



**CAPITALAND COMMERCIAL TRUST
2019 FULL YEAR UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT**

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SUMMARY OF CCT GROUP RESULTS

	Notes	4Q 2019	4Q 2018	Change %	2H 2019	2H 2018	Change %	FY 2019	FY 2018	Change %
Gross Revenue (S\$'000)		107,797	99,025	8.9	211,601	199,535	6.0	412,348	393,968	4.7
Net Property Income (S\$'000)		81,894	79,267	3.3	163,038	159,664	2.1	321,223	314,610	2.1
Distributable Income (S\$'000)	1	87,635	83,057	5.5	172,464	165,742	4.1	337,622	321,731	4.9
Distribution Per Unit ("DPU") (cents)	2	2.28	2.22	2.7	4.48	4.42	1.4	8.88	8.70	2.1

Notes:

- (1) Distributable income in 4Q 2019, 2H 2019 and FY 2019 includes tax-exempt income of S\$7.5 million, S\$11.4 million and S\$18.6 million respectively (4Q 2018, 2H 2018 and FY 2018: S\$3.9 million, S\$7.7 million and S\$8.5 million respectively).
- (2) 4Q 2019 DPU of 2.28 cents was computed on 3,857.7 million CCT units ("Units") that included the issuance on 29 July 2019 of 105.0 million Units in relation to the equity placement ("Equity Placement") and the issuance on 26 September 2019 of 1.8 million Units for the acquisition fees for Main Airport Center.

2H 2019 DPU was 4.48 cents comprising:

- (a) 0.62 cents advanced distribution from 1 July 2019 to 28 July 2019 computed on 3,749.8 million Units; and
- (b) 3.86 cents from 29 July 2019 to 31 December 2019 computed on 3,857.7 million Units,

FY 2019 DPU of 8.88 cents comprising 4.40 cents for 1H 2019 and 4.48 cents for 2H 2019.

DISTRIBUTION AND BOOKS CLOSURE DATE

Distribution ⁽¹⁾	29 July 2019 to 31 December 2019
Distribution Type	i) Taxable income ii) Tax-exempt income
Distribution Rate	3.86 cents per unit comprising: i) Taxable income distribution 3.57 cents per unit; and ii) Tax-exempt income distribution of 0.29 cents per unit.
Books Closure Date	Thursday, 30 January 2020
Payment Date	Friday, 28 February 2020

Note

- (1) An advanced distribution of 0.62 cents for 1 July 2019 to 28 July 2019 was paid on 29 August 2019.

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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 31 December 2019, CCT’s property portfolio comprises:

- (1) Capital Tower;
- (2) Six Battery Road;
- (3) 21 Collyer Quay;
- (4) CapitaGreen, held through wholly owned MSO Trust;
- (5) Asia Square Tower 2 (“AST2”), held through wholly owned subsidiary Asia Square Tower 2 Pte. Ltd. (“AST2 Co.”), which is in turn held by MVKimi (BVI) Limited (collectively referred to as “AST2 Group”);
- (6) Raffles City Singapore, held through CCT’s 60.0% interest in RCS Trust;
- (7) One George Street, held through CCT’s 50.0% interest in One George Street LLP (“OGS LLP”);
- (8) CapitaSpring, a property under development, held through CCT’s 45.0% interest in Glory Office Trust (“GOT”) and Glory SR Trust (“GSRT”);
- (9) 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. (collectively referred to as “Gallileo Group”); and
- (10) Main Airport Center (“MAC”), held through CCT’s 94.9% interest in MAC Property Company B.V. and MAC Car Park Company B.V. (collectively referred to as “MAC Co.”), which is in turn held by special purpose vehicle, CCT Mercury One Pte. Ltd., (MAC Co. and CCT Mercury One Pte. Ltd. is collectively referred to as “MAC Group”).

CCT owns approximately 10.9% of MRCB-Quill REIT (“MQREIT”), a commercial real estate investment trust listed in Malaysia.

On 1 April 2019, Bugis Village was returned to the State and CCT received a compensation sum of S\$40.7 million. Concurrently, CCT signed a one-year master lease agreement with Singapore Land Authority (“SLA”) with effect from 1 April 2019.

On 17 July 2019, CCT announced the following:

- That it had entered into an agreement to acquire a 94.9% interest in MAC Co. from CapitaLand Limited and Lum Chang Holdings Limited. CapitaLand Limited will continue to hold a 5.1% interest in MAC Co.;
- That it had signed a seven-year lease, commencing in early 2Q 2021 with WeWork Singapore Pte. Ltd. for the entire building of 21 Collyer Quay, with fit-out period prior to the lease commencement. The building is currently occupied by The Hongkong and Shanghai Banking Corporation Limited until April 2020. The Manager plans to use the transitional downtime to upgrade the building at an approximate cost of S\$45 million; and
- That CCT will undertake an approximately S\$35 million asset enhancement of Six Battery Road upon the expiry of Standard Chartered Bank’s lease at the end of January 2020. Standard Chartered Bank will remain an anchor tenant and continue to lease office space and house their flagship branch at Six Battery Road. The main office tower will remain operational for the duration of the asset enhancement.

On 29 July 2019, 105,012,000 Units were issued at S\$2.095 per Unit in relation to the Equity Placement for the acquisition of MAC Co.. The acquisition was completed on 17 September 2019 and the acquisition fees for MAC was paid to the Manager in 1,787,384 Units on 26 September 2019.

On 7 October 2019, MSO Trust (holds CapitaGreen) pre-paid S\$180.0 million secured bank borrowings and the security had been discharged. Concurrently, MAC Co. obtained EUR121.9 million (100% basis) seven-year secured bank borrowings and CCT drawn down EUR3.7 million (S\$5.6 million) seven-year unsecured bank borrowings.

On 16 December 2019, CCT issued first green bond of Japanese Yen 10.0 billion 0.729% due 2027 which was swapped to S\$124.7 million at 2.84% per annum. On 17 December 2019, CCT redeemed and cancelled Japanese Yen bond of 10.0 billion that were issued on 17 December 2012.

