



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

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SUMMARY OF CCT GROUP RESULTS

	Notes	3Q 2018	3Q 2017	Change %	YTD Sep 2018	YTD Sep 2017	Change %
Gross Revenue (S\$'000)	1	100,510	74,145	35.6	294,943	251,165	17.4
Net Property Income (S\$'000)	1	80,397	58,555	37.3	235,343	197,513	19.2
Distributable Income (S\$'000)	2	82,685	73,109	13.1	238,674	213,868	11.6
Distribution Per Unit ("DPU") (cents)	3	2.20	2.02	8.9	6.48	6.58	(1.5)

Notes:

- (1) Gross revenue and net property income in 3Q 2018 and YTD Sep 2018 increased by 35.6% and 17.4% respectively over the corresponding periods last year mainly due to contributions from Asia Square Tower 2 ("AST2") and Gallileo, acquired on 1 November 2017 and 18 June 2018 respectively, that offset the loss in gross revenue and net property income arising from the divestments of One George Street (50.0%), Golden Shoe Car Park and Wilkie Edge in 2017, and Twenty Anson on 29 August 2018.
- (2) Distributable income in 3Q 2018 includes tax-exempt income of S\$3.9 million from maiden dividends received from wholly owned subsidiaries Asia Square Tower 2 Pte. Ltd. ("AST2 Co.") and CCT Galaxy Two Pte. Ltd. which own AST2 and Gallileo respectively.
- (3) 3Q 2018 DPU was computed on total units issued as at 30 September 2018 which included the 130.0 million new CCT units issued for the equity placement on 28 May 2018 ("Equity Placement") and 513.5 million new CCT units issued for the rights issue on 26 October 2017 ("Rights Issue"). DPU for 3Q 2017 of 2.02 cents was adjusted from the originally announced DPU of 2.36 cents following the Rights Issue.

YTD September 2018 DPU of 6.48 cents was only marginally lower than YTD September 2017 DPU of 6.58 cents, despite changes in units outstanding for the computation of DPU:

- (a) 1H 2017 did not include the Rights Issue;
- (b) 3Q 2017 and period from 1 January to 27 May 2018 included the Rights Issue; and
- (c) Period from 28 May to 30 June 2018 and 3Q 2018 included both the Rights Issue and Equity Placement.

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INTRODUCTION

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

As at 30 September 2018, CCT’s property portfolio comprises:

- (1) Capital Tower
- (2) Six Battery Road
- (3) 21 Collyer Quay (“HSBC Building”)
- (4) Bugis Village
- (5) CapitaGreen, held through wholly owned subsidiary MSO Trust
- (6) Asia Square Tower 2 (“AST2”), held through AST2 Co., which is in turn held by MVKimi (BVI) Limited (collectively referred to as “AST2 Group”)
- (7) Raffles City Singapore, held through CCT’s 60.0% interest in RCS Trust
- (8) One George Street, held through CCT’s 50.0% interest in One George Street LLP (“OGS LLP”)
- (9) 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”)
- (10) Gallileo, an office building in Frankfurt, Germany, held through CCT’s 94.9% interest in Gallileo Property S.a.r.l. (“Gallileo Co.”), which is in turn held by special purpose vehicles CCT Galaxy Two Pte. Ltd. and CCT Galaxy One Pte. Ltd. (“Galaxy SPVs”) (collectively referred to as “Gallileo Group”). CCT acquired Gallileo on 18 June 2018.

CCT also owns approximately 11.0% of MRCB-Quill REIT (“MQREIT”), a commercial REIT listed in Malaysia.

On 1 January 2018, CCT entered into a master lease arrangement with AST2 Co. to lease AST2 for a period of 21 years. Following this master lease arrangement, rental income from AST2 is collected by CCT. CCT in turn pays an annual master lease rent to AST2 Co..

On 5 March 2018 and 21 March 2018, CCT MTN Pte. Ltd. (“CCT MTN”), a wholly owned subsidiary of CCT, issued fixed rate notes of S\$300 million due 5 March 2024 and S\$200 million due 21 March 2025, through its S\$2.0 billion Multicurrency Medium Term Note Programme (“MTN Programme”) at 3.17% and 3.327% per annum respectively. Proceeds from the issuances were used to refinance existing borrowings of CCT.

On 14 March 2018 and 4 September 2018, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as the trustee-manager of RCS Trust, issued fixed rate notes of S\$275.0 million (CCT’s 60.0% interest is S\$165.0 million) due 14 March 2025 at 3.20% per annum and fixed rate notes of S\$150.0 million (CCT’s 60.0% interest is S\$90.0 million) due 4 September 2024 at 3.05% per annum respectively, through its US\$2.0 billion Euro-Medium Term Note Programme. The proceeds from the issuance were used to refinance the existing borrowings of RCS Trust.

Bugis Village was reclassified from Non-current Assets to Current Assets as at 31 March 2018. Following the reclassification, Bugis Village was stated at S\$40.7 million in 2Q 2018, which is the compensation sum that CCT will receive when Bugis Village is returned to the State on 1 April 2019.

On 17 May 2018, CCT announced the acquisition of a 94.9% interest in Gallileo Co. (the “Acquisition”), which holds the property known as Gallileo, located in Frankfurt, Germany, and launched an Equity Placement to partially fund the Acquisition. The Acquisition was completed on 18 June 2018. The net proceeds from the Equity Placement of about S\$214.3 million was used to partially fund the Acquisition, with the balance funded via bank borrowings.

On 29 June 2018, the Trustee entered into a sale and purchase agreement to sell Twenty Anson, for a total consideration of S\$516.0 million. The divestment was completed on 29 August 2018. The net proceeds were used to repay bank borrowings.

On 12 September 2018, CCT signed a one-year extension with The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) for the lease at 21 Collyer Quay. The total rent payable by HSBC for the extended term commencing 30 April 2019 will be S\$27.7 million.

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1(a)(i) Statement of Total Return & Distribution Statement (3Q 2018 vs 3Q 2017)

