

NEWS RELEASE

**CCT's 1Q 2017 DPU of 2.40 cents up 9.6% year-on-year**  
*Timely acquisition of remaining 60.0% interest in CapitaGreen contributed to CCT's robust results this quarter*

**Singapore, 19 April 2017** – CapitaLand Commercial Trust Management Limited, the Manager of CapitaLand Commercial Trust (CCT or Trust), is pleased to report an estimated distribution per unit (DPU) of 2.40 cents<sup>1</sup> for 1Q 2017, which is 9.6% above the 1Q 2016 DPU of 2.19 cents. Based on the annualised 1Q 2017 DPU and CCT's closing price per unit of S\$1.62 on 18 April 2017, CCT's distribution yield is 6.0%.

The Trust's distributable income of S\$71.3 million in 1Q 2017 was 9.9% higher than the S\$64.8 million in 1Q 2016. Year-on-year, 1Q 2017 gross revenue increased by 33.9% to S\$89.5 million and net property income (NPI) grew by 34.3% to S\$69.9 million. The positive results are due to higher year-on-year occupancy, in revenue terms, for CapitaGreen and Capital Tower, as well as the consolidation of CapitaGreen's revenue and NPI to CCT Group in 1Q 2017 following the Trust's acquisition of the asset's remaining 60.0% interest on 31 August 2016.

As at 31 March 2017, the Trust's total deposited property value including other assets was S\$8.7 billion; while the net asset value per unit was S\$1.72, after adjusting for 1Q 2017 distributable income.

The Trust's unaudited Consolidated Financial Statements for 1Q 2017 results are available on its website ([www.cct.com.sg](http://www.cct.com.sg)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

**SUMMARY OF CCT GROUP RESULTS**

|                                       | 1Q 2017                   | 1Q 2016 | Change (%)  |
|---------------------------------------|---------------------------|---------|-------------|
| <b>Gross Revenue (S\$'000)</b>        | <b>89,525</b>             | 66,857  | <b>33.9</b> |
| <b>Net Property Income (S\$'000)</b>  | <b>69,855</b>             | 52,028  | <b>34.3</b> |
| <b>Distributable Income (S\$'000)</b> | <b>71,292</b>             | 64,845  | <b>9.9</b>  |
| <b>Distribution Per Unit (cents)</b>  | <b>2.40<sup>(1)</sup></b> | 2.19    | <b>9.6</b>  |

1. The estimated DPU of 2.40 cents for 1Q 2017 was computed on the basis that none of the convertible bonds due 2017 (CB 2017) is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into Units.

Ms Lynette Leong, Chief Executive Officer of the Manager, said: “The timely acquisition of the remaining 60.0% interest in CapitaGreen, our award-winning, premium Grade A office building in the heart of Singapore’s financial district, has significantly contributed to CCT’s robust performance this quarter. It was a notable 9.6% increase in CCT’s distribution per unit year-on-year. Notwithstanding challenging macroeconomic and office market conditions, CCT’s committed occupancy rate of 97.8% as at end March 2017 remains high and well above the market occupancy rate of 95.6%. About 80% of the Trust’s borrowings are pegged at fixed rates, which offer greater certainty of interest expense in a rising interest rate environment.”

Ms Leong added: “In line with our portfolio reconstitution strategy to proactively rejuvenate the Trust’s portfolio and enhance returns to our unitholders, we submitted plans to redevelop Golden Shoe Car Park in the second half of 2016. We have now obtained the Urban Redevelopment Authority’s provisional permission for the proposed redevelopment and await the Singapore Land Authority’s assessment of the differential premium (DP) payable for the potential enhancement in land use. Only when the DP is known can we complete the feasibility study of the proposed redevelopment and determine whether or not to proceed with it.”

The Trust has a healthy balance sheet with an aggregate gearing of 38.1% which is well below the regulatory limit of 45.0%, and a stable average cost of debt of 2.6% as at 31 March 2017. CCT has no refinancing requirements in 2017 except for the S\$175.0 million convertible bonds due on 12 September 2017.