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1(a) Statement of Total Return & Distribution Statement (4Q 2019 vs 4Q 2018)

Statement of Total Return

Gross rental income

Car park income

Other income

Gross revenue

Property management fees

Property tax

Other property operating expenses

Property operating expenses

Net property income

Interest income

Asset management fees:

- Base fees

- Performance fees

Trust and other operating expenses

Finance costs

Net income before share of profit of joint ventures

Share of profit (net of tax) of joint ventures

Net Income

Net increase in fair value of investment properties

Total return for the period before tax

Tax expense

Total return for the period after tax

Attributable to

Unitholders

Non-controlling interests

Total return for the period

Distribution Statement

Total return attributable to unitholders

Net tax and other adjustments

Tax-exempt income distribution

Distribution from joint ventures

Distributable income to unitholders

Note	Group		
	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %
1	101,522	93,656	8.4
2	2,570	1,531	67.9
3	3,705	3,838	(3.5)
	107,797	99,025	8.9
	(2,452)	(2,188)	12.1
4	(7,977)	(7,210)	10.6
5	(15,474)	(10,360)	49.4
	(25,903)	(19,758)	31.1
6	81,894	79,267	3.3
7	1,494	1,261	18.5
	(2,092)	(2,006)	4.3
	(3,816)	(3,483)	9.6
8	(3,816)	(1,201)	NM
9	(17,788)	(17,332)	2.6
	55,876	56,506	(1.1)
10	44,353	26,035	70.4
	100,229	82,541	21.4
11	37,204	18,959	96.2
	137,433	101,500	35.4
12	(3,788)	(1,473)	NM
	133,645	100,027	33.6
	132,280	99,814	32.5
13	1,365	213	NM
	133,645	100,027	33.6
	132,280	99,814	32.5
14	(76,530)	(46,127)	65.9
	7,522	3,850	95.4
15	24,363	25,520	(4.5)
	87,635	83,057	5.5

NM – Not Meaningful

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Notes:

- (1) Higher gross rental income was largely attributed to higher contribution from 21 Collyer Quay, Capital Tower as well as from MAC, albeit partially offset by lower gross rental income from Six Battery Road and Bugis Village.
- (2) Higher car park income was largely due to the addition of car park income from MAC.
- (3) Other income comprises mainly tenant recoveries and bulk energy savings.
- (4) Higher property tax for 4Q 2019 was mainly due to property tax of MAC.
- (5) Higher other property operating expenses was mainly due to addition of MAC and rental charges for Bugis Village under the master lease with SLA from 1 April 2019 as well as higher marketing expenses.
- (6) The following items have been included in arriving at net property income:

	Group		
	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %
Depreciation and amortisation of lease incentives	1,274	1,245	2.3
Impairment losses on trade receivables	-	(5)	NM

- (7) Interest income includes the following:

	Group		
	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %
Interest income from cash balance	493	260	89.6
Interest income from unitholder loans	1,001	1,001	-
Total	1,494	1,261	18.5

- (8) Trust and other operating expenses in 4Q 2019 includes foreign exchange losses and adjustment of cost estimates for MAC.
- (9) Finance costs include the following:

	Group		
	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %
Interest cost ^(9a)	16,031	16,645	(3.7)
Amortisation of transaction costs ^(9b)	1,757	687	NM
Total	17,788	17,332	2.6

- (9a) Lower interest cost for 4Q 2019 versus 4Q 2018 was mainly due to lower average cost of debt, despite higher borrowing amounts.
- (9b) Higher amortisation of transaction costs in 4Q 2019 vis-à-vis 4Q 2018 was mainly due to one-off fees and expenses paid by MSO Trust for the prepayment of borrowings in October 2019.

NM – Not Meaningful

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- (10) Share of profit of joint ventures relates to CCT's share of profits of RCS Trust (60%), OGS LLP (50%) and GOT & GSRT (45%), with details as follows:

	Group		
	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %
Gross revenue	41,483	40,971	1.2
Property operating expenses	(10,635)	(10,378)	2.5
Net property income	30,848	30,593	0.8
Finance costs	(7,383)	(6,551)	12.7
Net increase in fair value of investment properties ^(10a)	23,811	4,913	NM
Trust and other expenses	(2,923)	(2,920)	0.1
Net profit of joint ventures (after tax)	44,353	26,035	70.4

- (10a) Higher net increase in fair value of investment properties largely due to higher revaluation gains of Raffles City Singapore.
- (11) This relates to the net change in property values based on valuations over carrying values.
- (12) Higher tax expenses was due to consolidation of MAC's tax expenses.
- (13) This relates to the non-controlling interests of Gallileo Co. and MAC Co..
- (14) Net tax and other adjustments comprise the following:

	Group		
	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %
Asset management fee payable in Units ^(14a)	1,663	1,067	55.9
Trustee's fees	273	263	3.8
Amortisation of transaction costs	1,757	687	NM
Net increase in fair value of investment properties ^(14b)	(36,131)	(18,942)	90.7
Share of profit of joint ventures	(44,353)	(26,035)	70.4
Temporary differences and other items	261	(3,167)	NM
Total	(76,530)	(46,127)	65.9

- (14a) This relates to asset management fees of AST2.
- (14b) This excludes the non-controlling interests' share of the net increase in fair value of Gallileo and MAC.
- (15) This relates to distributions from RCS Trust (CCT's 60.0% interest) and OGS LLP (CCT's 50.0% interest).

NM – Not Meaningful

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1(a) Statement of Total Return & Distribution Statement (FY 2019 vs FY 2018)

Statement of Total Return

Gross rental income

Car park income

Other income

Gross revenue

Property management fees

Property tax

Other property operating expenses

Property operating expenses

Net property income

Interest income

Investment income

Asset management fees:

- Base fees

- Performance fees

Trust and other operating expenses

Finance costs

Net income before share of profit of joint ventures

Share of profit (net of tax) of joint ventures

Net income

Net increase in fair value of investment properties

Total return for the year before tax

Tax expense

Total return for the year after tax

Attributable to

Unitholders

Non-controlling interests

Total return for the year

Distribution Statement

Total return attributable to unitholders

Net tax and other adjustments

Tax-exempt income distribution

Distribution from joint ventures

Distributable income to unitholders

NM – Not Meaningful

Note	Group		
	FY 2019 S\$'000	FY 2018 S\$'000	Change %
1	387,606	373,836	3.7
2	7,610	6,083	25.1
3	17,132	14,049	21.9
	412,348	393,968	4.7
	(9,477)	(9,088)	4.3
	(30,274)	(30,130)	0.5
4	(51,374)	(40,140)	28.0
	(91,125)	(79,358)	14.8
5	321,223	314,610	2.1
6	5,761	4,781	20.5
7	2,816	3,293	(14.5)
	(8,103)	(8,125)	(0.3)
	(13,201)	(12,127)	8.9
	(5,344)	(4,666)	14.5
8	(69,225)	(84,516)	(18.1)
	233,927	213,250	9.7
9	115,645	118,097	(2.1)
	349,572	331,347	5.5
10	94,652	197,843	(52.2)
	444,224	529,190	(16.1)
	(8,338)	(6,332)	31.7
	435,886	522,858	(16.6)
	433,907	522,047	(16.9)
11	1,979	811	NM
	435,886	522,858	(16.6)
	433,907	522,047	(16.9)
12	(210,573)	(305,757)	(31.1)
	18,622	8,450	NM
13	95,666	96,991	(1.4)
	337,622	321,731	4.9