	Note	Group			Trust		
		3Q 2018 S\$'000	3Q 2017 S\$'000	Change %	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %
<u>Statement of Total Return</u>							
Gross rental income	1	95,459	68,848	38.7	68,116	47,164	44.4
Car park income	2	1,546	1,852	(16.5)	1,187	1,467	(19.1)
Other income	3	3,505	3,445	1.7	2,594	2,570	0.9
Gross revenue		100,510	74,145	35.6	71,897	51,201	40.4
Property management fees	4	(2,496)	(1,666)	49.8	(1,609)	(1,117)	44.0
Property tax	5	(7,339)	(4,879)	50.4	(5,315)	(3,026)	75.6
Other property operating expenses	6	(10,278)	(9,045)	13.6	(8,259)	(6,236)	32.4
Property operating expenses		(20,113)	(15,590)	29.0	(15,183)	(10,379)	46.3
Net property income	7	80,397	58,555	37.3	56,714	40,822	38.9
Interest income	8	1,192	1,043	14.3	14,682	4,514	NM
Investment income	9	1,646	1,575	4.5	45,784	35,916	27.5
Amortisation of intangible asset	10	-	(252)	NM	-	(252)	NM
Asset management fees:							
- Base fees	11	(2,046)	(1,627)	25.8	(1,629)	(1,211)	34.5
- Performance fees	11	(3,073)	(2,312)	32.9	(2,866)	(1,961)	46.1
Trust and other operating expenses	12	(1,712)	414	NM	(10,339)	490	NM
Finance costs	13	(25,563)	(14,726)	73.6	(17,485)	(7,220)	NM
Net income before share of profit of joint ventures		50,841	42,670	19.1	84,861	71,098	19.4
Share of profit (net of tax) of joint ventures	14	21,156	23,488	(9.9)	-	-	-
Net income		71,997	66,158	8.8	84,861	71,098	19.4
Net gain on disposal of investment property	15	-	72,572	NM	-	72,572	NM
Net increase in fair value of investment property	16	-	20,100	NM	-	20,100	NM
Total return for the period before tax		71,997	158,830	(54.7)	84,861	163,770	(48.2)
Tax expense	17	(1,500)	(198)	NM	(201)	(198)	1.5
Total return for the period after tax		70,497	158,632	(55.6)	84,660	163,572	(48.2)
<u>Attributable to</u>							
Unitholders		70,267	158,632	(55.7)	84,660	163,572	(48.2)
Non-controlling interest	18	230	-	NM	-	-	-
Total return for the period		70,497	158,632	(55.6)	84,660	163,572	(48.2)
<u>Distribution Statement</u>							
Total return attributable to unitholders		70,267	158,632	(55.7)	84,660	163,572	(48.2)
Net tax and other adjustments	19	(14,822)	(115,413)	(87.2)	(5,825)	(93,763)	(93.8)
Tax-exempt income distribution	20	3,850	-	NM	3,850	-	NM
Distribution from joint ventures	21	23,390	26,590	(12.0)	-	-	-
Other gains distribution	22	-	3,300	NM	-	3,300	NM
Distributable income to unitholders		82,685	73,109	13.1	82,685	73,109	13.1

NM – Not Meaningful

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Notes:

- (1) Gross rental income in 3Q 2018 was higher vis-à-vis 3Q 2017 mainly due to contributions from AST2 and Gallileo, which offset the loss in gross rental income from the divestments of Wilkie Edge on 11 September 2017 and Twenty Anson on 29 August 2018.
- (2) Car park income was lower in 3Q 2018 largely due to the divestments.
- (3) Higher other income in 3Q 2018 versus 3Q 2017 was mainly from AST2.
- (4) Property management fees for 3Q 2018 were higher vis-à-vis 3Q 2017 due to higher net property income.
- (5) Higher property tax for 3Q 2018 was mainly attributed to AST2.
- (6) Higher other property operating expenses in 3Q 2018 was mainly attributed to AST2.
- (7) The following was included as part of the net property income:

	Group			Trust		
	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %
Depreciation and amortisation of lease incentives	1,299	1,286	1.0	238	295	(19.3)

- (8) Interest income includes the following:

	Group			Trust		
	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %
Interest income from cash balance ^(8a)	191	1,011	(81.1)	165	988	(83.3)
Interest income from unitholder's loan ^(8b)	1,001	32	NM	14,517	3,526	NM
Total	1,192	1,043	14.3	14,682	4,514	NM

- (8a) Interest income from cash balance was lower in 3Q 2018 due to lower average cash balance.
- (8b) At the Trust level, higher interest income was due to additional unitholder's loans granted to subsidiaries, namely MSO Trust, AST2 Co. and Gallileo Group, as well as joint ventures (CCT's 45.0% interest in GOT and GSRT). At the Group level, it relates to CCT's 45.0% share in interest income from unitholder's loan to GOT and GSRT.
- (9) At the Trust level, higher investment income in 3Q 2018 vis-a-vis 3Q 2017 was due to dividends received in 3Q 2018 from CCT's subsidiaries, namely Gallileo Group and AST2 Group (3Q 2017: nil) as well as higher distribution income from MSO Trust (that owns CapitaGreen). At the Group level, investment income relates to the distribution received from MQREIT.
- (10) This relates to the amortisation of yield stabilization sum of Twenty Anson, which was fully utilized in 3Q 2017.
- (11) Asset management fees were higher in 3Q 2018 vis-a-vis 3Q 2017 due to higher deposited property value and net investment income.
- (12) At the Trust level, the increase in Trust and other operating expenses in 3Q 2018 vis-a-vis 3Q 2017 was due to total lease charges of S\$8.8 million payable to the subsidiary, AST2 Co., under the master lease arrangement. In 3Q 2017, the credit of Trust and other operating expenses, for the Group and Trust, was due to a one-off adjustment of accruals for unitholders' expenses.

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(13) Finance costs include the following:

	Group			Trust		
	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %
Interest cost ^(13a)	18,295	14,098	29.8	16,892	6,820	NM
Amortisation of transaction costs ^(13b)	7,268	628	NM	593	400	48.3
Total	25,563	14,726	73.6	17,485	7,220	NM

(13a) The increase in interest cost was mainly due to higher bank borrowings arising from the acquisitions of AST2 and Gallileo. At the Trust level, the interest cost in 3Q 2018 had also included finance lease charges payable to subsidiary, AST2 Co., of S\$2.2 million.

(13b) For the Group, higher amortisation of transaction costs in 3Q 2018 vis-a-vis 3Q 2017 was mainly due to one-off fees and expenses paid by MSO Trust for the prepayment of bank borrowings and pre-termination of interest rate swaps.

(14) Share of profit of joint ventures relates mainly to results for RCS Trust (CCT's 60.0% interest), OGS LLP (CCT's 50.0% interest) and GOT & GSRT (CCT's 45.0% interest). Summary of the share of results of joint ventures is as follows:

	Group		
	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %
Gross revenue ^(14a)	40,363	40,571	(0.5)
Property operating expenses ^(14b)	(9,743)	(9,229)	5.6
Net property income	30,620	31,342	(2.3)
Finance costs ^(14c)	(6,578)	(5,122)	28.4
Trust and other expenses ^(14d)	(2,886)	(2,732)	5.6
Net profit of joint ventures (after tax)	21,156	23,488	(9.9)

(14a) In 3Q 2018, it relates to CCT's 60.0% share of gross revenue from RCS Trust of S\$34.1 million and CCT's 50.0% share of gross revenue from OGS LLP of S\$6.3 million (3Q 2017: S\$34.3 million for RCS Trust and S\$6.2 million for OGS LLP).

(14b) In 3Q 2018, it relates to CCT's 60.0% share of property operating expenses of RCS Trust of S\$8.4 million and CCT's 50.0% share of property operating expenses from OGS LLP of S\$1.3 million (3Q 2017: RCS Trust of S\$7.7 million, OGS LLP of S\$1.5 million).

(14c) In 3Q 2018, finance costs had increased vis-a-vis 3Q 2017 mainly due to higher interest rates for the borrowings of RCS Trust and OGS LLP, and higher borrowings at RCS Trust.

(14d) This amount includes asset management fees.

(15) This relates mainly to the net divestment gain of Wilkie Edge in 3Q 2017.

(16) This relates to the fair value gain of Golden Shoe Car Park recognised in 3Q 2017, prior to the divestment to the sub-trusts GOT and GSRT, in which CCT has a 45.0% interest.

(17) The higher tax expense at Group level was mainly attributable to CCT's subsidiaries.

