



**CAPITACOMMERCIAL TRUST
2015 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION
ANNOUNCEMENT**

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SUMMARY OF CCT GROUP RESULTS

	1Q 2015	1Q 2014	Change %
Gross Revenue (S\$'000)	68,162	64,001	6.5
Net Property Income (S\$'000)	53,968	50,703	6.4
Distributable Income (S\$'000)	62,753	59,929	4.7
Distribution Per Unit ("DPU") (cents)	2.12 ⁽¹⁾	2.04 ⁽²⁾	3.9

Notes:

- (1) The estimated DPU for 1Q 2015 was computed on the basis that none of the convertible bonds due 2017 ("CB 2017") is converted into CCT units ("Units"). Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into Units.
- (2) DPU for 1Q 2014 was adjusted subsequent to 31 March 2014 from 2.08 cents to 2.04 cents taking into account the conversion of S\$61.5 million of convertible bonds due 2015 ("CB 2015") into 51.6 million Units.

INTRODUCTION

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

As of 31 March 2015, CCT Group's portfolio consists of Capital Tower, Six Battery Road, One George Street, Raffles City Singapore (through CCT's 60% interest in RCS Trust), HSBC Building, Bugis Village, Golden Shoe Car Park, Wilkie Edge, Twenty Anson (through CCT's 100% equity interest in FirstOffice Pte. Ltd. ("FOPL")) and CapitaGreen (through CCT's 40% interest in MSO Trust).

CCT currently owns a 17.7% stake in Quill Capita Trust ("QCT"), a commercial REIT listed in Malaysia. In March 2015, QCT completed the acquisition of the property known as Platinum Sentral. In relation to the acquisition, additional 271.25 million units were issued. Consequently, CCT's interest in QCT was reduced from 30.0% to 17.7%. CCT Group's investment in QCT was reclassified from an "investment in associate" to an "available-for-sale investment" as at 31 March 2015. This investment is less than 1% of CCT Group's total assets.

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

<u>Statement of Total Return</u>	Note	Group			Trust		
		1Q 2015	1Q 2014	Change	1Q 2015	1Q 2014	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross rental income		62,430	57,078	9.4	57,504	53,116	8.3
Car park income		2,914	2,827	3.1	2,863	2,778	3.1
Other income	1	2,818	4,096	(31.2)	2,440	2,747	(11.2)
Gross revenue		68,162	64,001	6.5	62,807	58,641	7.1
Property management fees		(1,524)	(1,424)	7.0	(1,393)	(1,292)	7.8
Property tax	2	(5,462)	(4,546)	20.1	(5,025)	(4,154)	21.0
Other property operating expenses		(7,208)	(7,328)	(1.6)	(6,662)	(6,733)	(1.1)
Property operating expenses		(14,194)	(13,298)	6.7	(13,080)	(12,179)	7.4
Net property income	3	53,968	50,703	6.4	49,727	46,462	7.0
Interest income	4	998	929	7.4	4,018	3,956	1.6
Investment income	5	-	-	-	23,500	22,079	6.4
Amortisation of intangible asset	6	(172)	(1,188)	(85.5)	(172)	(1,188)	(85.5)
Asset management fees:							
- Base fees		(1,231)	(1,189)	3.5	(1,231)	(1,189)	3.5
- Performance fees		(2,457)	(2,139)	14.9	(2,457)	(2,139)	14.9
Trust expenses	7	(1,005)	(759)	32.4	(976)	(740)	31.9
Finance costs	8	(8,510)	(9,700)	(12.3)	(8,505)	(9,688)	(12.2)
Net income before share of profit of associate and joint ventures		41,591	36,657	13.5	63,904	57,553	11.0
Share of profit (net of tax) of:							
- Associate	9	1,820	1,052	73.0	-	-	-
- Joint ventures	10	14,868	18,152	(18.1)	-	-	-
Net income		58,279	55,861	4.3	63,904	57,553	11.0
Dilution (loss) / gain on investment in associate	11	(18,903)	-	NM	2,629	-	NM
Total return for the period before tax		39,376	55,861	(29.5)	66,533	57,553	15.6
Tax expense	12	(86)	-	NM	-	-	-
Total return for the period after tax		39,290	55,861	(29.7)	66,533	57,553	15.6
<u>Distribution Statement</u>							
Net income before share of profit of associate and joint ventures		41,591	36,657	13.5	63,904	57,553	11.0
Net tax and other adjustments	13	379	3,123	(87.9)	(1,151)	2,376	NM
Distribution from joint venture	14	20,783	20,149	3.1	-	-	-
Distributable income to unitholders		62,753	59,929	4.7	62,753	59,929	4.7