On 22 March 2017, the Manager of CCT and CapitaLand Mall Trust Management Limited, the Manager of CapitaLand Mall Trust, jointly announced the establishment of a US\$2.0 billion Euro-Medium Term Note (EMTN) programme for RCS Trust which owns Raffles City Singapore<sup>2</sup>. The EMTN Programme will enable RCS Trust to tap on a diversity of funding sources from the debt capital markets where necessary, which in turn enhances its financial flexibility.

In 1Q 2017, 113,000 square feet of new leases and renewals were signed in CCT’s portfolio, of which 50% were new leases, including 45,000 square feet of retail space. Leasing demand was mainly driven by relocations from other buildings and several new companies. The business sectors of the demand include Business Consultancy, IT, Media and Telecommunications as well as Energy, Commodities, Maritime and Logistics. New and renewed tenants in 1Q 2017 include Dow Jones AER Company, Inc. (Singapore Branch), China International Capital Corporation (Singapore) Pte. Limited, Springs Capital Management (Singapore) Pte. Ltd., Saudi Aramco Trading Singapore Pte. Ltd., and En Dining Holdings Pte. Ltd.

#### Outlook for Singapore Central Business District (CBD) Office Market and CCT

Based on data from CBRE Pte. Ltd., Singapore’s Core CBD occupancy rate remained stable at 95.6% while Grade A office market occupancy rate increased by 0.8% to 96.6% in 1Q 2017. However, Grade A office average monthly market rent eased by 1.6% quarter-on-quarter to S\$8.95 per square foot in 1Q 2017, on the back of uncertain economic environment and stiff competition among office landlords for tenants. Grade A office market rent has declined by 21.5% since 1Q 2015. This has adversely affected CCT’s portfolio average monthly rent which

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<sup>2</sup> Raffles City Singapore is jointly owned by CapitaLand Commercial Trust (60.0% interest) and CapitaLand Mall Trust (40.0% interest)

has been declining since the start of 4Q 2016. The quarter-on-quarter decline was from S\$9.20 psf in 4Q 2016 to S\$9.18 psf in 1Q 2017.

Singapore's office market remains challenging in 2017. The impending completion of new office developments together with the increase in secondary stock from which tenants vacate and move to the new developments will continue to exert downward pressure on office market rents. The net property income of some properties in CCT's portfolio are expected to soften in the later part of 2017 as more renewals and new leases are committed below expiring rents.

**About CapitaLand Commercial Trust ([www.cct.com.sg](http://www.cct.com.sg))**

CapitaLand Commercial Trust is Singapore's first and largest commercial REIT with a market capitalisation of approximately S\$4.8 billion. CCT aims to own and invest in real estate and real estate-related assets which are income producing and predominantly used, for commercial purposes. The total value of CCT's deposited properties is S\$8.7 billion as at 31 March 2017 comprising a portfolio of 10 prime commercial properties in Singapore. The properties in Singapore are Capital Tower, Six Battery Road, One George Street, Raffles City (60.0% interest through RCS Trust), CapitaGreen (100.0% interest through MSO Trust), HSBC Building, Twenty Anson, Bugis Village, Wilkie Edge and Golden Shoe Car Park.

CCT has been a constituent of FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices derived from the globally recognised FTSE Global Equity Index Series. FTSE4Good is designed to track the performance of companies meeting international corporate responsibility standards and forms the basis for over 70 different funds and investment products. CCT is also a constituent of other widely recognized benchmark indices such as MSCI, the SGX Sustainability Index and FTSE Straits Times Index.

CCT is managed by an external manager, CapitaLand Commercial Trust Management Limited, which is an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

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**Important Notice**

This release may contain forward-looking statements that involve assumptions, 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 similar developments, shifts in expected levels of occupancy or property rental income, 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.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CCT is not necessarily indicative of the future performance of CCT.