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- (18) This relates to the non-controlling interest of Galileo Co..
(19) Included in net tax and other adjustments are the following:

	Group			Trust		
	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %
Asset management fee payable in Units ^(19a)	1,014	180	NM	1,014	180	NM
Trustee's fees	266	212	25.5	215	161	33.5
Amortisation of transaction costs (Finance) ^(19b)	7,268	628	NM	593	400	48.3
Net increase in fair value of investment property / net divestment gain ^(19c)	-	(92,672)	NM	-	(92,672)	NM
Share of profit of joint ventures	(21,156)	(23,488)	(9.9)	-	-	-
Temporary differences and other items	(2,214)	(273)	NM	(7,647)	(1,832)	NM
Total	(14,822)	(115,413)	(87.2)	(5,825)	(93,763)	(93.8)

- (19a) In 3Q 2018, it relates to asset management fees of AST2 payable in Units (3Q 2017: relates mainly to asset management fees of Wilkie Edge).
- (19b) This relates to amortisation of transaction costs incurred on bank borrowings, including fees and expenses paid by MSO Trust for the prepayment of bank borrowings and pre-termination of interest rate swaps.
- (19c) This relates to the net divestment gain of Wilkie Edge and fair value gain of Golden Shoe Car Park recognised in 3Q 2017 (see notes 15 and 16 above).
- (20) This relates to distribution of tax-exempt income in 3Q 2018 from the dividends paid by CCT's subsidiaries.
- (21) This relates to distributions from RCS Trust (CCT's 60.0% interest) and OGS LLP (CCT's 50.0% interest).
- (22) Other gains distribution in 3Q 2017 relates to distribution from gains arising from the divestments of One George Street (50.0% interest) and Wilkie Edge.

NM – Not Meaningful

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1(a)(ii) Statement of Total Return & Distribution Statement (YTD September 2018 vs YTD September 2017)

<u>Statement of Total Return</u>	Note	Group			Trust		
		YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %
Gross rental income	1	280,180	232,432	20.5	208,640	168,556	23.8
Car park income	2	4,552	7,270	(37.4)	3,460	6,194	(44.1)
Other income	3	10,211	11,463	(10.9)	7,495	9,298	(19.4)
Gross revenue		294,943	251,165	17.4	219,595	184,048	19.3
Property management fees		(6,900)	(5,675)	21.6	(4,942)	(4,038)	22.4
Property tax	4	(22,920)	(18,465)	24.1	(16,831)	(12,985)	29.6
Other property operating expenses	5	(29,780)	(29,512)	0.9	(24,009)	(22,421)	7.1
Property operating expenses		(59,600)	(53,652)	11.1	(45,782)	(39,444)	16.1
Net property income	6	235,343	197,513	19.2	173,813	144,604	20.2
Interest income	7	3,520	1,538	NM	36,431	11,803	NM
Investment income	8	3,293	1,575	NM	113,200	109,940	3.0
Amortisation of intangible asset	9	-	(2,086)	NM	-	(2,086)	NM
Asset management fees:							
- Base fees	10	(6,118)	(4,983)	22.8	(4,883)	(3,757)	30.0
- Performance fees	10	(8,645)	(7,379)	17.2	(7,669)	(6,324)	21.3
Trust and other operating expenses	11	(3,465)	(1,800)	92.5	(29,291)	(1,583)	NM
Finance costs	12	(67,184)	(50,338)	33.5	(47,549)	(28,041)	69.6
Net income before share of profit of joint ventures		156,744	134,040	16.9	234,052	224,556	4.2
Share of profit (net of tax) of joint ventures	13	92,062	69,319	32.8	-	-	-
Net income		248,806	203,359	22.3	234,052	224,556	4.2
Loss on disposal of subsidiary	14	-	-	-	(4,477)	-	NM
Net gain on disposal of investment property	15	-	69,346	NM	-	69,346	NM
Net increase in fair value of investment properties	16	178,884	272,774	(34.4)	321,285	257,929	24.6
Total return for the period before tax		427,690	545,479	(21.6)	550,860	551,831	(0.2)
Tax expense	17	(4,859)	(512)	NM	(482)	(510)	(5.5)
Total return for the period after tax		422,831	544,967	(22.4)	550,378	551,321	(0.2)
<u>Attributable to</u>							
Unitholders		422,233	544,967	(22.5)	550,378	551,321	(0.2)
Non-controlling interest	18	598	-	NM	-	-	-
Total return for the period		422,831	544,967	(22.4)	550,378	551,321	(0.2)
<u>Distribution Statement</u>							
Total return attributable to unitholders		422,233	544,967	(22.5)	550,378	551,321	(0.2)
Net tax and other adjustments	19	(259,630)	(405,604)	(36.0)	(316,304)	(340,753)	(7.2)
Tax-exempt income distribution	20	4,600	-	NM	4,600	-	NM
Distribution from joint ventures	21	71,471	71,205	0.4	-	-	-
Other gains distribution	22	-	3,300	NM	-	3,300	NM
Distributable income to unitholders		238,674	213,868	11.6	238,674	213,868	11.6

NM – Not Meaningful

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Notes:

- (1) Gross rental income in YTD September 2018 was higher vis-à-vis YTD September 2017 mainly due to contributions from AST2 and Gallileo, which offset the loss in gross rental income arising from divestments of One George Street (50.0%), Golden Shoe Car Park and Wilkie Edge in 2017 and Twenty Anson on 29 August 2018.
- (2) Car park income was lower in YTD September 2018 largely due to the divestments.
- (3) Other income in YTD September 2018 decreased mainly due to the divestments as well as the absence of yield stabilization sum from Twenty Anson in YTD September 2018. Yield stabilization sum in YTD September 2017 was S\$2.1 million.
- (4) Higher property tax for YTD September 2018 was mainly attributed to AST2.
- (5) Higher other property operating expenses in YTD September 2018 was largely attributed to AST2.
- (6) The following items have been included as part of net property income:

	Group			Trust		
	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %
Depreciation and amortisation of lease incentives ^(6a)	3,902	4,224	(7.6)	796	1,247	(36.2)
Impairment losses on trade receivables	12	-	NM	12	-	NM

- (6a) Depreciation and amortisation of lease incentives in YTD September 2018 was lower than that in YTD September 2017 due to the divestments.
- (7) Interest income includes the following:

	Group			Trust		
	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %
Interest income from cash balance ^(7a)	550	1,506	(63.5)	445	1,404	(68.3)
Interest income from unitholder's loan ^(7b)	2,970	32	NM	35,986	10,399	NM
Total	3,520	1,538	NM	36,431	11,803	NM

- (7a) The decrease in interest income from cash balance was due to lower average cash balance.
- (7b) At the Trust level, the increase was due to new unitholder's loans extended to CCT's subsidiaries, namely MSO Trust, AST2 Co. and Gallileo Group, as well as to joint ventures (CCT's 45.0% interest GOT and GSRT). At the Group level, it relates to CCT's 45.0% share in interest income from unitholder's loan to GOT and GSRT.
- (8) At the Trust level, higher investment income in YTD September 2018 vis-a-vis YTD September 2017 was due to the dividends received from CCT's subsidiaries, namely Gallileo Group and AST2 Group (YTD September 2017: nil), as well as higher distribution income from MSO Trust and OGS LLP. The increase was offset by lower distribution income from RCS Trust (CCT's 60.0% interest). At the Group level, investment income relates to distribution from MQREIT.
- (9) This relates to the amortisation of yield stabilization sum in relation to Twenty Anson, which was fully utilized in 3Q 2017.
- (10) Asset management fees were higher due to higher deposited property value and net investment income.