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Notes:

(1) Other income includes the following:

(a) Yield stabilization income of S\$0.2 million accrued in 1Q 2015 for Twenty Anson (1Q 2014: S\$1.2 million). Yield stabilization sum for 1Q 2015 was lower than 1Q 2014 due to higher gross rental revenue achieved for Twenty Anson. The amount was accrued pursuant to a Deed of Yield Stabilization dated 22 March 2012 in relation to the acquisition of 100% equity interest in FOPL, whereby a yield stabilization sum of S\$17.1 million was provided to achieve a stabilized yield of up to 5.5% per annum of the property purchase value of S\$430.0 million, for a period of 3.5 years from 22 March 2012 and will expire on 21 September 2015. The yield stabilization sum was computed based on a net property yield of 4.0% per annum. As at 31 March 2015, the yield stabilization sum was S\$4.7 million; and

(b) Recovery from tenants and licence income. Recovery from tenants was lower in 1Q 2015 compared with 1Q 2014.

(2) The increase in property tax in 1Q 2015 from 1Q 2014 was primarily due to higher annual values.

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

	Group			Trust		
	1Q 2015 S\$'000	1Q 2014 S\$'000	Change %	1Q 2015 S\$'000	1Q 2014 S\$'000	Change %
Depreciation & amortisation of lease incentives	384	(416)	NM	338	(461)	NM

(4) Interest income includes the following:

	Group			Trust		
	1Q 2015 S\$'000	1Q 2014 S\$'000	Change %	1Q 2015 S\$'000	1Q 2014 S\$'000	Change %
Interest income from cash balance	115	64	79.7	96	52	84.6
Interest income from shareholder's loan to MSO Trust	883	865	2.1	883	865	2.1
Interest income from shareholder's loan to FOPL	-	-	-	3,039	3,039	-
Total	998	929	7.4	4,018	3,956	1.6

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

(6) This relates to the amortisation of yield stabilization sum in relation to FOPL. The amount was computed based on 4.0% per annum of the property value of S\$430.0 million less the net property income of existing leases of Twenty Anson.

(7) Trust expenses were higher in 1Q 2015 as compared to 1Q 2014 due mainly to higher unitholders expenses and higher professional fees incurred.

(8) Finance costs include the following:

	Group			Trust		
	1Q 2015 S\$'000	1Q 2014 S\$'000	Change %	1Q 2015 S\$'000	1Q 2014 S\$'000	Change %
Interest cost	7,674	7,390	3.8	7,674	7,390	3.8
Amortisation and transaction costs ^(8a)	836	2,310	(63.8)	831	2,298	(63.8)
Total	8,510	9,700	(12.3)	8,505	9,688	(12.2)

(8a) CB 2015 was cancelled in 4Q 2014 and hence the amortisation and transaction costs in 1Q 2014 was much higher compared with that in 1Q 2015.

(9) Share of profit of associate relates to CCT's 30% share of QCT's results before it was being reclassified to available-for-sale investment. It was higher in 1Q 2015 versus 1Q 2014 because it had included additional period of share of results before the reclassification to available-for-sale investment.

