March 2018. The property is expected to be handover to the Lessor on 1 April 2019.

The reclassification of Bugis Village to Asset held for sale resulted in the marginal drop of investment properties at the Group level as at 31 March 2018.

(2) Interest in subsidiaries as at 31 March 2018 relates to cost of investments in CCT MTN Pte. Ltd., MSO Trust and MVKimi Group (31 December 2017: CCT MTN Pte. Ltd., FOPL, MSO Trust and MVKimi Group). It also included unitholder's loan granted to MSO Trust and MVKimi Group. Lower value in the interest in subsidiaries was due to the disposal of its investment in FOPL.

(3) This relates to CCT's 11.0% stake in MQREIT. The 15.9% decrease was mainly due to lower trading price of MQREIT.

(4) This relates to CCT's 60.0% interest in RCS Trust, CCT's 50.0% interest in OGS LLP as well as CCT's 45.0% interest in GOT and GSRT (including unitholder's loan).

(5) This relates to the fair values of cross currency swaps and/or interest rate swaps.

(6) This relates to the reclassification of Bugis Village from Investment properties to Asset held for sale under current asset.

(7) Total assets were S$9,341.2 million as at 31 March 2018 (31 December 2017: S$9,354.0 million). Total deposited property value, including CCT's proportionate interest in its joint ventures as at 31 March 2018 was S$10,744.1 million (31 December 2017: S$10,761.0 million).

(8) At the Trust level, Trade and other payables as at 31 March 2018 were lower than that as at 31 December 2017 mainly due to the settlement of the balance purchase consideration owed by CCT to FOPL in relation to the transfer of Twenty Anson from FOPL to CCT in 2015. At the Group level, lower Trade and other payables were mainly due to the settlement of final balance for the acquisition of AST2.

(9) This relates to bank borrowings reclassified from non-current liabilities to current liabilities.

(10) The interest-bearing liabilities as at 31 March 2018 comprised:
(a) Unsecured fixed rate notes totaling S$725.0 million; JPY24.9 billion and HKD585.0 million (hedged via cross currency swaps to S$425.8 million);
(b) Unsecured bank borrowings of S$747.6 million; and
(c) Secured MSO Trust's bank borrowings of S$890.0 million.

(11) At the Trust level, Other payables as at 31 March 2018 relates to the corresponding non-current lease liabilities arising from the master lease arrangement, payable to AST2 Co..

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

	Group			Trust		
	31 Mar 2018 S$'000	**31 Dec 2017** S$'000	**Change** %	**31 Mar 2018** S$'000	**31 Dec 2017** S$'000	**Change** %
Secured borrowings						
Amount repayable after one year [1]	890,000	890,000	-	-	-	-
Less: Unamortised portion of transactions costs [1]	(2,384)	(2,610)	(8.7)	-	-	-
Net secured borrowings after one year	**887,616**	**887,390**	**0.0**	**-**	**-**	**-**
Unsecured borrowings						
Amount repayable after one year	1,878,836	1,834,975	2.4	1,878,836	1,834,975	2.4
Less: Unamortised portion of transactions costs	(3,715)	(2,157)	72.2	(3,715)	(2,157)	72.2
Net unsecured borrowings after one year	**1,875,121**	**1,832,818**	**2.3**	**1,875,121**	**1,832,818**	**2.3**
Amount repayable within one year	19,500	-	NM	19,500	-	NM
Less: Unamortised portion of transactions costs	(433)	-	NM	(433)	-	NM
Net unsecured borrowings within one year	**19,067**	**-**	**NM**	**19,067**	**-**	**NM**
Total unsecured borrowings	**1,894,188**	**1,832,818**	**3.3**	**1,894,188**	**1,832,818**	**3.3**
Total secured and unsecured borrowings	**2,781,804**	**2,720,208**	**2.3**	**1,894,188**	**1,832,818**	**3.3**

Note :

(1) This relates to MSO Trust's borrowings and transactions costs as at 31 March 2018 and 31 December 2017.