NM – Not Meaningful

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(11) At the Trust level, lease charges of S\$26.3 million payable to the subsidiary, AST2 Co., for the master lease arrangement accounted for the significant increase in Trust and other operating expenses in YTD September 2018 vis-a-vis YTD September 2017.

(12) Finance costs include the following:

	Group			Trust		
	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %
Interest cost ^(12a)	56,780	47,693	19.1	45,631	26,094	74.9
Amortisation of transaction costs ^(12b)	10,404	2,645	NM	1,918	1,947	(1.5)
Total	67,184	50,338	33.5	47,549	28,041	69.6

(12a) Higher mainly due to increase in bank borrowings incurred for the acquisitions of AST2 and Gallileo. At the Trust level, the interest cost in YTD September 2018 had also included finance lease charges payable to AST2 Co. of S\$6.5 million.

(12b) For the Group, the increase in amortisation of transaction costs in YTD September 2018 was mainly due to fees and expenses paid by MSO Trust for the prepayment of bank borrowings and pre-termination of interest rate swaps.

(13) Share of profit of joint ventures relates mainly to results for RCS Trust (CCT's 60.0% interest), OGS LLP (CCT's 50.0% interest) and GOT & GSRT (CCT's 45.0% interest). Summary of the share of results of joint ventures is as follows:

	For Information only		
	Group		
	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %
Gross revenue	122,455	110,289	11.0
Property operating expenses	(29,599)	(26,027)	13.7
Net property income	92,856	84,262	10.2
Finance costs	(18,548)	(12,369)	50.0
Net increase in fair value of investment properties	26,342	4,917	NM
Trust and other expenses	(8,588)	(7,491)	14.6
Net profit of joint ventures (after tax) ^(13a)	92,062	69,319	32.8

(13a) In YTD September 2018, higher net profits of joint ventures were mainly due to full nine months contribution from CCT's 50.0% share of OGS LLP's profits. In YTD September 2017, it had only included CCT's 50.0% share of OGS LLP's profits from 19 June 2017 to 30 September 2017.

(14) This relates to the liquidation of FOPL on 23 April 2018.

(15) This relates mainly to the net divestment gain of Wilkie Edge and transaction costs for the divestment of One George Street in YTD September 2017.

(16) This relates to the net increase in property values as at 30 June 2018 based on independent valuations over its carrying values, except for Bugis Village which was stated at the compensation sum of S\$40.7 million and Twenty Anson which was stated at the divestment value of S\$516.0 million.

(17) The higher tax expense at CCT Group was mainly attributable to CCT's subsidiaries.

(18) This relates to the non-controlling interest of Gallileo Co..

NM – Not Meaningful

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

	Group			Trust		
	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Change %
Asset management fee paid and payable in Units ^(19a)	4,147	2,038	NM	4,147	2,038	NM
Trustee's fees	798	634	25.9	643	480	34.0
Amortisation of transaction costs (Finance) ^(19b)	10,404	2,645	NM	1,918	1,947	(1.5)
Net increase in fair value of investment properties / net divestment gain ^(19c)	(178,824)	(342,120)	(47.7)	(321,285)	(327,275)	(1.8)
Share of profit of joint ventures	(92,062)	(69,319)	32.8	-	-	-
Temporary differences and other items	(4,093)	518	NM	(1,727)	(17,943)	(90.4)
Total	(259,630)	(405,604)	(36.0)	(316,304)	(340,753)	(7.2)

(19a) In YTD September 2018, it relates to asset management fees of AST2 payable in Units (YTD September 2017: asset management fees of Wilkie Edge and One George Street).

(19b) This relates to amortisation of transaction costs incurred on bank borrowings, including one-off fees and expenses paid by MSO Trust for the prepayment of bank borrowings and pre-termination of interest rate swaps.

(19c) For YTD September 2018, it relates to the net increase in fair value of investment properties but excluding the non-controlling interest's share of Gallileo's net increase in fair value (YTD September 2017: it relates to the net increase in fair value of investment properties as well as the net divestment gain of Wilkie Edge and transaction costs for the divestment of One George Street).

(20) This relates to distribution of tax-exempt income in YTD September 2018.

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

(22) Other gains distribution in YTD September 2017 relates to a top-up for the loss of distributable income in 3Q 2017 following the divestments of One George Street (50.0% interest) and Wilkie Edge.

NM – Not Meaningful

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1(b)(i) Statement of Financial Position as at 30 September 2018 vs 31 December 2017

	Note	Group			Trust		
		30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	Change %	30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	Change %
Non-current assets							
Plant and equipment		922	1,002	(8.0)	918	980	(6.3)
Investment properties	1	7,607,661	7,408,000	2.7	3,609,573	3,698,000	(2.4)
Interest in subsidiaries	2	-	-	-	3,706,817	2,827,171	31.1
Available-for-sale investment	3	43,204	47,533	(9.1)	43,204	47,533	(9.1)
Interest in joint ventures	4	1,765,235	1,732,140	1.9	1,428,190	1,420,289	0.6
Financial derivatives	5	11,070	-	NM	10,209	-	NM
Total non-current assets		9,428,092	9,188,675	2.6	8,798,911	7,993,973	10.1
Current assets							
Asset held for sale	6	40,746	-	NM	40,746	-	NM
Trade and other receivables	7	42,093	42,746	(1.5)	273,215	49,011	NM
Cash and cash equivalents		86,543	122,581	(29.4)	63,581	72,346	(12.1)
Total current assets		169,382	165,327	2.5	377,542	121,357	NM
Total assets	8	9,597,474	9,354,002	2.6	9,176,453	8,115,330	13.1
Current liabilities							
Trade and other payables	9	65,845	90,293	(27.1)	52,720	226,571	(76.7)
Current portion of security deposits		12,494	4,002	NM	9,622	2,545	NM
Interest-bearing liabilities	10	211,971	-	NM	211,971	-	NM
Financial derivatives	5	-	81	NM	-	81	NM
Current tax payable		4,184	3,187	31.3	170	379	(55.1)
Total current liabilities		294,494	97,563	NM	274,483	229,576	19.6
Non-current liabilities							
Non-current portion of security deposits		53,696	66,404	(19.1)	32,928	21,694	51.8
Interest-bearing liabilities	11	2,406,868	2,720,208	(11.5)	2,227,262	1,832,818	21.5
Financial derivatives	5	30,510	52,904	(42.3)	29,855	37,476	(20.3)
Other payables	12	439	-	-	135,145	-	NM
Deferred tax liabilities	13	2,910	-	NM	-	-	-
Total non-current liabilities		2,494,423	2,839,516	(12.2)	2,425,190	1,891,988	28.2
Total liabilities		2,788,917	2,937,079	(5.0)	2,699,673	2,121,564	27.2
Net assets		6,808,557	6,416,923	6.1	6,476,780	5,993,766	8.1
Represented by:							
Unitholders' funds		6,792,105	6,416,923	5.8	6,476,780	5,993,766	8.1
Non-controlling interests	14	16,452	-	NM	-	-	-
Total equity		6,808,557	6,416,923	6.1	6,476,780	5,993,766	8.1