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Notes:

- (1) Higher gross rental income for the Group was largely attributed to better performance from AST2, 21 Collyer Quay, Capital Tower, Gallileo (FY 2019: full year versus FY 2018: 19 June to 31 Dec 2018) and contribution from the acquisition of MAC with effect from 18 September 2019. The increase has offset the impact arising from the divestment of Twenty Anson.
- (2) Higher car park income was largely due to the addition of car park income from MAC.
- (3) Other income comprises mainly tenant recoveries and bulk energy savings. Higher other income in FY 2019 vis-à-vis FY 2018 was largely due to a one-off compensation sum of S\$2.1 million received in 3Q 2019 from a tenant at AST2 for early surrender of lease.
- (4) Higher other property operating expenses was mainly due to full 12 month's expenses of Gallileo in FY 2019 (FY 2018: from acquisition date of 18 June to 31 December 2018), and MAC (with effect from 18 September 2019), rental charges for Bugis Village under the master lease with SLA with effect from 1 April 2019 as well as higher marketing expenses. The increase was partially mitigated by the divestment of Twenty Anson.

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

Depreciation and amortisation of lease incentives
 Impairment losses on trade receivables

Group		
FY 2019	FY 2018	Change
S\$'000	S\$'000	%
5,030	5,147	(2.3)
-	7	NM

- (6) Interest income includes the following:

Interest income from cash balance ^(6a)
 Interest income from unitholder loans
 Total

Group		
FY 2019	FY 2018	Change
S\$'000	S\$'000	%
1,790	810	NM
3,971	3,971	-
5,761	4,781	20.5

- (6a) Higher interest income was primarily due to higher average cash balance.

- (7) Investment income relates to distribution received from MQREIT.

- (8) Finance costs include the following:

Interest cost ^(8a)
 Amortisation of transaction costs ^(8b)
 Total

Group		
FY 2019	FY 2018	Change
S\$'000	S\$'000	%
65,745	73,425	(10.5)
3,480	11,091	(68.6)
69,225	84,516	(18.1)

- (8a) Lower interest cost for FY 2019 vis-a-vis FY 2018 was mainly due to lower average borrowings and lower cost of debt.

- (8b) Lower amortisation of transaction costs in FY 2019 vis-à-vis FY 2018 was mainly due to one-off fees and expenses paid by MSO Trust for the prepayment of borrowings in September 2018.

NM – Not Meaningful

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- (9) Share of profit of joint ventures relates to CCT's share of profits of RCS Trust (60.0%), OGS LLP (50.0%) and GOT & GSRT (45.0%), with details as follows:

	For Information only		
	Group		
	FY 2019	FY 2018	Change
	S\$'000	S\$'000	%
Gross revenue	165,486	163,426	1.3
Property operating expenses	(38,852)	(39,977)	(2.8)
Net property income	126,634	123,449	2.6
Finance costs	(29,862)	(25,099)	19.0
Net increase in fair value of investment properties	30,436	31,255	(2.6)
Trust and other expenses	(11,563)	(11,508)	0.5
Net profit of joint ventures (after tax)	115,645	118,097	(2.1)

- (10) This relates to the net change in property values based on valuations over carrying values.

- (11) This relates to the non-controlling interests of Gallileo Co. and MAC Co..

- (12) Net tax and other adjustments comprise the following:

	Group		
	FY 2019	FY 2018	Change
	S\$'000	S\$'000	%
Asset management fee paid and payable in Units ^(12a)	4,961	5,213	(4.8)
Trustee's fees	1,059	1,061	(0.2)
Amortisation of transaction costs	3,480	11,091	(68.6)
Net increase in fair value of investment properties ^(12b)	(93,585)	(197,766)	(52.7)
Share of profit of joint ventures	(115,645)	(118,097)	(2.1)
Temporary differences and other items	(10,843)	(7,259)	49.4
Total	(210,573)	(305,757)	(31.1)

- (12a) This relates to asset management fees of AST2.

- (12b) This excludes the non-controlling interests' share of the net increase in fair value of Gallileo and MAC.

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

NM – Not Meaningful

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1(b)(i) Statement of Financial Position as at 31 December 2019 vs 31 December 2018

	Note	Group			Trust		
		31 Dec 2019 S\$'000	31 Dec 2018 S\$'000	Change %	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000	Change %
Non-current assets							
Plant and equipment		2,134	793	NM	723	790	(8.5)
Investment properties	1	8,092,052	7,613,634	6.3	3,609,100	3,605,700	0.1
Interest in subsidiaries	2	-	-	-	4,076,277	3,707,905	9.9
Equity investment	3	38,156	40,632	(6.1)	38,156	40,632	(6.1)
Interest in joint ventures	4	1,786,105	1,763,086	1.3	1,435,526	1,428,818	0.5
Intangible asset		30	-	NM	21	-	NM
Financial derivatives	5	4,745	7,348	(35.4)	4,745	7,050	(32.7)
Total non-current assets		9,923,222	9,425,493	5.3	9,164,548	8,790,895	4.3
Current assets							
Asset held for sale	6	-	40,746	NM	-	40,746	NM
Trade and other receivables		61,793	49,355	25.2	73,847	70,163	5.3
Cash and cash equivalents		205,467	174,913	17.5	162,038	144,106	12.4
Financial derivatives	5	269	-	NM	269	-	NM
Total current assets		267,529	265,014	0.9	236,154	255,015	(7.4)
Total assets	7	10,190,751	9,690,507	5.2	9,400,702	9,045,910	3.9
Current liabilities							
Trade and other payables	8	75,032	63,663	17.9	65,051	63,393	2.6
Current portion of security deposits		17,776	10,708	66.0	10,145	8,173	24.1
Interest-bearing liabilities	9	42,746	120,800	(64.6)	42,746	120,800	(64.6)
Financial derivatives	5	782	24,197	(96.8)	782	24,197	(96.8)
Current tax payable		4,533	5,401	(16.1)	75	194	(61.3)
Total current liabilities		140,869	224,769	(37.3)	118,799	216,757	(45.2)
Non-current liabilities							
Non-current portion of security deposits		53,425	57,302	(6.8)	35,686	36,315	(1.7)
Interest-bearing liabilities	10	2,767,764	2,493,182	11.0	2,375,214	2,095,736	13.3
Financial derivatives	5	5,589	3,725	50.0	5,589	2,771	NM
Other payables	11	2,890	430	NM	127,750	131,559	(2.9)
Deferred tax liabilities	12	5,809	1,938	NM	-	-	-
Total non-current liabilities		2,835,477	2,556,577	10.9	2,544,239	2,266,381	12.3
Total liabilities		2,976,346	2,781,346	7.0	2,663,038	2,483,138	7.2
Net assets		7,214,405	6,909,161	4.4	6,737,664	6,562,772	2.7
Represented by:							
Unitholders' funds		7,185,098	6,892,018	4.3	6,737,664	6,562,772	2.7
Non-controlling interests	13	29,307	17,143	71.0	-	-	-
Total equity		7,214,405	6,909,161	4.4	6,737,664	6,562,772	2.7