For information only

This relates to CCT's interest in the aggregate external borrowings of its joint ventures, namely RCS Trust (CCT's 60.0% interest), OGS LLP (CCT's 50.0% interest), GOT and GSRT (CCT's 45.0% interest), which are not included under total borrowings in the statement of financial position of the Group.

	For information only		
	31 Mar 2018 *S$'000*	***31 Dec 2017*** *S$'000*	***Change*** *%*
Secured borrowings [1]			
Amount repayable after one year	*582,500*	*582,500*	*-*
Less: Unamortised portion of transactions costs	*(3,408)*	*(3,619)*	*(5.8)*
Net secured borrowings	***579,092***	***578,881***	***0.0***
Unsecured borrowings [2]			
Amount repayable after one year	*678,600*	*528,600*	*28.4*
Less: Unamortised portion of transactions costs	*(1,224)*	*(1,033)*	*18.5*
Net repayable after one year	***677,376***	***527,567***	***28.4***
Amount repayable within one year	*-*	*150,000*	*NM*
Less: Unamortised portion of transactions costs	*-*	*(78)*	*NM*
Net repayable within one year	***-***	***149,922***	***NM***
Net unsecured borrowings	***677,376***	***677,489***	***(0.0)***
Total secured and unsecured borrowings	***1,256,468***	***1,256,370***	***0.0***

Notes :

(1) Secured borrowings relate to CCT's 50.0% interest of OGS LLP's and CCT's 45.0% interest of GOT's and GSRT's borrowings and transactions costs as at 31 March 2018 and 31 December 2017.

(2) Unsecured borrowings relate to CCT's 60.0% interest of RCS Trust's borrowings and transactions costs as at 31 March 2018 and 31 December 2017.

NM: Not meaningful

1(c)(i) Statement of Cash Flow (1Q 2018 vs 1Q 2017)

		Group	
		1Q 2018	**1Q 2017**
	Note	S$'000	S$'000
Operating activities			
Total return for the period before tax		78,103	65,899
Adjustments for :			
Share of profit of joint ventures		(22,992)	(19,946)
Amortisation of lease incentives		1,434	1,297
Amortisation of intangible asset		-	813
Depreciation of plant and equipment		52	91
Finance costs		19,335	17,949
Impairment losses on trade receivables		12	-
Interest income		(1,202)	(248)
Asset management fees paid and payable in Units		1,556	964
Distribution from available-for-sale investment		(1,647)	-
Operating income before working capital changes		**74,651**	**66,819**
Changes in working capital			
Trade and other receivables		(3,451)	(257)
Trade and other payables		(6,186)	(3,349)
Security deposits		(371)	(524)
Cash generated from operating activities		**64,643**	**62,689**
Tax expenses paid		(850)	(4)
Net cash from operating activities		**63,793**	**62,685**
Investing activities			
Capital expenditure on investment properties		(3,140)	(1,769)
Purchase of plant and equipment		(34)	(228)
Distribution received from available-for-sale investment		1,647	-
Distributions received from joint ventures		26,561	22,953
Interest income received		1,202	386
Acquisition of subsidiary	1	(19,131)	-
Net cash from investing activities		**7,105**	**21,342**
Financing activities			
Interest paid		(12,228)	(12,232)
Payment of transaction costs related to borrowings		(1,549)	(96)
Distribution to unitholders		(140,769)	(132,279)
Proceeds from interest-bearing liabilities	2	1,247,600	-
Repayment of interest-bearing liabilities	3	(1,187,687)	-
Net cash used in financing activities		**(94,633)**	**(144,607)**
Net decrease in cash and cash equivalents		**(23,735)**	**(60,580)**
Cash and cash equivalents at beginning of period		**122,581**	**159,962**
Cash and cash equivalents at end of period		**98,846**	**99,382**

Notes:
(1) This relates to the balance purchase consideration paid for the acquisition of MVKimi Group.
(2) This relates to the proceeds from bank borrowings of S$747.6 million and issuance of S$500.0 million fixed rate notes.
(3) This relates to repayment of CCT's bank borrowings.