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

	Group		
	1Q 2015 ^(10a) S\$'000	1Q 2014 S\$'000	Change %
Gross revenue	35,730	34,932	2.3
Property operating expenses	(10,804)	(9,313)	16.0
Net property income	24,926	25,619	(2.7)
Finance costs	(7,582)	(5,086)	49.1
Others ^(10b)	(2,476)	(2,381)	4.0
Profit of joint ventures (net of tax)	14,868	18,152	(18.1)

- (10a) The increase was mainly due to the commencement of operations of CapitaGreen. Finance costs and most of the property operating expenses were capitalized prior to the issuance of temporary occupation permit to CapitaGreen on 18 December 2014.
- (10b) Includes asset management fees.
- (11) Dilution (loss)/gain on investment in associate relates to the marked-to-market loss on the investment of QCT as an associate, which was reclassified to available-for-sale investment. This loss does not affect distributable income.
- (12) This relates to tax expenses of FOPL.
- (13) Included in net tax and other adjustments are the following:

	Group			Trust		
	1Q 2015 S\$'000	1Q 2014 S\$'000	Change %	1Q 2015 S\$'000	1Q 2014 S\$'000	Change %
Asset management fee payable in Units	950	911	4.3	950	911	4.3
Trustee's fees	155	151	2.6	155	151	2.6
Amortisation and transaction costs ^(13a)	836	2,310	(63.8)	831	2,298	(63.8)
Net profits from subsidiaries ^(13b)	(1,189)	(917)	29.7	-	-	-
Tax-exempt income retained ^(13c)	-	-	-	(1,689)	(1,737)	(2.8)
Temporary differences and other adjustments	(373)	668	NM	(1,398)	753	NM
Total	379	3,123	(87.9)	(1,151)	2,376	NM

- (13a) CB 2015 was cancelled in 4Q 2014 and hence the amortisation and transaction costs in 1Q 2014 was much higher compared with that in 1Q 2015.
- (13b) Included in net profits from subsidiaries were mainly profits from FOPL of S\$1.2 million (1Q 2014: S\$0.9 million). Lower profits in 1Q 2014 was due to rental rebates granted to leases that had expired.
- (13c) This relates to retention of tax-exempt income from QCT. It has been retained for anticipated capital expenditure and/or distribution to unitholders.
- (14) This relates to CCT's 60% interest in RCS Trust's distribution. In 1Q 2015, RCS Trust retained S\$0.9 million (CCT's 60% share) of distributable income (1Q 2014: S\$0.9 million). RCS Trust will release its retained distributable income by the end of financial year 2015.

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

	Note	Group			Trust		
		31 Mar 2015	31 Dec 2014	Change	31 Mar 2015	31 Dec 2014	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Plant and equipment		1,398	1,453	(3.8)	1,386	1,440	(3.8)
Investment properties	1	4,886,104	4,882,400	0.1	4,454,980	4,451,400	0.1
Subsidiaries	2	-	-	-	435,576	435,576	-
Associate	3	-	63,899	NM	-	51,479	NM
Available-for-sale investment	3	54,108	-	NM	54,108	-	NM
Joint ventures	4	1,423,944	1,427,895	(0.3)	987,142	984,933	0.2
Intangible asset	5	4,650	4,822	(3.6)	4,650	4,822	(3.6)
Financial derivatives	6	2,416	1,160	NM	2,416	1,160	NM
Total non-current assets		6,372,620	6,381,629	(0.1)	5,940,258	5,930,810	0.2
Current assets							
Trade and other receivables		39,432	38,345	2.8	39,592	37,576	5.4
Cash and cash equivalents	7	54,927	101,085	(45.7)	30,379	76,719	(60.4)
Total current assets		94,359	139,430	(32.3)	69,971	114,295	(38.8)
Total assets	8	6,466,979	6,521,059	(0.8)	6,010,229	6,045,105	(0.6)
Current liabilities							
Trade and other payables		52,731	47,355	11.4	46,553	39,415	18.1
Current portion of security deposits		13,979	11,437	22.2	12,487	10,876	14.8
Interest-bearing liabilities	9	200,000	270,000	(25.9)	200,000	270,000	(25.9)
Current tax payable		89	3	NM	-	-	-
Total current liabilities		266,799	328,795	(18.9)	259,040	320,291	(19.1)
Non-current liabilities							
Non-current portion of security deposits		26,871	28,300	(5.0)	23,063	23,510	(1.9)
Interest-bearing liabilities	10	884,381	800,972	10.4	884,381	800,972	10.4
Convertible bonds	11	169,719	169,206	0.3	169,719	169,206	0.3
Financial derivatives	12	32,579	40,298	(19.2)	32,579	40,298	(19.2)
Total non-current liabilities		1,113,550	1,038,776	7.2	1,109,742	1,033,986	7.3
Total liabilities		1,380,349	1,367,571	0.9	1,368,782	1,354,277	1.1
Net assets		5,086,630	5,153,488	(1.3)	4,641,447	4,690,828	(1.1)
Unitholders' funds		5,086,630	5,153,488	(1.3)	4,641,447	4,690,828	(1.1)

