



For immediate release

NEWS RELEASE

CCT's 4Q 2016 DPU rose 10.1% y-o-y to 2.39 cents

CapitaGreen's full contribution in FY 2017 will continue to augment the portfolio

Singapore, 18 January 2017 – CapitaLand Commercial Trust Management Limited (Manager), the Manager of CapitaLand Commercial Trust (CCT or Trust), is pleased to report an estimated distribution per unit (DPU) of 2.39 cents¹ for the financial quarter ended 31 December 2016 (4Q 2016). This translates to DPU growth of 10.1% year-on-year (y-o-y) and 6.7% above the forecast 4Q 2016 DPU of 2.24 cents stated in CCT's circular to unitholders dated 21 June 2016². For financial year 2016 (FY 2016), CCT's DPU increased by 5.3% y-o-y to 9.08¹ cents. Based on CCT's closing price per unit of S\$1.565 on 17 January 2017 and FY 2016 DPU, CCT's distribution yield is 5.8%.

Year-on-year, 4Q 2016 gross revenue increased by 32.7% to S\$89.7 million and net property income (NPI) grew by 35.4% to S\$70.8 million. This is a result of CapitaGreen's contribution to CCT's 4Q 2016 gross revenue and NPI after becoming a wholly-owned property of the Trust. It in turn arose from CCT's acquisition of the remaining 60.0% interest in MSO Trust that owns CapitaGreen which completed on 31 August 2016. The estimated DPU for the financial period 1 July 2016 to 31 December 2016 (2H 2016) is 4.69 cents. Books closure date for 2H 2016 DPU is Thursday, 26 January 2017. The 2H 2016 DPU is expected to be paid on 27 February 2017 as CCT pays its distributable income semi-annually.

The Trust's investment properties, including its joint venture interest in Raffles City Singapore, have been assessed by independent valuers to be worth S\$8,491.9 million as at 31 December 2016. This represents a 13.6% y-o-y increase in portfolio value mainly due to the increased stake in MSO Trust. The Trust's adjusted net asset value per unit is S\$1.73, after deducting the distributable income payable to unitholders.

The Trust's unaudited Consolidated Financial Statements for 4Q 2016 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

¹ The estimated DPU for 4Q 2016, 2H 2016 and FY 2016 were computed on the basis that none of the convertible bonds due 12 September 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 on or before books closure date.

² CCT issued a circular dated 21 June 2016 to its unitholders in relation to the proposed acquisition from CapitaLand and Mitsubishi Estate Asia of 50.0% and 10.0% respectively of units in MSO Trust which holds CapitaGreen.

Summary of CCT Group Results

| | 2H 2016 | 4Q 2016 | 4Q 2015 | Change % | FY 2016 | FY 2015 | Change % |
|--|-------------------------|-------------------------|---------|-------------|-------------------------|---------|------------|
| Gross Revenue (S\$'000) | 164,148 | 89,726 | 67,599 | 32.7 | 298,577 | 273,219 | 9.3 |
| Net Property Income (S\$'000) | 127,798 | 70,770 | 52,254 | 35.4 | 231,277 | 212,752 | 8.7 |
| Distributable Income (S\$'000) | 139,104 | 70,808 | 64,127 | 10.4 | 269,037 | 254,455 | 5.7 |
| Distribution Per Unit (DPU) (cents) | 4.69¹ | 2.39¹ | 2.17 | 10.1 | 9.08¹ | 8.62 | 5.3 |
| - Taxable (cents) | 4.69 | 2.39 | 2.16 | 10.6 | 9.08 | 8.61 | 5.5 |
| - Tax-exempt (cents) | - | - | 0.01 | NM | - | 0.01 | NM |

Mr Soo Kok Leng, Chairman of the Manager, said, "CCT has delivered a set of credible results for 2016 notwithstanding headwinds in the macroeconomic environment and Singapore office market. This is due to our proactive leasing strategy and acquisition of the remaining 60.0% interest in CapitaGreen. The acquisition is a strong testament to the successful execution of our portfolio reconstitution strategy resulting in not only an enhancement of the quality of CCT's portfolio but also improved financial return. Our proposed redevelopment of Golden Shoe Car Park represents another value creation opportunity which will potentially further strengthen CCT's foothold and position as the largest office landlord in Singapore's Central Business District."