1(d)(i) Statement of movement in unitholders' funds (1Q 2018 vs 1Q 2017)

	Note	Group		Trust	
		1Q 2018 S$'000	1Q 2017 S$'000	1Q 2018 S$'000	1Q 2017 S$'000
Net assets as at beginning of period		**6,416,923**	**5,278,542**	**5,993,766**	**4,806,543**
Operations					
Total return for the period		76,970	65,760	71,034	69,107
Unitholders' transactions					
Creation of units:					
- Units issued in respect of RCS Trust's asset management fees		5,448	5,417	5,448	5,417
- Asset management fee paid and payable in Units		1,556	964	1,556	964
Distributions to unitholders		(147,934)	(138,988)	(147,934)	(138,988)
Net decrease in net assets resulting from unitholders' transactions		**(140,930)**	**(132,607)**	**(140,930)**	**(132,607)**
Movement in reserves					
- Available-for-sale reserves	1	(7,555)	2,554	(7,555)	2,554
- Hedging reserves	2	23,774	(23,066)	12,827	(13,310)
Net increase / (decrease) in net assets resulting from movement in reserves		**16,219**	**(20,512)**	**5,272**	**(10,756)**
Net decrease in net assets		**(47,741)**	**(87,359)**	**(64,624)**	**(74,256)**
Net assets as at end of the period		**6,369,182**	**5,191,183**	**5,929,142**	**4,732,287**

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

1(e)(i) Details of any change in the units (1Q 2018 vs 1Q 2017)

	Group and Trust	
	1Q 2018 Units	**1Q 2017** Units
Units in issue as at beginning of period	**3,608,145,589**	**2,963,491,301**
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (CCT's 60.0% interest)	2,845,043	3,656,718
- As payment of asset management fees in relation to Wilkie Edge and One George Street	732,821	1,892,228
Total Units issued as at end of period	**3,611,723,453**	**2,969,040,247**
Estimated new Units to be issued:		
- for settlement of the asset management fees [1]	864,067	627,101
Total Units issued and estimated new Units to be issued	**3,612,587,520**	**2,969,667,348**

Note:

(1) For 1Q 2018, this relates to estimated new Units to be issued for payment of 1Q 2018 base and performance components of the asset management fees of AST2 in 2Q 2018 and 1Q 2019 respectively (1Q 2017: relates to estimated new Units to be issued for payment of 1Q 2017 base and performance components of the asset management fees of both Wilkie Edge and One George Street in 2Q 2017 and 1Q 2018 respectively).

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2017.

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

The Group has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 January 2018 as follows:

(i) <u>FRS 115 *Revenue from Contracts with Customers*</u>

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

There was no significant impact to the financial statements of the Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

(ii) FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting.

There was no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model.

There was no significant impact to the financial statements of the Group. Accordingly, the Group did not recognise any adjustments to the opening unitholders' funds on 1 January 2018.

The Group's existing hedges that are designated in effective hedging relationships continue to qualify for hedge accounting under FRS 109.

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

EPU (1Q 2018 vs 1Q 2017)

	Note	Group		Trust	
		1Q 2018	1Q 2017	1Q 2018	1Q 2017
Basic EPU					
Weighted average number of Units in issue	1, 3	3,609,427,775	3,042,402,488	3,609,427,775	3,042,402,488
Based on weighted average number of Units in issue		2.13¢	2.17¢	1.97¢	2.27¢
Diluted EPU					
Weighted average number of Units in issue (diluted)	2, 3	3,611,422,894	3,170,403,368	3,611,422,894	3,170,403,368
Based on weighted average number of Units in issue (diluted)		2.13¢	2.13¢	1.97¢	2.23¢

Notes:
(1) In computing the basic EPU, total return for the period after tax and the weighted average number of Units outstanding during the period were used.
(2) In computing the diluted EPU, the total return for the period after tax and the weighted average number of Units outstanding during the period were adjusted for the effects of all potential dilutive Units arising from the assumed issuance of Units for the payment of unpaid asset management fees (1Q 2017: the computation included the assumed conversion of the outstanding convertible bonds to Units).
(3) Comparative balances had been adjusted for effects of the Rights Issue.