NM – Not Meaningful

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Notes:

- (1) Investment properties are stated at valuations performed by independent valuers. The increase in value of investment properties as at 31 December 2019 for the Group is mainly attributed to the acquisition of MAC in FY 2019 in addition to the increase in property values for the portfolio.
- (2) This relates to cost of investments in CCT MTN Pte. Ltd., MSO Trust, AST2 Group, Gallileo Group and MAC Group (including shareholder's loans).
- (3) This relates to CCT's 10.9% stake in MQREIT.
- (4) This relates to CCT's 60.0% interest in RCS Trust, 50.0% interest in OGS LLP and 45.0% interest in GOT and GSRT (including shareholder's loan).
- (5) This relates to the fair values of cross currency swaps and interest rate swaps.
- (6) Asset held for sale as at 31 December 2018 relates to Bugis Village which was returned to the State on 1 April 2019 for which CCT received a compensation sum of S\$40.7 million.
- (7) Total assets were S\$10,190.8 million as at 31 December 2019 (31 December 2018: S\$9,690.5 million). Total deposited property value (as defined in the Code on Collective Investment Schemes) as at 31 December 2019 was S\$11,762.8 million (31 December 2018: S\$11,193.5 million).
- (8) At the Group level, trade and other payables included MAC Co.'s payables as at 31 December 2019.
- (9) Interest-bearing liabilities as at 31 December 2019 relates to unsecured bank borrowings due in September 2020. There are sufficient bank facilities to refinance the liabilities.
- (10) The non-current interest-bearing liabilities as at 31 December 2019 comprised:
 - (a) Unsecured fixed/floating rate notes totaling S\$725.0 million; JPY24.9 billion and HKD585.0 million (hedged via cross currency swaps to S\$402.1 million);
 - (b) Unsecured bank borrowings of S\$747.6 million and EUR328.1 million; and
 - (c) Secured bank borrowings of MAC Co. of EUR121.9 million and Gallileo Co. of EUR140.0 million.
- (11) At the Trust level, other payables as at 31 December 2019 relates to the recognized lease liabilities payable to CCT's subsidiary, AST2 Co., under the master lease arrangement. At the Group level, it relates mainly to payables of Gallileo Co. and MAC Co..
- (12) This relates to deferred tax provision of Gallileo Co. and MAC Co..
- (13) This relates to non-controlling interests of Gallileo Co. and MAC Co..

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

	Group		
	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000	Change %
Secured borrowings			
Amount repayable after one year ⁽¹⁾	393,781	398,579	(1.2)
Less: Unamortised portion of transactions costs ⁽¹⁾	(1,231)	(1,133)	8.6
Net secured borrowings after one year	392,550	397,446	(1.2)
Unsecured borrowings			
Amount repayable after one year	2,379,091	2,100,507	13.3
Less: Unamortised portion of transactions costs	(3,877)	(4,771)	(18.7)
Net unsecured borrowings after one year	2,375,214	2,095,736	13.3
Amount repayable within one year	43,135	120,800	(64.3)
Less: Unamortised portion of transactions costs	(389)	-	NM
Net unsecured borrowings within one year	42,746	120,800	(64.6)
Total unsecured borrowings	2,417,960	2,216,536	9.1
Total secured and unsecured borrowings	2,810,510	2,613,982	7.5

Note :

(1) This borrowings and transaction costs as at 31 December 2019 relates to Gallileo Co. and MAC Co..

For information only

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

	For information only		
	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000	Change %
<u>Secured borrowings</u> ⁽¹⁾			
Amount repayable after one year	646,400	582,500	11.0
Less: Unamortised portion of transactions costs	(2,290)	(3,390)	(32.4)
Net secured borrowings	644,110	579,110	11.2
<u>Unsecured borrowings</u> ⁽²⁾			
Amount repayable after one year	630,900	690,000	(8.6)
Less: Unamortised portion of transactions costs	(806)	(1,171)	(31.2)
Net repayable after one year	630,094	688,829	(8.5)
Amount repayable within one year	72,000	-	NM
Less: Unamortised portion of transactions costs	(44)	-	NM
Net repayable within one year	71,956	-	NM
Net unsecured borrowings	702,050	688,829	1.9
Total secured and unsecured borrowings	1,346,160	1,267,939	6.2

Notes :

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

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

NM: Not meaningful

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1(c) Statement of Cash Flow (4Q 2019 vs 4Q 2018)

Operating activities

Total return for the period before tax

Adjustments for :

Share of profit of joint ventures

Amortisation of lease incentives

Depreciation of plant, equipment and intangible asset

Finance costs

Impairment losses on trade receivables

Interest income

Loss on disposal of plant and equipment

Asset management fees paid and payable in Units

Net increase in fair value of investment properties

Operating income before working capital changes

Changes in working capital

Trade and other receivables

Trade and other payables

Security deposits

Cash generated from operating activities

Tax expenses paid

Net cash from operating activities

Investing activities

Capital expenditure on investment properties

Purchase of plant and equipment

Purchase of intangible asset

Distribution received from equity investment

Distributions received from joint ventures

Interest income received

Net cash from investing activities

Financing activities

Interest paid

Payment of transaction costs related to borrowings

Distributions to unitholders (withholding tax payments)

Distribution to non-controlling interest

Proceeds from interest-bearing loans and borrowings

Repayment of interest-bearing loans and borrowings

Repayment of interest-bearing loans from non-controlling interests

Net cash used in financing activities

Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

Note	Group	
	4Q 2019 S\$'000	4Q 2018 S\$'000
	137,433	101,500
	(44,353)	(26,035)
	1,159	1,210
	115	35
	17,788	17,332
	-	(5)
	(1,494)	(1,261)
	-	109
	1,663	1,067
	(37,204)	(18,959)
	75,107	74,993
	(5,167)	(5,686)
	10,705	12,191
	2,254	1,819
	82,899	83,317
	(85)	(18)
	82,814	83,299
	(1,967)	(1,668)
	(46)	(16)
	(9)	-
	-	1,646
	23,189	23,391
	1,495	1,190
	22,662	24,543
	(12,241)	(12,659)
	(1,184)	(1,004)
	(9,807)	(7,987)
	-	(659)
1	337,084	225,776
2	(328,300)	(211,569)
	(9,591)	(11,370)
	(24,039)	(19,472)
	81,437	88,370
	124,030	86,543
	205,467	174,913

Notes:

(1) In 4Q 2019, this relates to the proceeds from bank borrowings and proceeds from JPY10.0 billion fixed rate notes due 16 Nov 2027.