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Notes:

- (1) The marginal increase in the investment properties was mainly due to additional capital expenditure incurred in 1Q 2015.
- (2) This relates to the investments in wholly-owned subsidiaries, CCT MTN Pte. Ltd. of S\$1 and FOPL of S\$435.6 million.
- (3) The investment in QCT is reclassified from being an investment in associate as at 31 December 2014 to available-for-sale investment as at 31 March 2015 (see also page 2).
- (4) This relates to 60% interest in RCS Trust and 40% interest in MSO Trust (including the unitholders' loans to MSO Trust).
- (5) This relates primarily to the unamortised yield stabilization sum receivable by the Group in relation to Twenty Anson. The intangible asset is amortised over the yield stabilization period of 3.5 years commencing on 22 March 2012.
- (6) This relates to the fair value of interest rates swaps.
- (7) The lower cash and cash equivalents as at 31 March 2015 was due to the payment of 2H 2014 distribution in February 2015.
- (8) Total assets were S\$6,467.0 million as at 31 March 2015 (31 December 2014: S\$6,521.1 million). Total deposited property value, including CCT's 60% interest in RCS Trust and 40% interest in MSO Trust as at 31 March 2015 was S\$7,583.1 million (31 December 2014: S\$7,633.6 million). The drop in total assets and deposited property value was primarily due to the dilution loss in relation to CCT's investment in QCT as well as the payment of 2H 2014 distribution in February 2015.
- (9) As at 31 March 2015, this relates to the S\$200.0 million fixed rate note that is maturing in December 2015. CCT has available credit facilities to refinance the fixed rate note. The S\$70.0 million fixed rate note that had matured in February 2015 was refinanced.
- (10) Interest-bearing liabilities under non-current liabilities as at 31 March 2015 comprised of:
 - a) Unsecured fixed rate notes totaling S\$50.0 million and JPY24.9 billion (hedged via cross currency swaps to S\$323.3 million); and
 - b) Unsecured bank borrowings of S\$555.0 million.
- (11) This relates to the liability component of the CB 2017 of S\$175.0 million which was measured at amortised cost.
- (12) This relates to the fair values of cross currency swaps.

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

	Group			Trust		
	31 Mar 2015 S\$'000	31 Dec 2014 S\$'000	Change %	31 Mar 2015 S\$'000	31 Dec 2014 S\$'000	Change %
Unsecured borrowings						
Amount repayable after one year	1,059,304	975,769	8.6	1,059,304	975,769	8.6
Less: Unamortised portion of transactions costs	(5,204)	(5,591)	(6.9)	(5,204)	(5,591)	(6.9)
Net repayable after one year	1,054,100	970,178	8.7	1,054,100	970,178	8.7
Amount repayable within one year	200,000	270,000	(25.9)	200,000	270,000	(25.9)
Total unsecured borrowings	1,254,100	1,240,178	1.1	1,254,100	1,240,178	1.1

