## IMPORTANT NOTICE

| NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS |
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**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

**Confirmation of Your Representation**: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States ("**U.S.**") nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described herein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of transmission and consequently none of CCT MTN Pte. Ltd, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Commercial Trust), CapitaLand Commercial Trust, CapitaLand Commercial Trust Management Limited (in its capacity as manager of CapitaLand Commercial Trust), DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon request.

**Restrictions**: The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

***NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION***

***FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.***

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of CCT MTN Pte. Ltd, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Commercial Trust), CapitaLand Commercial Trust, CapitaLand Commercial Trust Management Limited (in its capacity as manager of CapitaLand Commercial Trust), DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited or Standard Chartered Bank to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of CCT MTN Pte. Ltd, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Commercial Trust), CapitaLand Commercial Trust or, as the case may be, CapitaLand Commercial Trust Management Limited (in its capacity as manager of CapitaLand Commercial Trust) in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

**Actions that You May Not Take**: If you receive this information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

**YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**You are responsible for protecting against viruses and other destructive items.** If you receive this information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

# CCT MTN PTE. LTD.

Company Registration Number: 200717660Z
(Incorporated in the Republic of Singapore on 25 September 2007)

## S$2,000,000,000 Multicurrency Medium Term Note Programme
## Unconditionally and irrevocably guaranteed by
## HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED
## (in its capacity as trustee of CapitaLand Commercial Trust)

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by CCT MTN Pte. Ltd. (the "**Issuer**") pursuant to the S$2,000,000,000 Multicurrency Medium Term Note Programme (the "**MTN Programme**") may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

All sums payable in respect of the Notes are unconditionally and irrevocably guaranteed by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Commercial Trust ("**CCT**")) (the "**Guarantor**" or the **"CCT Trustee**").

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, CCT, their respective subsidiaries, their respective associated companies (if any), the MTN Programme or such Notes.

*Arranger*

DBS

This Information Memorandum is dated 26 June 2015.

# CONTENTS

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# NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by the Issuer to arrange the MTN Programme described herein. Under the MTN Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore Dollars and/or any other currencies. The payment of all amounts payable in respect of the Notes issued by the Issuer will be unconditionally and irrevocably guaranteed by the Guarantor.

This Information Memorandum contains information with regard to the Issuer, the Guarantor, CCT, the CCT Manager (as defined herein), the CCT Property Manager (as defined herein), their respective subsidiaries, the MTN Programme, the Notes and the Guarantee (as defined herein). The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information with regard to the Issuer, the Guarantor, CCT, the CCT Manager, the CCT Property Manager and the Group (as defined herein) which is material in the context of the issue and offering of the Notes and the giving of the Guarantee, that the information contained herein is true and accurate in all material respects, the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, and that there are no other facts the omission of which in the context of the MTN Programme, the issue and offering of the Notes and the giving of the Guarantee would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect. The Guarantor confirms that this Information Memorandum constitutes true and accurate disclosure of all material facts about CCT, the CCT Manager, itself and the assets of CCT and there are no other facts the omission of which in the context of the issue and offer of the Notes would or might make any such information misleading in any material respect.

Notes may be issued in Series (as defined herein) having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under "Summary of the MTN Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each Series may be issued in one or more Tranches (as defined herein) on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein) which will be deposited on the issue date with either CDP (as defined herein) or a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenure as may be agreed between the Issuer and the relevant Dealer and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer. The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each Series or Tranche of Notes (the "**Redemption Amount**"). Details applicable to each Series or Tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$2,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be notified by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, CCT, the CCT Manager, the Arranger or any of the Dealers. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time after such date. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, CCT or any of their respective subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Guarantor, CCT, the CCT Manager, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act (as defined herein) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, CCT, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer of the Notes from time to time to be issued pursuant to the MTN Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealer as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) or the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any suggestion or implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer, CCT, the CCT Manager or any of their respective subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

None of the Arranger, any of the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of any of the Issuer, CCT, the CCT Manager, the Guarantor or their respective subsidiaries or associated companies (if any). Further, neither the Arranger nor the Dealers makes any representation or warranty as to the Issuer, the Guarantor, CCT, the CCT Manager, their respective subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