(2) In 4Q 2019, this relates to repayments of JPY10.0 billion fixed rate notes and MSO Trust's bank borrowings of S\$180.0 million.

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1(c) Statement of Cash Flow (FY 2019 vs FY 2018)

Note	Group	
	FY 2019 S\$'000	FY 2018 S\$'000
Operating activities		
Total return for the year before tax	444,224	529,190
Adjustments for :		
Share of profit of joint ventures	(115,645)	(118,097)
Amortisation of lease incentives	4,800	4,964
Depreciation of plant, equipment and intangible asset	230	183
Finance costs	69,225	84,516
Loss on disposal of plant and equipment	2	130
Impairment losses on trade receivables	-	7
Interest income	(5,761)	(4,781)
Asset management fees paid and payable in Units	4,961	5,213
Net increase in fair value of investment properties	(94,652)	(197,843)
Distribution from equity investment	(2,816)	(3,293)
Operating income before working capital changes	304,568	300,189
Changes in working capital		
Trade and other receivables	(12,055)	(5,675)
Trade and other payables	16,832	(8,397)
Security deposits	2,789	(2,396)
Cash generated from operating activities	312,134	283,721
Tax expenses paid	(5,361)	(1,686)
Net cash from operating activities	306,773	282,035
Investing activities		
Capital expenditure on investment properties	(8,381)	(9,626)
Purchase of plant and equipment	(55)	(104)
Purchase of intangible asset	(25)	-
Compensation received on investment property	1 40,746	-
Proceeds from divestment of investment property	2 -	511,257
Distribution received from equity investment	2,816	3,293
Distributions received from joint ventures	96,823	98,032
Interest income received	5,834	4,709
Acquisition of subsidiaries, net of cash acquired	3 (386,296)	(548,894)
Net cash (used in) / from investing activities	(248,538)	58,667
Financing activities		
Interest paid	(65,899)	(71,162)
Payment of transaction costs related to borrowings	(2,269)	(12,089)
Distributions to unitholders	4 (353,744)	(303,584)
Dividend to non-controlling interest	(77)	(659)
Net proceeds from equity placements	5 216,640	214,331
Proceeds from interest-bearing loans and borrowings	6 515,559	2,024,919
Repayment of interest-bearing loans and borrowings	7 (328,300)	(2,128,756)
Repayment of interest-bearing loans from non-controlling interests	8 (9,591)	(11,370)
Net cash used in financing activities	(27,681)	(288,370)
Net increase in cash and cash equivalents	30,554	52,332
Cash and cash equivalents at beginning of the year	174,913	122,581
Cash and cash equivalents at end of the year	205,467	174,913

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Notes:

- (1) This relates to the compensation sum received for the return of Bugis Village to the State on 1 April 2019.
- (2) This relates to the net proceeds received in relation to the divestment of Twenty Anson in August 2018.
- (3) For FY 2019, it relates to the preliminary consideration paid for MAC Co. on 17 September 2019 and balance purchase consideration paid for Gallileo Co. in January 2019. For FY 2018, It relates to the balance purchase consideration paid for AST2 Group and preliminary purchase consideration paid for Gallileo Co..
- (4) For FY 2019, it relates to distribution of income for 2H 2018, 1H 2019 and advanced distribution for the period 1 July 2019 to 28 July 2019. For FY 2018, it relates to distribution of income for 2H 2017 and 1H 2018.
- (5) This relates to the Equity Placement in July 2019 and the equity placement in May 2018.
- (6) For FY 2019, this relates to the proceeds from bank borrowings and proceeds from JPY10.0 billion fixed rate notes due 16 Nov 2027.
- (7) For FY 2019, this relates to repayments of JPY10.0 billion fixed rate notes and MSO Trust's bank borrowings of S\$180.0 million.
- (8) For FY 2019, this relates to repayments of interest-bearing loans to non-controlling interest's of MAC Co. (FY 2018: repayment of interest-bearing loans to non-controlling interest's of Gallileo Co.).

1(c)(i) 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\$216.6 million on 29 July 2019 was applied in accordance with stated use as follows:

Date	Use of proceeds	Amount used S\$ million	Balance ^(a) S\$ million
17-Sep-19	For initial payment of equity in MAC Property Company B.V. and MAC Carpark Company B.V.	203.0	13.6

Note

(a) Announcement will be made when the balance amount is utilized.

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1(d)(i) Statement of movement in unitholders' funds (4Q 2019 vs 4Q 2018)

	Note	Group		Trust	
		4Q 2019 S\$'000	4Q 2018 S\$'000	4Q 2019 S\$'000	4Q 2018 S\$'000
Unitholders' fund as at beginning of period		7,052,737	6,792,105	6,680,480	6,476,780
Operations					
Total return for the period attributable to unitholders		132,280	99,814	52,947	81,625
Unitholders' transactions					
Creation of units:					
- Units issued in respect of RCS Trust's asset management fees		634	628	634	628
- Asset management fee paid and payable in Units		1,664	1,066	1,664	1,066
Issue expenses		-	109	-	109
Net increase in net assets resulting from unitholders' transactions		2,298	1,803	2,298	1,803
Movement in reserves					
- Foreign currency translation reserves	1	(1,215)	(113)	-	-
- Fair value reserves	2	(1,396)	(2,573)	(1,396)	(2,573)
- Hedging reserves	3	394	982	3,335	5,137
Net (decrease) / increase in net assets resulting from movement in reserves		(2,217)	(1,704)	1,939	2,564
Net increase in net assets		132,361	99,913	57,184	85,992
Unitholders' fund as at end of period		7,185,098	6,892,018	6,737,664	6,562,772

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 mark-to-market movement of MQREIT.
- (3) 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 MSO Trust's movement in hedging reserves and the Group's share of movement in hedging reserves of the joint ventures.