NM - Not Meaningful

For information only ⁽¹⁾

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

	For information only		
	31 Mar 2015 S\$'000	31 Dec 2014 S\$'000	Change %
Secured borrowings			
Amount repayable after one year	620,400	946,000	(34.4)
Less: Unamortised portion of transactions costs	(1,897)	(3,477)	(45.4)
Net repayable after one year	618,503	942,523	(34.4)
Amount repayable within one year	340,000 ⁽²⁾	-	NM
Less: Unamortised portion of transactions costs	(1,041)	-	NM
Net repayable within one year	338,959	-	NM
Total secured borrowings	957,462	942,523	1.6

Notes:

- (1) CCT's share in the aggregate borrowings of RCS Trust and MSO Trust are not included under total borrowings in the statement of financial position.
- (2) The secured borrowings of S\$340.0 million (CCT's 40.0% share) by MSO Trust is repayable on the earlier of (i) the date of 12 months after the temporary occupation permit (TOP) for CapitaGreen or (ii) 60 months after date of facility agreement. CapitaGreen obtained TOP on 18 December 2014.

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

	Group	
	1Q 2015	1Q 2014
Note	S\$'000	S\$'000
Operating activities		
Total return for the period before tax	39,376	55,861
Adjustments for :		
Share of profit of associate and joint ventures	(16,688)	(19,204)
Amortisation of lease incentives	311	(537)
Amortisation of intangible asset	172	1,188
Depreciation of plant and equipment	73	77
Finance costs	8,510	9,700
Interest income	(998)	(929)
Asset management fees paid and payable in Units	950	911
Dilution loss on investment in associate	18,903	-
Foreign exchange loss	268	189
Operating income before working capital changes	50,877	47,256
Changes in working capital		
Trade and other receivables	(854)	501
Trade and other payables	1,004	(1,809)
Security deposits	1,115	1,708
Cash generated from operating activities	52,142	47,656
Income tax paid	-	(1)
Net cash from operating activities	52,142	47,655
Investing activities		
Capital expenditure on investment properties	(6,618)	(5,330)
Purchase of plant and equipment	(71)	(32)
Distributions from associate and joint venture	23,595	23,071
Interest income received	90	64
Net cash from investing activities	16,996	17,773
Financing activities		
Interest paid	(7,178)	(6,003)
Payment of transaction costs related to borrowings	-	(12)
Distribution to unitholders	(118,118)	(112,949)
Repayment of interest-bearing liabilities	(90,000)	-
Proceeds from interest-bearing liabilities	100,000	30,000
Net cash used in financing activities	(115,296)	(88,964)
Net decrease in cash and cash equivalents	(46,158)	(23,536)
Cash and cash equivalents at beginning of period	101,085	84,064
Cash and cash equivalents at end of period	54,927	60,528

Notes:

- (1) This relates to the repayment of CCT's S\$70.0 million fixed rate note and S\$20.0 million bank borrowings.
- (2) This relates to the CCT's issuance of JPY8.6 billion floating rate note due 2023 pursuant to the S\$2.0 billion Multicurrency Medium Term Note Programme. The JPY8.6 billion proceeds have been hedged via cross currency interest rate swap to notional principal amount of S\$100.0 million at fixed interest rate of 3.05% per annum.

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

	Note	Group		Trust	
		1Q 2015 S\$'000	1Q 2014 S\$'000	1Q 2015 S\$'000	1Q 2014 S\$'000
Net assets at beginning of period		5,153,488	4,912,713	4,690,828	4,582,357
Operations					
Total return for the period		39,290	55,861	66,533	57,553
Unitholders' transactions					
Creation of units:					
- Units issued in respect of RCS Trust's asset management fees		2,208	2,150	2,208	2,150
- Asset management fee paid in Units		926	875	926	875
Distributions to unitholders		(124,862)	(118,893)	(124,862)	(118,893)
Net decrease in net assets resulting from unitholders' transactions		(121,728)	(115,868)	(121,728)	(115,868)
Movement in reserves					
- Foreign currency translation reserves	1	10,010	(486)	-	-
- Hedging reserves	2	5,570	55	5,814	(43)
Net increase / (decrease) in net assets resulting from movement in reserves		15,580	(431)	5,814	(43)
Net decrease in net assets		(66,858)	(60,438)	(49,381)	(58,358)
Net assets at end of period		5,086,630	4,852,275	4,641,447	4,523,999

Notes:

- (1) For 1Q 2015, it relates to the amount reclassified to the statement of total return on the derecognition of QCT as an associate.
- (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 notes. Included in movement for the Group was the Group's 40% share of MSO Trust's movement in hedging reserves.