NM – Not Meaningful

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Notes:

- (1) Investment properties as at 30 September 2018 included the increase in property values arising from independent valuations done as at 30 June 2018 but excluded Bugis Village due to its reclassification to “Asset held for sale” and Twenty Anson given its divestment on 29 August 2018. At the Group level, investment properties had included Gallileo which was acquired on 18 June 2018.
- (2) Interest in subsidiaries as at 30 September 2018 relates to cost of investments in CCT MTN Pte. Ltd., MSO Trust, AST2 Group and Gallileo Group (31 December 2017: CCT MTN Pte. Ltd., FOPL, MSO Trust and AST2 Group), including unitholder’s loan granted to MSO Trust, AST2 Group and the Gallileo Group.
- (3) This relates to CCT’s 11.0% stake in MQREIT. The 9.1% decrease was mainly due to lower closing 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 Bugis Village which was reclassified from “Investment properties” to “Asset held for sale”. The property was stated at a value of S\$40.7 million which is the compensation sum to be received when Bugis Village is returned to the State on 1 April 2019.
- (7) At the Trust level, Trade and other receivables as at 30 September 2018 had included shareholder’s loan of EUR132.9 million to the Galaxy SPV.
- (8) Total assets were S\$9,597.5 million as at 30 September 2018 (31 December 2017: S\$9,354.0 million). Total deposited property (as defined in the Code on Collective Investment Schemes) as at 30 September 2018 was S\$11,079.5 million (31 December 2017: S\$10,761.0 million).
- (9) At the Trust level, lower Trade and other payables was 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 and balance payment for acquisition of AST2 Group. At the Group, the decrease was mainly due to balance payment for acquisition of AST2 Group.
- (10) This relates to the unsecured short-term bank borrowings of EUR132.9 million which was obtained in relation to the acquisition of Gallileo Co..
- (11) The Interest-bearing liabilities as at 30 September 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\$767.1 million and EUR207.8 million; and
 - (c) Secured MSO Trust’s bank borrowings of S\$180.0 million.
- (12) At the Trust level, Other payables as at 30 September 2018 relates to the lease liabilities payable to CCT’s wholly-owned subsidiary, AST2 Co. under the master lease arrangement. At the Group level, this relates to payables owing to the non-controlling interest of Gallileo Co..
- (13) This relates to deferred tax provision of Gallileo Co..
- (14) This relates to CCT’s non-controlling interest of Gallileo Co..

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

	Group			Trust		
	30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	Change %	30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	Change %
Secured borrowings						
Amount repayable after one year ⁽¹⁾	180,000	890,000	(79.8)	-	-	-
Less: Unamortised portion of transactions costs ⁽¹⁾	(393)	(2,610)	(84.9)	-	-	-
Net secured borrowings after one year	179,607	887,390	(79.8)	-	-	-
Unsecured borrowings						
Amount repayable after one year	2,232,372	1,834,975	21.7	2,232,372	1,834,975	21.7
Less: Unamortised portion of transactions costs	(5,110)	(2,157)	NM	(5,110)	(2,157)	NM
Net unsecured borrowings after one year	2,227,262	1,832,818	21.5	2,227,262	1,832,818	21.5
Amount repayable within one year	212,047	-	NM	212,047	-	NM
Less: Unamortised portion of transactions costs	(76)	-	NM	(76)	-	NM
Net unsecured borrowings within one year	211,971	-	NM	211,971	-	NM
Total unsecured borrowings	2,439,233	1,832,818	33.1	2,439,233	1,832,818	33.1
Total secured and unsecured borrowings	2,618,840	2,720,208	(3.7)	2,439,233	1,832,818	33.1

Note :

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

Secured borrowings ⁽¹⁾

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

Unsecured borrowings ⁽²⁾

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

For information only		
30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	Change %
582,500	582,500	-
(3,665)	(3,619)	1.3
578,835	578,881	(0.0)
687,600	528,600	30.1
(1,043)	(1,033)	1.0
686,557	527,567	30.1
-	150,000	NM
-	(78)	NM
-	149,922	NM
686,557	677,489	1.3
1,265,392	1,256,370	0.7

Notes :

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

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

NM: Not meaningful

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1(c)(i) Statement of Cash Flow (3Q 2018 vs 3Q 2017)

	Group	
	3Q 2018	3Q 2017
Note	S\$'000	S\$'000
Operating activities		
Total return for the period before tax	71,997	158,830
Adjustments for :		
Share of profit of joint ventures	(21,156)	(23,488)
Amortisation of lease incentives	1,253	1,226
Amortisation of intangible asset	-	252
Depreciation of plant and equipment	46	60
Finance costs	25,563	14,726
Interest income	(1,192)	(1,043)
Loss on disposal of plant and equipment	21	73
Asset management fees paid and payable in Units	1,014	180
Net increase in fair value of investment properties	-	(20,100)
Net gain on disposal of investment properties	-	(72,572)
Distribution from available-for-sale investment	(1,646)	(1,575)
Operating income before working capital changes	75,900	56,569
Changes in working capital		
Trade and other receivables	340	(33,008)
Trade and other payables	(8,570)	5,495
Security deposits	(4,797)	(1,145)
Cash generated from operating activities	62,873	27,911
Tax expenses paid	(188)	(316)
Net cash from operating activities	62,685	27,595
Investing activities		
Capital expenditure on investment properties	(1,909)	(1,015)
Purchase of plant and equipment	(28)	-
Proceeds from divestment of investment property	511,257	352,130
Distribution received from available-for-sale investment	-	1,575
Distributions received from joint ventures	23,708	23,184
Interest income received	1,192	1,101
Loan to joint ventures	-	(11,250)
Net cash from investing activities	534,220	365,725
Financing activities		
Interest paid	(23,891)	(9,094)
Payment of transaction costs related to borrowings	(4,927)	(239)
Distribution to unitholders	(147,663)	(133,358)
Proceeds from interest-bearing liabilities	19,500	-
Repayment of interest-bearing liabilities	(519,500)	(90,000)
Net cash used in financing activities	(676,481)	(232,691)
Net (decrease) / increase in cash and cash equivalents	(79,576)	160,629
Cash and cash equivalents at beginning of period	166,119	696,844
Cash and cash equivalents at end of period	86,543	857,473

Notes:

- (1) In 3Q 2018, it relates to the net proceeds from divestment of Twenty Anson (3Q 2017: Golden Shoe Car Park and Wilkie Edge).
- (2) This relates to the proceeds from bank borrowings.
- (3) This relates to the repayment of bank borrowings.