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1(d)(i) Statement of movement in unitholders' funds (FY 2019 vs FY 2018)

	Note	Group		Trust	
		FY 2019 S\$'000	FY 2018 S\$'000	FY 2019 S\$'000	FY 2018 S\$'000
Unitholders' fund as at beginning of the year		6,892,018	6,416,923	6,562,772	5,993,766
Operations					
Total return for the year attributable to unitholders		433,907	522,047	313,967	632,003
Unitholders' transactions					
Creation of new units:					
- Units issued in respect of RCS Trust's asset management fees		6,708	8,529	6,708	8,529
- Asset management fee paid and payable in Units		4,961	5,213	4,961	5,213
- Equity placements		220,000	217,880	220,000	217,880
- Acquisition fees paid in Units		3,816	-	3,816	-
Issue expenses		(3,360)	(1,273)	(3,360)	(1,273)
Distributions to unitholders		(353,744)	(303,584)	(353,744)	(303,584)
Net decrease in net assets resulting from unitholders' transactions		(121,619)	(73,235)	(121,619)	(73,235)
Movement in reserves					
- Foreign currency translation reserves	1	1,256	(36)	-	-
- Fair value reserves	2	(2,475)	(6,901)	(2,475)	(6,901)
- Hedging reserves	3	(17,989)	33,220	(14,981)	17,139
Net (decrease) / increase in net assets resulting from movement in reserves		(19,208)	26,283	(17,456)	10,238
Net increase in net assets		293,080	475,095	174,892	569,006
Unitholders' fund as at end of the year		7,185,098	6,892,018	6,737,664	6,562,772

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 mark-to-market movement of MQREIT.
- (3) 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 MSO Trust's movement in hedging reserves and the Group's share of movement in hedging reserves of the joint ventures.

1(d)(ii) Details of any change in the units (4Q 2019 vs 4Q 2018)

	Group and Trust	
	4Q 2019 Units	4Q 2018 Units
Units in issue as at beginning of period	3,857,122,046	3,743,762,083
New Units issued:		
- As payment of base component of asset management fee for RCS Trust (60% interest) ⁽¹⁾	301,007	357,036
- As payment of base component of asset management fees for Asia Square Tower 2	262,855	310,169
Total Units issued as at end of period	3,857,685,908	3,744,429,288

Notes:

- (1) For 4Q 2019, it relates to Units issued for payment of 50.0% of the base component of management fees for 3Q 2019, while for 4Q 2018, it relates to Units issued for payment of 50% of the base component of management fees for 3Q 2018). The remaining 50.0% of the base component of management fees was paid in cash.

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1(d)(ii) Details of any change in the units (FY 2019 vs FY 2018)

	Group and Trust	
	FY 2019 Units	FY 2018 Units
Units in issue as at beginning of year	3,744,429,288	3,608,145,589
New Units issued:		
- As payment of asset management fee in relation to RCS Trust (60% interest) ⁽¹⁾	3,628,744	4,630,217
- As payment of asset management fees in relation to CCT properties ⁽²⁾	2,828,492	1,653,482
- Equity placements ⁽³⁾	105,012,000	130,000,000
- Acquisition fees paid in Units ⁽⁴⁾	1,787,384	-
Total Units issued as at end of the year	3,857,685,908	3,744,429,288

Notes:

- (1) For FY 2019, it relates to Units issued for payment of FY 2018 performance fees and 50.0% of the base component of management fees for 4Q 2018, 1Q 2019, 2Q 2019 and 3Q 2019. For FY 2018, it relates to Units issued for payment of FY 2017 performance fees and 4Q 2017, 1Q 2018, 2Q 2018 and 50.0% of 3Q 2018 base component of management fees. The remaining 50.0% of the base component of management fees was paid in cash.
- (2) For FY 2019, this relates to Units issued for payment of FY 2018 performance fees and base component of asset management fees in relation to AST2 for 4Q 2018, 1Q 2019, 2Q 2019 and 3Q 2019. For FY 2018, it relates to Units issued for payment of base component of asset management fee for 1Q 2018, 2Q 2018 and 3Q 2018 for AST2 and performance component of asset management fee for FY 2017 of One George Street and Wilkie Edge.
- (3) For FY 2019, this relates to the Equity Placement in July 2019, while for FY 2018, it relates to the equity placement in May 2018.
- (4) This relates to the acquisition fees of MAC Co..

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 2018.

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") for the financial period beginning 1 January 2019 as follows:

(i) FRS 116 Leases

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

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The Group recognises its existing operating lease arrangements as ROU assets with corresponding lease liabilities and measures lease liabilities by applying a single discount rate to its office leases.

The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 January 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of FRS116.

For ROU assets which meet the definition of investment properties under the principles of FRS 40, the Group presents these leased assets as part of investment properties. For other ROU assets, the Group presents them as part of plant and equipment.

The nature of expenses related to such leases has changed as the principles under FRS 116 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

There is no significant impact to the financial statements of the Group and Trust.

(ii) Amendments to FRS 109 and FRS 107 Interest Rate Benchmark Reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates (“IBORs”) with alternative rates. Such uncertainty may impact the Group’s hedging relationships, for example its effectiveness assessment and highly probable assessment.

The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed at 1 January 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. As IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR, the Group believes the current market structure supports the continuation of hedge accounting as at 31 December 2019.

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

EPU (4Q 2019 vs 4Q 2018)

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	
4Q 2019	4Q 2018
3,857,502,523	3,744,153,635
3.43¢	2.67¢
3,861,685,656	3,748,897,491
3.43¢	2.66¢

EPU (FY 2019 vs FY 2018)

Basic EPU⁽¹⁾

Weighted average number of Units for the year

Basic EPU

Diluted EPU⁽²⁾

Weighted average number of Units for the period (diluted)

Diluted EPU

Group	
FY 2019	FY 2018
3,794,521,149	3,689,980,575
11.44¢	14.15¢
3,798,709,227	3,694,729,804
11.42¢	14.13¢

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Notes:

- (1) Basic EPU was computed on total return for the period / year after tax (excluding non-controlling interests) over the weighted average number of Units for the period / year.
- (2) Diluted EPU was computed on total return for the period / year after tax (excluding non-controlling interests) over the weighted average number of Units for the period / year which had included potential dilutive Units assuming issuance of Units for the settlement of unpaid asset management fees.

Distribution per unit ("DPU")

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

	4Q 2019	4Q 2018	FY 2019	FY 2018
Number of Units in issue at the end of the period / year	3,857,685,908	3,744,429,288	3,857,685,908	3,744,429,288
DPU (cents) for period	2.28¢	2.22¢	8.88¢	8.70¢

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

	Note	Group		Trust	
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Number of Units in issue at end of the year		3,857,685,908	3,744,429,288	3,857,685,908	3,744,429,288
NAV (\$'000)	1	7,185,098	6,892,018	6,737,664	6,562,772
NTA (\$'000)	1	7,185,068	6,892,018	6,737,643	6,562,772
NAV / NTA per Unit	2	\$1.86	\$1.84	\$1.75	\$1.75
Adjusted NAV / NTA per Unit (excluding the distributable income to unitholders)		\$1.82	\$1.80	\$1.71	\$1.71

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 year respectively.