Convertible Bonds

CCT has the following Convertible Bonds outstanding as at 31 March 2015:

Principal Amount Outstanding	Maturity Date	Conversion Price per Unit as at 31 March 2015
<u>CB 2017</u> S\$175.0 million 2.5 per cent.	12 September 2017	1.5409

Assuming all the CB 2017 are fully converted based on the conversion price, the number of new units to be issued would be 113,569,991, representing 3.9% of the total number of CCT units in issue as at 31 March 2015 (2,946,694,080 Units). In comparison, this was against 269,831,110 Units (outstanding principal amount of S\$190.3 million of CB 2015 at the conversion price of \$1.1926 per unit and outstanding principal amount of S\$175.0 million of CB 2017 at the conversion price of S\$1.5865 as at 31 March 2014), representing 9.4% of the total number of CCT units in issue as at 31 March 2014 (2,880,900,252 Units).

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

Units in issue as at beginning of period

Issue of new Units:

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

Units in issue as at end of period

Group and Trust	
1Q 2015 Units	1Q 2014 Units
2,944,849,310	2,878,774,346
1,299,818	1,510,932
544,952	614,974
2,946,694,080	2,880,900,252

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

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

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

Not applicable.

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

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with the audited financial statements for the year ended 31 December 2014.

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

Nil

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

EPU (1Q 2015 vs 1Q 2014)

	Note	Group		Trust	
		1Q 2015	1Q 2014	1Q 2015	1Q 2014
<u>Basic EPU</u>					
Weighted average number of Units in issue		2,946,017,664	2,880,097,132	2,946,017,664	2,880,097,132
Based on weighted average number of Units in issue	1	1.33¢	1.94¢	2.26¢	2.00¢
<u>Diluted EPU</u>					
Weighted average number of Units in issue (diluted)		3,059,587,655	3,149,928,242	3,059,587,655	3,149,928,242
Based on weighted average number of Units in issue (diluted)	2	1.33¢	1.90¢	2.22¢	1.95¢

Notes:

- (1) In computing the basic EPU, total return for the period after tax and the weighted average number of Units outstanding during the period were used.
- (2) In computing the diluted EPU, the total return for the period after tax and the weighted average number of Units outstanding during the period were adjusted for the effects of all dilutive potential Units arising from the assumed conversion of the outstanding convertible bonds to Units.

Distribution per unit ("DPU")

In computing 1Q 2015 DPU, the number of Units as at 31 March 2015 was used for the computation. For 1Q 2014, DPU was computed based on the number of units as at books closure date on 29 July 2014

	1Q 2015	1Q 2014
Number of Units in issue	2,946,694,080	2,934,542,512
DPU for period	2.12¢ ¹	2.04¢ ²

Notes:

- (1) The estimated DPU for 1Q 2015 was computed on the basis that none of the CB 2017 is converted into Units. Accordingly, the actual quantum of DPU may differ if the CB 2017 is converted into Units.
- (2) DPU for 1Q 2014 was adjusted subsequent to 31 March 2014 from 2.08 cents to 2.04 cents taking into account the conversion of S\$61.5 million of CB 2015 into 51.6 million Units.