Distribution per unit ("DPU")

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

	1Q 2018	1Q 2017
Number of Units in issue at the end of the period	3,611,723,453	2,969,040,247
DPU (cents) for period	2.12¢	2.40¢
DPU (cents) (restated for Rights Issue)	2.12¢	2.34¢ [1]

Note:
(1) DPU for 1Q 2017 was restated for the Rights Issue.

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

	Note	Group		Trust	
		31 Mar 2018	**31 Dec 2017**	**31 Mar 2018**	**31 Dec 2017**
Number of Units in issue at end of the period		3,611,723,453	3,608,145,589	3,611,723,453	3,608,145,589
NAV / NTA (S$'000)		6,369,182	6,416,923	5,929,142	5,993,766
NAV / NTA per Unit	1	$1.76	$1.78	$1.64	$1.66
Adjusted NAV / NTA per Unit (excluding the distributable income to unitholders)		$1.74	$1.74	$1.62	$1.62

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

8 Review of the performance

	Group		
Statement of Total Return	**1Q 2018**	**1Q 2017**	**Change**
	S$'000	S$'000	%
Gross revenue	96,418	89,525	7.7
Property operating expenses	(19,209)	(19,670)	(2.3)
Net property income	**77,209**	**69,855**	**10.5**
Interest income	1,202	248	NM
Investment income	1,647	-	-
Amortisation of intangible asset	-	(813)	NM
Asset management fees:			
- Base fees	(1,908)	(1,707)	11.8
- Performance fees	(2,865)	(2,640)	8.5
Trust and other operating expenses	(839)	(1,041)	(19.4)
Finance costs	(19,335)	(17,949)	7.7
Net income before share of profit of joint ventures	**55,111**	**45,953**	**19.9**
Share of profit (net of tax) of:			
- Joint ventures	22,992	19,946	15.3
Net income	**78,103**	**65,899**	**18.5**
Total return for the period before tax	**78,103**	**65,899**	**18.5**
Tax expense	(1,133)	(139)	NM
Total return for the period after tax	**76,970**	**65,760**	**17.0**
Distribution Statement			
Net income before share of profit of joint ventures	55,111	45,953	19.9
Net tax and other adjustments	(2,877)	3,908	NM
Distribution from joint ventures	24,372	21,431	13.7
Distributable income to unitholders	**76,606**	**71,292**	**7.5**
DPU for the period	**2.12¢**	**2.40¢**	**(11.7)**
Annualised	**8.60¢**	**9.73¢**	**(11.6)**

NM – Not Meaningful

Review of CCT Group's performance 1Q 2018 vs 1Q 2017

a) Gross revenue for 1Q 2018 was S$96.4 million, an increase of S$6.9 million or 7.7% over 1Q 2017. The increase was mainly due to contribution from AST2 and higher gross revenue from CapitaGreen which offset the loss in gross revenue due to the divestments of One George Street, Golden Shoe Car Park and Wilkie Edge.

b) Property operating expenses for 1Q 2018 were S$19.2 million, a decrease of S$0.5 million or 2.3% from 1Q 2017. The decrease was mainly due to divestments of the properties as well as lower property operating expenses from other properties.

c) In 1Q 2017, this relates to amortization of yield stabilization income in relation to Twenty Anson.

d) Trust and other operating expenses in 1Q 2018 of S$0.8 million were lower than 1Q 2017 by S$0.2 million or 19.4% mainly due to lower professional fees.

e) Finance costs of S$19.3 million for 1Q 2018 were S$1.4 million or 7.7% higher than 1Q 2017 largely due to higher borrowings.