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

	Note	Group	
		YTD SEP 2018 S\$'000	YTD SEP 2017 S\$'000
Operating activities			
Total return for the period before tax		427,690	545,479
Adjustments for :			
Share of profit of joint ventures		(92,062)	(69,319)
Amortisation of lease incentives		3,754	3,986
Amortisation of intangible asset		-	2,086
Depreciation of plant and equipment		148	238
Finance costs		67,184	50,338
Loss on disposal of plant and equipment		21	169
Impairment losses on trade receivables		12	-
Interest income		(3,520)	(1,538)
Asset management fees paid and payable in Units		4,147	2,038
Net increase in fair value of investment properties		(178,884)	(272,774)
Net gain on disposal of investment properties		-	(69,346)
Distribution from available-for-sale investment		(3,293)	(1,575)
Operating income before working capital changes		225,197	189,782
Changes in working capital			
Trade and other receivables		9	(38,049)
Trade and other payables		(20,589)	2,100
Security deposits		(4,215)	(13,642)
Cash generated from operations		200,402	140,191
Tax expenses paid		(1,668)	(869)
Net cash generated from operating activities		198,734	139,322
Investing activities			
Capital expenditure on investment properties		(7,957)	(4,138)
Purchase of plant and equipment		(89)	(261)
Acquisition of subsidiary, net of cash acquired	1	(548,894)	-
Proceeds from divestment of investment property	2	511,257	1,230,482
Distribution received from available-for-sale investment		1,647	1,575
Distributions received from joint ventures		74,641	67,567
Interest income received		3,520	1,687
Loan to joint ventures		-	(11,250)
Net cash from investing activities		34,125	1,285,662
Financing activities			
Interest paid		(58,502)	(43,436)
Payment of transaction costs related to borrowings		(11,085)	(491)
Distribution to unitholders		(295,597)	(272,346)
Net proceeds from equity placement	3	214,331	-
Proceeds from interest-bearing liabilities	4	1,799,143	-
Repayment of interest-bearing liabilities	5	(1,917,187)	(411,200)
Net cash used in financing activities		(268,897)	(727,473)
Net (decrease) / increase in cash and cash equivalents		(36,038)	697,511
Cash and cash equivalents at beginning of the year		122,581	159,962
Cash and cash equivalents at end of the period		86,543	857,473

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Notes:

- (1) In YTD September 2018, this relates to the acquisition of Gallileo Co. and balance payment for acquisition of AST2 Group.
- (2) In YTD September 2018, this relates to the divestment of Twenty Anson (YTD September 2017: relates to the divestment of One George Street (50%), Golden Shoe Car Park and Wilkie Edge.
- (3) This relates to the net proceeds from the Equity Placement on 28 May 2018.
- (4) This relates to the proceeds from SGD767.1 million and EUR340.6 million bank borrowings as well as issuance of S\$500.0 million fixed rate notes.
- (5) This relates to the repayment of bank borrowings.

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

Net proceeds from Equity Placement of S\$214.3 million was applied in accordance with stated use as follows:

Date	Use of proceeds	Amount used S\$ million
28-May-18	For payment of equity in Gallileo Co.	214.3

1(d)(i) Statement of movement in unitholders' funds (3Q 2018 vs 3Q 2017)

	Note	Group		Trust	
		3Q 2018 S\$'000	3Q 2017 S\$'000	3Q 2018 S\$'000	3Q 2017 S\$'000
Unitholders' fund as at beginning of period		6,881,831	5,546,795	6,554,199	5,095,234
Operations					
Total return for the period attributable to unitholders		70,267	158,632	84,660	163,572
Unitholders' transactions					
Creation of units:					
- Units issued in respect of RCS Trust's asset management fees		1,239	1,222	1,239	1,222
- Asset management fee paid and payable in Units		1,014	180	1,014	180
- Conversion of convertible bonds		-	128,193	-	128,193
Distributions to unitholders		(155,649)	(140,691)	(155,649)	(140,691)
Net decrease in net assets resulting from unitholders' transactions		(153,396)	(11,096)	(153,396)	(11,096)
Movement in reserves					
- Foreign currency translation reserves	1	52	-	-	-
- Available-for-sale reserves	2	(1,204)	(1,186)	(1,204)	(1,186)
- Capital reserves	3	1,987	(5,176)	1,987	(5,176)
- Hedging reserves	4	(7,432)	4,719	(9,466)	1,478
Net decrease in net assets resulting from movement in reserves		(6,597)	(1,643)	(8,683)	(4,884)
Net (decrease) / increase in net assets		(89,726)	145,893	(77,419)	147,592
Unitholders' fund as at end of period		6,792,105	5,692,688	6,476,780	5,242,826

Notes:

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

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- (3) The movement in capital reserves in 3Q 2018 relates to adjustment to issuance cost (3Q 2017: relates to the option value of remaining principal amount of S\$123.3 million convertible bonds due 2017 that were converted into 86.4 million Units).
- (4) The movement in hedging reserves for the Trust relates to the fair value changes of the cross currency and interest rate swaps and the revaluation of JPY and HKD notes. Included in movement for the Group was the subsidiary's (MSO Trust) and the Group's share of movement in hedging reserves of the joint ventures.

1(d)(i) **Statement of movement in unitholders' funds (YTD September 2018 vs YTD September 2017)**

	Note	Group		Trust	
		YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000
Unitholders' fund as at beginning of period		6,416,923	5,278,542	5,993,766	4,806,543
Operations					
Total return for the period attributable to unitholders		422,233	544,967	550,378	551,321
Unitholders' transactions					
Creation of new units:					
- Units issued in respect of RCS Trust's asset management fees		7,901	7,825	7,901	7,825
- Asset management fee paid and payable in Units		4,147	2,038	4,147	2,038
- Conversion of convertible bonds		-	181,938	-	181,938
- Equity placement		217,880	-	217,880	-
Distributions to unitholders		(303,584)	(279,679)	(303,584)	(279,679)
Net decrease in net assets resulting from unitholders' transactions		(73,656)	(87,878)	(73,656)	(87,878)
Movement in reserves					
- Foreign currency translation reserves	1	78	-	-	-
- Available-for-sale reserves	2	(4,329)	2,821	(4,329)	2,821
- Capital reserves	3	(1,382)	(7,349)	(1,382)	(7,349)
- Hedging reserves	4	32,238	(38,415)	12,003	(22,632)
Net increase / (decrease) in net assets resulting from movement in reserves		26,605	(42,943)	6,292	(27,160)
Net increase in net assets		375,182	414,146	483,014	436,283
Unitholders' fund as at end of period		6,792,105	5,692,688	6,476,780	5,242,826

Notes:

- (1) This relates to translation differences from foreign operations and foreign currency loans forming part of net investment in foreign operations.
- (2) This relates to marked to market movement of MQREIT.
- (3) The movement in capital reserves in YTD September 2018 relates to transaction costs incurred for the Equity Placement (YTD September 2017: relates to the option value of principal amount of S\$175.0 million convertible bonds due 2017 that were converted into 122.7 million Units in YTD September 2017).
- (4) The movement in hedging reserves for the Trust relates to the fair value changes of the cross currency and interest rate swaps and the revaluation of JPY and HKD notes. Movement in hedging reserves for the Group had included wholly-owned subsidiary, MSO Trust as well as the Group's share of movement in hedging reserves of the joint ventures.

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1(d)(ii) Details of any change in the units (3Q 2018 vs 3Q 2017)

Units in issue as at beginning of period

New Units issued:

- As payment of asset management fee in relation to RCS Trust (CCT's 60.0% interest)
- As payment of asset management fees in relation to CCT's properties ⁽¹⁾
- Conversion of convertible bonds ⁽²⁾

Total Units issued as at end of period

Group and Trust	
3Q 2018 Units	3Q 2017 Units
3,742,685,099	3,006,284,332
754,413	742,457
322,571	188,778
-	86,400,270
3,743,762,083	3,093,615,837

Notes:

- (1) In 3Q 2018, this relates to Units issued for payment of 2Q 2018 base component of the asset management fees of AST2 (3Q 2017: Units issued for payment of 2Q 2017 base component of the asset management fees of Wilkie Edge and One George Street).
- (2) In 3Q 2017, this relates to the conversion of principal amount of S\$123.3 million of convertible bonds due 2017 into Units.