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

	Note	Group		Trust	
		31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
Number of Units in issue at end of the period		2,946,694,080	2,944,849,310	2,946,694,080	2,944,849,310
NAV (S\$'000)		5,086,630	5,153,488	4,641,447	4,690,828
NAV per Unit	1	\$1.73	\$1.75	\$1.58	\$1.59
Adjusted NAV per Unit (excluding the distributable income to unitholders)		\$1.70	\$1.71	\$1.55	\$1.55

Note:

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

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8 **Review of the performance**

Statement of Total Return

Gross revenue	68,162	64,001	6.5
Property operating expenses	(14,194)	(13,298)	6.7
Net property income	53,968	50,703	6.4
Interest income	998	929	7.4
Amortisation of intangible asset	(172)	(1,188)	(85.5)
Asset management fees:			
- Base fees	(1,231)	(1,189)	3.5
- Performance fees	(2,457)	(2,139)	14.9
Trust expenses	(1,005)	(759)	32.4
Finance costs	(8,510)	(9,700)	(12.3)
Net income before share of profit of associate and joint ventures	41,591	36,657	13.5
Share of profit (net of tax) of:			
- Associate	1,820	1,052	73.0
- Joint ventures	14,868	18,152	(18.1)
Net income	58,279	55,861	4.3
Dilution loss on investment in associate	(18,903)	-	NM
Total return for the period before tax	39,376	55,861	(29.5)
Tax expense	(86)	-	NM
Total return for the period after tax	39,290	55,861	(29.7)
<u>Distribution Statement</u>			
Net income before share of profit of associate and joint ventures	41,591	36,657	13.5
Net tax and other adjustments	379	3,123	(87.9)
Distribution from joint venture	20,783	20,149	3.1
Distributable income to unitholders	62,753	59,929	4.7
DPU for the period	2.12¢	2.04¢	3.9
Annualised	8.60¢	8.27¢	4.0

Group		
1Q 2015	1Q 2014	Change
S\$'000	S\$'000	%
68,162	64,001	6.5
(14,194)	(13,298)	6.7
53,968	50,703	6.4
998	929	7.4
(172)	(1,188)	(85.5)
(1,231)	(1,189)	3.5
(2,457)	(2,139)	14.9
(1,005)	(759)	32.4
(8,510)	(9,700)	(12.3)
41,591	36,657	13.5
1,820	1,052	73.0
14,868	18,152	(18.1)
58,279	55,861	4.3
(18,903)	-	NM
39,376	55,861	(29.5)
(86)	-	NM
39,290	55,861	(29.7)
41,591	36,657	13.5
379	3,123	(87.9)
20,783	20,149	3.1
62,753	59,929	4.7
2.12¢	2.04¢	3.9
8.60¢	8.27¢	4.0

NM – Not Meaningful

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

- Gross revenue of S\$68.2 million in 1Q 2015 was higher than that in 1Q 2014 by S\$4.2 million or 6.5%. The increase in revenue was due to positive rent reversions and/or occupancies of CCT properties.
- Property operating expenses for 1Q 2015 of S\$14.2 million were higher than that of 1Q 2014 by S\$0.9 million or 6.7% due mainly to higher property tax.
- Amortisation expense relates to the amortisation of intangible asset (refer to note 5 of 1(b)(i)). The amount for 1Q 2015 of S\$0.2 million was lower than that of 1Q 2014 due to lower yield stabilization required. Amortization expense does not affect distributable income.
- Trust expenses in 1Q 2015 of S\$1.0 million were higher than 1Q 2014 by S\$0.2 million or 32.4% due mainly to higher unitholders expenses and higher professional fees incurred.
- Finance costs of S\$8.5 million for 1Q 2015 were S\$1.2 million or 12.3% lower compared with 1Q 2014, due mainly to lower amortisation and transaction costs.
- Share of profit of joint ventures relates to 60% share of results of RCS Trust and 40% share of results of MSO Trust. The drop was mainly due to the operational expenses and finance costs of MSO Trust as these expenses were largely capitalized prior to CapitaGreen's TOP on 18 December 2014.