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8 Review of the performance

Statement of Total Return

Gross revenue	107,797	99,025	8.9	412,348	393,968	4.7
Property operating expenses	(25,903)	(19,758)	31.1	(91,125)	(79,358)	14.8
Net property income	81,894	79,267	3.3	321,223	314,610	2.1
Interest income	1,494	1,261	18.5	5,761	4,781	20.5
Investment income	-	-	-	2,816	3,293	(14.5)
Asset management fees:						
- Base fees	(2,092)	(2,006)	4.3	(8,103)	(8,125)	(0.3)
- Performance fees	(3,816)	(3,483)	9.6	(13,201)	(12,127)	8.9
Trust and other operating expenses	(3,816)	(1,201)	NM	(5,344)	(4,666)	14.5
Finance costs	(17,788)	(17,332)	2.6	(69,225)	(84,516)	(18.1)
Net income before share of profit of joint ventures	55,876	56,506	(1.1)	233,927	213,250	9.7
Share of profit (net of tax) of joint ventures	44,353	26,035	70.4	115,645	118,097	(2.1)
Net income	100,229	82,541	21.4	349,572	331,347	5.5
Net increase in fair value of investment properties	37,204	18,959	96.2	94,652	197,843	(52.2)
Total return for the period / year before tax	137,433	101,500	35.4	444,224	529,190	(16.1)
Tax expense	(3,788)	(1,473)	NM	(8,338)	(6,332)	31.7
Total return for the period / year after tax	133,645	100,027	33.6	435,886	522,858	(16.6)
<u>Distribution Statement</u>						
Total return attributable to unitholders	132,280	99,814	32.5	433,907	522,047	(16.9)
Net tax and other adjustments	(76,530)	(46,127)	65.9	(210,573)	(305,757)	(31.1)
Tax-exempt income distribution	7,522	3,850	95.4	18,622	8,450	NM
Distribution from joint ventures	24,363	25,520	(4.5)	95,666	96,991	(1.4)
Distributable income to unitholders	87,635	83,057	5.5	337,622	321,731	4.9
DPU for the period / year	2.28¢	2.22¢	2.7	8.88¢	8.70¢	2.1

NM – Not Meaningful

Review of CCT Group's performance 4Q 2019 vs 4Q 2018

- Gross revenue for 4Q 2019 was S\$107.8 million, an increase of S\$8.8 million or 8.9% over 4Q 2018. The increase was due to higher gross revenue from 21 Collyer Quay, Capital Tower and contribution from MAC from 18 September 2019. The increase was offset partially by lower revenue from Six Battery Road and Bugis Village.
- Property operating expenses for 4Q 2019 were S\$25.9 million, an increase of S\$6.1 million or 31.1% over 4Q 2018 mainly due to rental charges payable to SLA for Bugis Village with effect from 1 April 2019, higher property tax and marketing commission expenses, as well as property operating expenses of Gallileo and MAC (which was acquired on 17 September 2019).
- The increase in trust and other operating expenses for 4Q 2019 was mainly due to foreign exchange losses offset by adjustments to costs estimates of MAC.

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- d) Finance costs of S\$17.8 million for 4Q 2019 were S\$0.5 million or 2.6% higher than 4Q 2018 largely due to higher amortisation of transaction costs but offset by lower interest costs due to lower cost of borrowings.
- e) Share of profit of joint ventures relates to CCT's share of profits of RCS Trust (60%), OGS LLP (50%) and GOT and GSRT (45%).
- f) CCT's distributable income for 4Q 2019 increased to S\$87.6 million or 5.5% from that of 4Q 2018 mainly due to lower interest costs and higher distribution of tax-exempt income attributed by the acquisition of MAC.

Review of CCT Group's performance FY 2019 vs FY 2018

- a) Gross revenue for FY 2019 was S\$412.3 million, an increase of S\$18.4 million or 4.7% over FY 2018. The increase was due to higher gross revenue from 21 Collyer Quay, Capital Tower and AST2, which offset lower gross revenue from Six Battery Road and Bugis Village. The contributions arising from the acquisitions of Gallileo from 19 June 2018 and MAC from 18 September 2019 offset the impact arising from the divestment of Twenty Anson on 29 August 2018.
- b) Property operating expenses for FY 2019 were S\$91.1 million, an increase of S\$11.8 million or 14.8% over FY 2018 mainly due to rental charges payable to SLA for Bugis Village from 1 April 2019, higher marketing and property tax expenses, full twelve months operating expenses of Gallileo as well as addition of property operating expense of MAC from 18 September 2019.
- c) Trust and other operating expenses for FY 2019 were S\$5.3 million, an increase of S\$0.7 million or 14.5% higher than FY 2018 mainly due to foreign exchange loss in FY 2019, albeit offset by lower professional fees.
- d) Finance costs of S\$69.2 million for FY 2019 were S\$15.3 million or 18.1% lower than FY 2018 largely due to lower interest costs arising from lower borrowings and lower interest rates. In addition, fees and expenses paid by MSO Trust for the prepayment of borrowings in September 2018 also accounted for the higher finance cost in FY2018..
- e) Share of profit of joint ventures relates to CCT's share of profits of RCS Trust (60%), OGS LLP (50%) and GOT and GSRT (45%). The lower share of profits of joint ventures was mainly due to higher finance costs.
- f) CCT's distributable income for FY 2019 of S\$337.6 million increased by 4.9% from that of FY 2018 due to higher net property income, lower costs of borrowings and higher distribution of tax-exempt income, attributed by full year operations of Gallileo and the acquisition of MAC.

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 has sustained its growth momentum and delivered a strong set of results for FY 2019 based on proactive portfolio and capital management strategies.

Through consistent engagement with and value add to tenants, CCT maintained a high portfolio occupancy of 98.0% and achieved a healthy tenant retention rate of 82% as at 31 December 2019.

Tenant engagement is a primary focus and in 4Q 2019, CCT leased approximately 398,000 square feet (sq ft) through renewal and new leases. New leases made up 20% of the total leases with demand mainly from companies in the Financial Services; Energy, Commodities, Maritime and Logistics; and Manufacturing and Distribution sectors. In addition, one-third of the leases expiring in 2020 have been completed to date. Separately, CapitaSpring, an integrated development expected to be completed in 1H 2021, has increased its committed occupancy to 34.8% as at 31 December 2019.

Asset enhancement work for the Six Battery Road commenced in 1Q 2020 and is expected to complete in 3Q 2021, during which time the main office tower will remain operational. Contribution from the upgraded space at Six Battery Road will resume progressively in 4Q 2020. 21 Collyer Quay is on track to start upgrading from 2Q 2020 and the new lease will commence in 2Q 2021.