1(d)(ii) Details of any change in the units (YTD September 2018 vs YTD September 2017)

Units in issue as at beginning of year

New Units issued:

- As payment of asset management fee in relation to RCS Trust (CCT's 60.0% interest)
- As payment of asset management fees in relation to CCT's properties ⁽¹⁾
- Conversion of convertible bonds ⁽²⁾
- Equity placement ⁽³⁾

Total Units issued as at end of the period

Group and Trust	
YTD Sep 2018 Units	YTD Sep 2017 Units
3,608,145,589	2,963,491,301
4,273,181	5,170,489
1,343,313	2,276,181
-	122,677,866
130,000,000	-
3,743,762,083	3,093,615,837

Notes:

- (1) In YTD September 2018, this relates to Units issued for payment of base component of asset management fee (in respect of periods: 1Q 2018 and 2Q 2018) for AST2 and performance component of asset management fee (in respect of FY 2017) for One George Street and Wilkie Edge.

In YTD September 2017, this relates to Units issued in payment of base component of asset management fees (in respect of periods: 4Q 2016, 1Q 2017 and 2Q 2017) and performance component of asset management fee (in respect of FY 2016), for One George Street and Wilkie Edge.
- (2) In YTD September 2017, this relates to the conversion of principal amount of S\$175.0 million of convertible bonds into Units.
- (3) This relates to the Equity Placement on 28 May 2018 whereby 130.0 million Units were issued to partially fund the acquisition of Gallileo Co..

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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) FRS 115 Revenue from Contracts with Customers

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 announcements 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.

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

EPU (3Q 2018 vs 3Q 2017)

Basic EPU⁽¹⁾

Weighted average number of Units for the period

Basic EPU

Diluted EPU⁽²⁾

Weighted average number of Units for the period (diluted)

Diluted EPU

	Group		Trust	
	3Q 2018	3Q 2017	3Q 2018	3Q 2017
Weighted average number of Units for the period	3,742,692,353	3,153,642,664 ⁽³⁾	3,742,692,353	3,153,642,664 ⁽³⁾
Basic EPU	1.88¢	5.03¢ ⁽³⁾	2.26¢	5.19¢ ⁽³⁾
Weighted average number of Units for the period (diluted)	3,746,555,124	3,684,222,644 ⁽³⁾	3,746,555,124	3,684,222,644 ⁽³⁾
Diluted EPU	1.88¢	4.31¢ ⁽³⁾	2.26¢	4.44¢ ⁽³⁾

EPU (YTD September 2018 vs YTD September 2017)

Basic EPU⁽¹⁾

Weighted average number of Units for the period

Basic EPU

Diluted EPU⁽²⁾

Weighted average number of Units for the period (diluted)

Diluted EPU

	Group		Trust	
	YTD Sep 2018	YTD Sep 2017	YTD Sep 2018	YTD Sep 2017
Weighted average number of Units for the period	3,671,494,142	3,085,605,224 ⁽³⁾	3,671,494,142	3,085,605,224 ⁽³⁾
Basic EPU	11.50¢	17.66¢ ⁽³⁾	14.99¢	17.87¢ ⁽³⁾
Weighted average number of Units for the period (diluted)	3,675,361,723	3,616,191,818 ⁽³⁾	3,675,361,723	3,616,191,818 ⁽³⁾
Diluted EPU	11.49¢	15.07¢ ⁽³⁾	14.97¢	15.25¢ ⁽³⁾

Notes:

- (1) Basic EPU was computed on total return for the period after tax (excluding non-controlling interests) over the weighted average number of Units for the period.
- (2) Diluted EPU was computed on total return for the period after tax (excluding non-controlling interests) over the weighted average number of Units for the period which had included potential dilutive Units assuming issuance of Units for the settlement of unpaid asset management fees. In 3Q 2017 and YTD September 2017, the weighted average number of Units had also included the assumed conversion of the outstanding convertible bonds to Units.
- (3) EPU for YTD September 2017 were restated for the 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.

	3Q 2018	3Q 2017	YTD Sep 2018	YTD Sep 2017
Number of Units in issue at the end of the period	3,743,762,083	3,607,156,065 ¹	3,743,762,083	3,607,156,065 ²
DPU (cents) for period	2.20¢	2.02¢ ¹	6.48¢	6.58¢ ²

Notes:

- (1) DPU for 3Q 2017 was adjusted from the originally announced DPUs of 2.36 cents following the issuance of 513.5 million CCT units on 26 October 2017 for the rights issue.
- (2) DPU for YTD September 2017 of 6.58 cents was based on the aggregate of the adjusted DPU of 2.02 cents for 3Q 2017 and DPU in 1H 2017 of 4.56 cents as announced on 27 July 2017.

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

Note	Group		Trust	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
Number of Units in issue at end of the period	3,743,762,083	3,608,145,589	3,743,762,083	3,608,145,589
NAV / NTA (S\$'000)	6,792,105	6,416,923	6,476,780	5,993,766
NAV / NTA per Unit	\$1.81	\$1.78	\$1.73	\$1.66
Adjusted NAV / NTA per Unit (excluding the distributable income to unitholders)	\$1.79	\$1.74	\$1.71	\$1.62

Notes:

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

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

8 Review of the performance

Statement of Total Return

	Group					
	3Q 2018	3Q 2017	Change	YTD Sep 2018	YTD Sep 2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	100,510	74,145	35.6	294,943	251,165	17.4
Property operating expenses	(20,113)	(15,590)	29.0	(59,600)	(53,652)	11.1
Net property income	80,397	58,555	37.3	235,343	197,513	19.2
Interest income	1,192	1,043	14.3	3,520	1,538	NM
Investment income	1,646	1,575	4.5	3,293	1,575	NM
Amortisation of intangible asset	-	(252)	NM	-	(2,086)	NM
Asset management fees:						
- Base fees	(2,046)	(1,627)	25.8	(6,118)	(4,983)	22.8
- Performance fees	(3,073)	(2,312)	32.9	(8,645)	(7,379)	17.2
Trust and other operating expenses	(1,712)	414	NM	(3,465)	(1,800)	92.5
Finance costs	(25,563)	(14,726)	73.6	(67,184)	(50,338)	33.5
Net income before share of profit of joint ventures	50,841	42,670	19.1	156,744	134,040	16.9
Share of profit (net of tax) of:						
- Joint ventures	21,156	23,488	(9.9)	92,062	69,319	32.8
Net income	71,997	66,158	8.8	248,806	203,359	22.3
Net gain on disposal of investment property	-	72,572	NM	-	69,346	NM
Net increase in fair value of investment properties	-	20,100	NM	178,884	272,774	(34.4)
Total return for the period before tax	71,997	158,830	(54.7)	427,690	545,479	(21.6)
Tax expense	(1,500)	(198)	NM	(4,859)	(512)	NM
Total return for the period after tax	70,497	158,632	(55.6)	422,831	544,967	(22.4)