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- g) Dilution loss on investment in associate relates to the loss recognized when CCT Group's investment in QCT was reclassified from investment in associate to an available-for-sale investment, which was marked-to-market. This loss does not have any impact on CCT Group's distributable income or distribution per unit, but reduces its adjusted net asset value per unit by about S\$0.01.
- h) The distributable income to unitholders in 1Q 2015 of S\$62.7 million was 4.7% higher than 1Q 2014 of S\$59.9 million mainly due to higher net property income from CCT Group and higher distributable income from RCS Trust.

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

Singapore's GDP growth is projected to be in the range of 2 – 4% in 2015, supported by improving external economic environment which should support trade-related sectors, while domestic demand remains resilient, despite ongoing supply-side constraints⁽¹⁾.

CCT's portfolio continued to enjoy positive rent revisions and improved occupancies for most of its buildings. CapitaGreen, the new Grade A office building at 138 Market Street that the Trust developed jointly with CapitaLand and Mitsubishi Estate Asia, continued its positive leasing momentum in 1Q 2015. As at 21 April 2015, CapitaGreen has secured leases for 536,500 square feet or 76.4% of its net lettable area. CapitaGreen's committed tenants are predominantly from the Insurance, Banking and Financial Services sectors. A few tenants have commenced operations in the building, while the majority is expected to move in progressively in the second half of 2015. CapitaGreen's contribution to CCT's distributable income is expected to commence in 2016.

CCT's portfolio committed occupancy including CapitaGreen is 97.0% which is above the market occupancy rate of 96.1%⁽²⁾ as at 31 March 2015. Excluding CapitaGreen, CCT's Grade A properties achieved full committed occupancy as at end-March 2015.

The monthly average office portfolio gross rent grew 2.0% over the quarter from S\$8.61 per square foot at end December 2014 to S\$8.78 per square foot at end March 2015. Positive rent reversions and higher occupancies resulted in higher gross revenue in 1Q 2015 versus 1Q 2014, and hence higher net property income. In addition, more distributable income from RCS Trust also contributed to the increase in distributable income for CCT Group.

In 1Q 2015, CCT issued JPY8.6 billion floating rate notes due 17 February 2023. The amount was swapped to equivalent of S\$100.0 million at a fixed rate of 3.05% per annum. The proceeds were used to refinance the S\$70.0 million medium term note due February 2015 and also for the general working capital of CCT. The average cost of debt for the portfolio remained unchanged year-on-year at 2.4%. CCT's gearing also remained low at 29.9%, and 83% of CCT's debt was on fixed interest rate.

Outlook

Based on industry data from CBRE, Singapore's Core CBD occupancy rose slightly from 95.7% in 4Q 2014 to 96.1% in 1Q 2015. Average monthly Grade A office market rent increased by 1.8% from S\$11.20 per square foot as at 4Q 2014 to S\$11.40 per square foot as at 1Q 2015. While limited new office supply in 2015 may still result in rental growth this year, the growth may be moderated by the expected large future supply due to be completed from 2Q 2016 onwards.

As at 21 April 2015, CapitaGreen's leasing commitment stands at 76.4% and Management targets to achieve full occupancy by end 2015.

As at 31 March 2015, the remaining amount of retained tax-exempt income of QCT was S\$12.2 million. The Manager will evaluate various options for the utilization of this amount, including future distributions to unitholders.

Notes:

(1) Source: Monetary Authority of Singapore website on "Recent Economic Developments in Singapore"

(2) Source: CBRE Pte. Ltd.

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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 first quarter of 2015.

13 General mandate relating to interested party transactions

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

14 Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Group and Trust (comprising the statements of financial position as at 31 March 2015, statements of total return & distribution statements, statements of movements in unitholders' funds and statement of cash flow of the Group for the three months ended on that date, together with their accompanying notes) to be false or misleading in any material respect.

On behalf of the Board of Manager,
CapitaCommercial Trust Management Limited

Lynette Leong Chin Yee
Chief Executive Officer / Executive Director

Wen Khai Meng
Non-Executive Director

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

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

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

Doris Lai
Company Secretary
22 April 2015