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In 2019, CCT deepened its presence in Frankfurt, Germany with the acquisition of our second property – Main Airport Center. CCT’s overseas properties now make up 8% of the Trust’s portfolio property value and provide income diversification. The Trust remains predominantly Singapore-focused, with assets in Singapore accounting for 92% of portfolio property value.

The Manager will continue to explore opportunities to enhance the long-term value for CCT.

Please also refer to the joint announcement dated 22 January 2020 to be released at or about the same time as this announcement.

Prudent Capital Management

Aggregate leverage as at 31 December 2019 decreased slightly to 35.1% from 35.5% as at 30 September 2019, arising from higher deposited property value. As at end December 2019, CCT’s average cost of debt was lower at 2.4% per annum. After refinancing CapitaGreen’s bank borrowings in 4Q 2019, CCT’s proportion of unencumbered assets increased to 91.0% of total assets, further enhancing the Trust’s financial flexibility.

In December 2019, under a Sustainability Financing Framework, CCT issued its first green bond comprising JPY 10.0 billion of unsecured bonds due in November 2027, which were swapped into approximately S\$124.7 million at a fixed interest rate of 2.84% per annum.

Outlook

Based on data from CBRE Research, Singapore’s average monthly Grade A office market rent grew by 6.9% year-on-year to S\$11.55 per square foot as at 31 December 2019. Occupancy in Singapore’s Core CBD office buildings as at end December was 95.8%, compared with 96.0% in end September 2019. Macroeconomic uncertainties will continue to weigh on office demand going forward. However, with limited new Grade A office supply in the immediate future, CBRE Research expects Grade A (Core CBD) rents to remain stable.

Frankfurt’s office market is expected to remain resilient, due to healthy demand, lower vacancy rates and ongoing pre-commitment for new supply.

11 Distributions

11(a) Current financial period

Any distributions declared for the current financial period? Yes.

(i) Name of distribution	Distribution for the period from 1 July 2018 to 28 July 2019
Distribution type	Taxable income distribution
Distribution rate	Taxable income distribution: 0.62 cents per unit
Par value of units	Not meaningful
Tax rate	<p><u>Taxable income distribution</u> Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.</p> <p>Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p>
Books closure date:	26 July 2019
Date paid	29 August 2019
(ii) Name of distribution	Distribution for the period from 29 July 2019 to 31 December 2019
Distribution type	i) Taxable income distribution ii) Tax-exempt income distribution

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Estimated Distribution rate	i) Taxable income distribution: 3.57 cents per unit ii) Tax-exempt income distribution: 0.29 cents per unit
Par value of units	Not meaningful
Tax rate	<u>Taxable income distribution</u> Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%. <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all unitholders
Books closure date:	30 January 2020
Date payable	28 February 2020

11(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the preceding financial period? Yes.

Name of distribution	Distribution for the period from 1 July 2018 to 31 December 2018
Distribution type	i) Taxable income distribution ii) Tax-exempt income distribution
Distribution rate	i) Taxable income distribution: 4.22 cents per unit ii) Tax-exempt income distribution: 0.20 cents per unit
Par value of units	Not meaningful
Tax rate	<u>Taxable income distribution</u> Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%. <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all unitholders.
Books closure date:	1 February 2019
Date paid	28 February 2019

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

Not applicable.

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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. Segmental information

	Note	FY 2019 S\$'000	FY 2018 S\$'000	Change %	Percentage of Total Gross Revenue	
					FY 2019 %	FY 2018 %
Total Gross Revenue by business segments						
Singapore						
Asia Square Tower 2		110,341	104,962	5.1	26.8	26.7
CapitaGreen		91,370	91,121	0.3	22.1	23.1
Capital Tower		73,115	71,409	2.4	17.7	18.1
Six Battery Road		67,184	68,887	(2.5)	16.3	17.5
Other Office / Commercial Buildings	1	35,411	44,826	(21.0)	8.6	11.4
Subtotal- Singapore buildings		377,421	381,205	(1.0)	91.5	96.8
Overseas (Germany)						
Gallileo and MAC	2	34,927	12,763	NM	8.5	3.2
Subtotal - Overseas Building		34,927	12,763	NM	8.5	3.2
Total gross revenue		412,348	393,968	4.7	100.0	100.0

	Note	FY 2019 S\$'000	FY 2018 S\$'000	Change %	Percentage of Total Net Property Income	
					FY 2019 %	FY 2018 %
Net Property Income by business segments						
Singapore						
Asia Square Tower 2		83,428	80,024	4.3	26.0	25.5
CapitaGreen		71,973	73,319	(1.8)	22.4	23.3
Capital Tower		56,341	54,767	2.9	17.5	17.4
Six Battery Road		52,751	55,104	(4.3)	16.4	17.5
Other Office / Commercial Buildings	1	29,180	39,070	(25.3)	9.1	12.4
Subtotal- Singapore buildings		293,673	302,284	(2.8)	91.4	96.1
Overseas (Frankfurt, Germany)						
Gallileo & MAC	2	27,550	12,326	NM	8.6	3.9
Subtotal - Overseas Building		27,550	12,326	NM	8.6	3.9
Total net property income		321,223	314,610	2.1	100.0	100.0

Notes:

(1) Other Office / Commercial Buildings comprise 21 Collyer Quay and Bugis Village from 1 January to 31 March 2019 before Bugis Village return to SLA (FY 2018: comprise 21 Collyer Quay, Twenty Anson before its divestment on 29 August 2019 and Bugis Village)

(2) Gallileo was acquired on 18 June 2018 and MAC was acquired on 17 September 2019.

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16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to the review of actual performance on page 21 to 22 (paragraph 8).

17 Breakdown of gross revenue and net income

	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Gross revenue reported for first half year	200,747	194,433	3.2
Net income for first half year	165,675	176,809	(6.3)
Gross revenue reported for second half year	211,601	199,535	6.0
Net income for second half year	183,897	154,538	19.0

18 A breakdown of the total annual distribution for the current full year and its previous full year is as follows:

	FY 2019 S\$'000	FY 2018 S\$'000
In respect of the period:		
29 July 2019 to 31 December 2019 ⁽¹⁾		
1 July 2019 to 28 July 2019 ⁽²⁾	23,394	-
1 January 2019 to 30 June 2019	165,158	-
1 July 2018 to 31 December 2018	165,742	-
1 January 2018 to 30 June 2018	-	155,989
1 July 2017 to 31 December 2017	-	148,140

Notes:

(1) Please refer to distributions on page 23 (paragraph 11(a))

(2) Refer to advanced distribution paid on 29 August 2019

19. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager or in any of CCT's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial unitholder of CCT.

On behalf of the Board of the Manager,
CapitaLand Commercial Trust Management Limited
Jonathan Yap Neng Tong
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
22 January 2020