Ms Lynette Leong, Chief Executive Officer of the Manager, said, "CCT's portfolio committed occupancy rate of 97.1% as at 31 December 2016 is driven by expansion of existing tenants and take-up by new tenants. About half of 2017 leases have been renewed, and we will continue to proactively attract and retain tenants to mitigate leasing risk. We do not expect to be significantly affected by rising interest rates given that about 80.0% of CCT's borrowings are on fixed interest rates and that it has minimal debt due for refinancing in 2017. Beyond the current challenging market conditions, we are looking at the next wave of the office market upcycle as well as "the future of work" – that is, how the way people work will possibly evolve in the future given the trend of globalisation, mobility and digital technology – and incorporate that in our evaluation of the financial feasibility of the redevelopment of Golden Shoe Car Park, while seeking approvals from the government authorities. Our wish is to replicate the success of CapitaGreen so as to spark a new growth catalyst for the Trust."

CCT's aggregate leverage remained unchanged at 37.8% as at 31 December 2016. The average cost of debt as at 31 December 2016 is 2.6%. CCT has no refinancing requirements in 2017 except for the S\$175 million convertible bonds due September 2017.

CCT's portfolio occupancy rate remains resilient at 97.1% as at 31 December 2016, which is still above market occupancy rate of 95.8%. This is mainly due to higher year-on-year occupancy at CapitaGreen and Capital Tower. In FY 2016, CCT signed approximately 733,000 square feet of new leases and renewals, of which 43% were new leases. New and renewed tenants in the quarter include Ifchor Panamax Singapore Pte Ltd, The Northern Trust Company, Capgemini Singapore Pte Ltd, CRH Asia Pacific Pte Ltd, Egon Zehnder

International Pte Ltd, Kawasaki Heavy Industries (Singapore) Pte Ltd and Waterstone Wealth Advisors Pte Ltd. CCT's monthly average office portfolio rent eased by 0.2% to S\$9.20 per square foot quarter-on-quarter. While CCT signed above-market rents for office leases committed in 4Q 2016, the signed rents were lower than the respective properties' expiring rents.

Outlook

Average monthly office market rent further eased by 2.2% in 4Q 2016 to S\$9.10 per square foot. Since 1Q 2015, Singapore's CBD office market rents have declined by approximately 20%. In 2017, we may continue to see tenants' flight to better quality office space and downward pressure on rents caused by stiff competition among landlords. While negative rent reversions are expected to continue, CCT's DPU for FY 2017 is, nevertheless, expected to be stable barring unforeseen circumstances, and supported by the income contribution from CCT's 100% ownership in CapitaGreen. Despite the challenging near-term market conditions, Singapore will remain an attractive office location for the long term especially among multinational corporations.

About CapitaLand Commercial Trust (www.cct.com.sg)

CapitaLand Commercial Trust is Singapore's first and largest commercial REIT with a market capitalisation of approximately S\$4.6 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\$8.8 billion as at 31 December 2016 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.

Issued by CapitaLand Commercial Trust Management Limited
(Company registration no. 200309059W)

Analyst contact

Ho Mei Peng
CapitaLand Commercial Trust Management
Head, Investor Relations & Communications
DID: (65) 6713 3668
Mobile: (65) 9668 8290
Email: ho.meipeng@capitaland.com

Media contact

Chia Sher Ling
CapitaLand
AVP, Group Communications
DID: (65) 6713 3672
Mobile: (65) 8223 9991
Email: chia.sherling@capitaland.com

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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.

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