NM – Not Meaningful

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	Group					
	3Q 2018	3Q 2017	Change	YTD Sep 2018	YTD Sep 2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Distribution Statement</u>						
Total return attributable to unitholders	70,267	158,632	(55.7)	422,233	544,967	(22.5)
Net tax and other adjustments	(14,822)	(115,413)	(87.2)	(259,630)	(405,604)	(36.0)
Tax-exempt income distribution	3,850	-	NM	4,600	-	NM
Distribution from joint ventures	23,390	26,590	(12.0)	71,471	71,205	0.4
Other gains distribution	-	3,300	NM	-	3,300	NM
Distributable income to unitholders	82,685	73,109	13.1	238,674	213,868	11.6
DPU for the period	2.20¢	2.02¢	8.9	6.48¢	6.58¢	(1.5)

NM – Not Meaningful

Review of CCT Group's performance 3Q 2018 vs 3Q 2017

- Gross revenue for 3Q 2018 was S\$100.5 million, an increase of S\$26.4 million or 35.6% over 3Q 2017. The increase was mainly due to contributions from AST2 and Gallileo which offset the loss in gross revenue due to the divestments of Wilkie Edge and Twenty Anson.
- Property operating expenses for 3Q 2018 were S\$20.1 million, an increase of S\$4.5 million or 29.0% from 3Q 2017 mainly due to AST2's property tax and other property operating expenses (3Q 2017: nil), albeit the increase was partially offset by the decrease in property operating expenses arising from the divestments.
- Amortisation of intangible asset in 3Q 2017 relates to amortization of yield stabilization income in relation to Twenty Anson.
- Trust and other operating expenses in 3Q 2018 of S\$1.7 million increased by S\$2.1 million from 3Q 2017 mainly due to higher professional fees. The credit balance in trust and other operating expenses in 3Q 2017 was due to a one-off reversal of accruals for unitholders' expenses.
- Finance costs of S\$25.6 million for 3Q 2018 were S\$10.8 million or 73.6% higher than 3Q 2017 largely due to higher borrowings incurred for the acquisitions of AST2 and Gallileo, as well as expenses and fees in relation to MSO Trust's prepayment of bank borrowings and pre-termination of interest rate swaps.
- Share of profit of joint ventures 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).
- CCT's distributable income for 3Q 2018 of S\$82.7 million increased by 13.1% from that of 3Q 2017 due to higher net property income as well as the distribution of S\$3.9 million tax-exempt income from dividends paid by AST2 Co. and Gallileo Co..

Review of CCT Group's performance YTD September 2018 vs YTD September 2017

- Gross revenue for YTD September 2018 was S\$294.9 million, a lift of S\$43.8 million or 17.4% over YTD September 2017. The increase was mainly due to contributions from AST2 and Gallileo which offset the loss in gross revenue due to the divestments of One George Street (50.0% interest), Golden Shoe Car Park, Wilkie Edge and Twenty Anson.
- Property operating expenses for YTD September 2018 were S\$59.6 million, an increase of S\$5.9 million or 11.1% from YTD September 2017 mainly due to AST2's property tax and other property operating expenses (YTD September 2017: nil), albeit the increase was partially offset by the decrease in property operating expenses due to the divestment of properties.
- Amortisation of intangible asset in YTD September 2017 relates to amortization of yield stabilization income in relation to Twenty Anson which was fully utilized in 3Q 2017.

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- d) Trust and other operating expenses in YTD September 2018 of S\$3.5 million were higher than YTD September 2017 by S\$1.7 million or 92.5% mainly due to higher professional fees. In addition, there was a one-off reversal of accruals of unitholders' expenses in 3Q 2017 which led to lower YTD September 2017 trust and other operating expenses.
- e) Finance costs of S\$67.2 million for YTD September 2018 were S\$16.8 million or 33.5% higher than YTD September 2017 largely due to higher borrowings incurred for the acquisitions of AST2 and Gallileo, as well as one-off fees and expenses paid by MSO Trust for the prepayment of bank borrowings and pre-termination of interest rate swaps.
- f) Share of profit of joint ventures 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). For YTD September 2017, the lower share of profit of joint ventures were in part due to OGS LLP's results being accounted only from 19 June 2017 to 30 September 2017.
- g) CCT's distributable income for YTD September 2018 of S\$238.7 million increased by 11.6% from that of YTD September 2017 due to higher net property income and the payment of S\$3.9 million tax-exempt income from the dividends paid by AST2 Co. and Gallileo Co..

9 Variance from Previous Forecast / Prospect Statement

CCT did not disclose any forecast to the market.

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

CCT's distributable income of S\$82.7 million in 3Q 2018 was an increase of 13.1% from 3Q 2017. Distribution per unit (DPU) was 2.20 cents, 8.9% higher than 2.02 cents a year ago. Gross revenue and net property income for the quarter rose 35.6% and 37.3% year-on-year respectively. The strong performance in 3Q 2018 was mainly due to the strategic acquisitions of Asia Square Tower 2 and Gallileo, partially offset by the divestments of Wilkie Edge and Twenty Anson. For year-to-date (YTD) September 2018, CCT's distributable income was S\$238.7 million, up 11.6% year-on-year.

Following completion of the divestment of Twenty Anson, S\$500.0 million of the net proceeds was used to pre-pay existing higher interest rate borrowings. As a result, the weighted average cost of debt in 3Q 2018 dropped to 2.6% per annum, from 2.8% per annum in 2Q 2018. CCT's aggregate leverage decreased to 35.3% as at 30 September 2018 from 37.9% as at 30 June 2018, which increases CCT's financial flexibility.

CCT's EUR 132.9 million bridge loan due in 2019 was refinanced in October 2018 with a secured fixed rate bank loan for Gallileo until 2025. Following the refinancing of this EUR loan and fixing of interest rates for S\$60 million (CCT's 60.0% interest) of RCS Trust's borrowings, about 92% of CCT's debt portfolio is on fixed rates as at 26 October 2018, providing certainty of interest expense.

CCT's total portfolio committed occupancy was 99.2% as at 30 September 2018, an increase from 97.8% as at 30 June 2018. The increase was primarily due to an improvement in the committed occupancy of AST2 from 91.9% as at 30 June 2018 to 98.1% as at 30 September 2018. As at 30 September 2018, CCT's Singapore portfolio's committed occupancy was 99.1%, well above the market occupancy average of 94.6%.

Outlook

Based on data from CBRE Research, the Central Business District (CBD) market occupancy rate was 94.6% in 3Q 2018 (2Q 2018: 94.1%). Singapore's monthly Grade A office rent kept its growth trajectory in 3Q 2018 with quarter-on-quarter growth rate of 3.5%. Year to date Grade A office market rent rose by 11.2%, from S\$9.40 per square feet ("psf") as at 4Q 2017 to S\$10.45 psf as at 3Q 2018. Consultants expect market rents to continue trending upwards in 2019 given limited gross new supply coming onstream in Singapore CBD. For CCT, the rise in market rents is expected to close the gap between expiring and new and renewal rents to be committed for leases expiring in 2019.

Frankfurt prime office rent market has been resilient through property cycles. With the relatively low new supply completing in 2018 and 2019, as well as good pre-letting levels, the prime office rents in Frankfurt are well-supported.

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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 third 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 third 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

Andrew Lim
Director

Chee Tien Jin Kevin
Director

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

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

Lee Ju Lin Audrey
Company Secretary
26 October 2018