f) Share of profit of joint ventures for 1Q 2018 relates to CCT's share of results of RCS Trust (CCT's 60.0% interest), OGS LLP (CCT's 50.0% interest), GOT and GSRT (CCT's 45.0% interest), while for 1Q 2017, it relates to CCT's share of profits of RCS Trust (CCT's 60.0% interest).

g) CCT's distributable income for 1Q 2018 of S$76.6 million increased by 7.5% from that of 1Q 2017 due to contribution from AST2 as well as higher net property income from Capital Tower and 6 Battery Road. Higher distribution from MSO Trust that holds CapitaGreen also contributed to the increase.

9 Variance from Previous Forecast / Prospect Statement

CCT has not disclosed any forecast to the market.

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

CCT's distributable income of S$76.6 million in 1Q 2018 was 7.5% higher than the S$71.3 million reported in 1Q 2017. Similarly, gross revenue in 1Q 2018 gross revenue increased 7.7% to S$96.4 million and net property income grew 10.5% to S$77.2 million. The positive results are due to higher contributions from CapitaGreen, Capital Tower and Six Battery Road, as well as a full quarter contribution from Asia Square Tower 2. This was offset by lower gross revenue of Twenty Anson and loss of income arising from the divestments of One George Street (50.0% interest), Golden Shoe Car Park and Wilkie Edge in 2017.

CCT has a healthy balance sheet with an aggregate leverage of 37.9%, well below the regulatory limit of 45.0%. In view of rising interest rate concerns, the Manager refinanced the bridge loans raised to fund the acquisition of Asia Square Tower 2. The bridge loans that are due in 2019 were refinanced with bank loans and bonds of varying maturities from four to seven years. As a result, CCT's average term to maturity for borrowings was extended from 2.4 years to 3.9 years. Correspondingly, the weighted average cost of debt crept up marginally to 2.7% in first quarter of 2018 from 2.6% in the last quarter. As at 31 March 2018, ninety percent of CCT's total borrowings are on fixed rates, providing greater certainty of interest expense, amidst expected rising interest rates. CCT has completed the refinancing of its borrowings maturing in 2018.

CCT received confirmation form the Singapore authorities that it will take back Bugis Village on 1 April 2019. When Bugis Village is returned, CCT will receive compensation based on an amount of S$6.6 million plus accrued interest compounded from 1989. Bugis Village accounted for about 2.2% of CCT's 1Q 2018 net property income.

Outlook

Based on data from CBRE Pte. Ltd., Singapore's CBD Core vacancy rate as at end 1Q 2018 was 5.9%, down 0.3% from 4Q 2017. Given higher committed occupancies in the newly completed office buildings, limited new supply in the CBD from 2018 to 2020 and forecasted growth of the Singapore economy, CBRE expects Grade A CBD Core rents to rise steadily in 2018 and 2019. CCT has a quality portfolio of assets in Singapore and is currently the largest commercial landlord in the Singapore CBD by net lettable area. The Manager will continue to focus on actively managing its lease expiries while finding an optimal balance between taking advantage of rising market rents to secure higher committed rents and achieving high occupancy levels in its properties.

Singapore remains CCT's predominant market, however given limited visibility of investment opportunities in Singapore, while continuing to explore opportunities in Singapore, CCT will also look at core assets in select global gateway cities in developed markets to deliver sustainable distribution growth.

11 Distributions

11(a) Current financial period

Any distributions declared for the current financial period? No.

11(b) Corresponding period of the preceding financial period

Any distributions declared for the current financial period? No.

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

No distribution has been declared for the first quarter of 2018.

13 General mandate relating to interested party transactions

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

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

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the first quarter 2018 unaudited financial statements of the Group and Trust to be false or misleading in any material respect.

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

Lee Chee Koon Director	Chee Tien Jin Kevin Director

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

Lee Ju Lin Audrey
Company Secretary
24 April 2018