None of the Arranger and the Dealers has verified the information contained herein. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, CCT, the CCT Manager, or their respective subsidiaries or associated companies (if any), the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, CCT and their respective subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and CCT. Accordingly, notwithstanding anything herein, no representation, warranty or undertaking express or implied is made and none of the Arranger nor any of the Dealers nor any of their respective officers, employees or agents shall be held responsible or liable as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by the Issuer, CCT, the CCT Manager or the Guarantor in connection with the Notes or their distribution and none of the Issuer, the Guarantor, CCT, the CCT Manager, the Arranger or any of the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited accounts (consolidated in the case of CCT) of the Issuer or CCT or quarterly financial statements of CCT and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any Series or Tranche of Notes, any Pricing Supplement in respect of such Series or Tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

To the fullest extent permitted by law, none of the Dealers and the Arranger accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, CCT, the CCT Manager, and the Guarantor on the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Guarantor, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

The audited consolidated financial statements in respect of CCT and its subsidiaries for the financial year ended 31 December 2014 set out (a) the statement of financial position in respect of CCT and its subsidiaries as at 31 December 2014, and the comparative statements of financial period as at 31 December 2013 and (b) the statement of total return and distribution statements in respect of CCT and its subsidiaries for the financial year ended 31 December 2014 and the comparative statements of financial period as at 31 December 2013. The statements of financial position as at 31 December 2013, and the statements of total return and distribution statement for the financial year ended 31 December 2013, in respect of CCT and its subsidiaries have been restated to take into account the retrospective adjustments relating to FRS 111 Joint Arrangements (the "**Adjustments**"). Under FRS 111, interests in joint ventures are accounted for using the equity method whilst interests in joint operations are accounted for using the applicable FRSs relating to the underlying assets, liabilities, income and expense items arising from the joint operations.

As FRS 111 is effective for annual periods beginning 1 January 2014 and was not applied in preparing the audited financial statements for financial year ended 31 December 2013, the audited historical financial statements in respect of CCT and its subsidiaries for the financial year ended 31 December 2013 will not be comparable to the audited financial statements for the financial year ended 31 December 2014. However, a copy of the audited consolidated financial statements in respect of CCT and its subsidiaries for the financial year ended 31 December 2013 is available for download from the SGX-ST's website at http://www.sgx.com.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under "Subscription, Purchase and Distribution" on pages 103 to 105 of this Information Memorandum.

**Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.**

**It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes.**

# FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or CCT (including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or CCT, expected growth in the Issuer and/or CCT and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or CCT to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors are discussed in greater detail under the section "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer and/or CCT to be materially different from the results, performance or achievements expected, expressed or implied by the forward-looking statements in this Information Memorandum, undue reliance must not be placed on such forward-looking statements. None of the Issuer, the Guarantor, CCT, the CCT Manager, the Arranger or any of the Dealers represents nor warrants that the actual future results, performance or achievements of the Issuer, CCT, the CCT Manager or the Guarantor will be as discussed in those statements. Neither the delivery of this Information Memorandum or any part thereof nor the issue, offering, purchase or sale of any Notes by the Issuer shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, the Guarantor, CCT, the CCT Manager or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Guarantor, CCT, the CCT Manager, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

## DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

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| "**Agency Agreement**" | : | The Agency Agreement dated 20 November 2007 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) DBS Bank Ltd., as issuing and paying agent and agent bank, and (4) DBS Trustee Limited, as trustee, as amended, modified and supplemented by a Supplemental Agency Agreement dated 31 March 2010 made between the same parties, and as further amended, varied and/or supplemented from time to time |
| "**Agent Bank**" | : | DBS Bank Ltd. |
| "**Arranger**" | : | DBS Bank Ltd. |
| "**BCA**" | : | The Building and Construction Authority |
| "**Business Day**" | : | A day (other than Saturday or Sunday or any gazetted public holiday) on which commercial banks are open for business in Singapore |
| "**CapitaLand**" | : | CapitaLand Limited |
| "**CapitaLand Group**" | : | CapitaLand and its subsidiaries |
| "**CapitaLand Singapore**" or "**CLS**" | : | CapitaLand Singapore Limited, a wholly-owned subsidiary of CapitaLand |
| "**CBD**" | : | Central Business District |
| "**CCT**" | : | CapitaLand Commercial Trust |
| "**CCT Manager**" or "**CCTML**" | : | CapitaLand Commercial Trust Management Limited |
| "**CCTML Board**" | : | The CCTML Board of Directors |
| "**CCTML Board Committees**" | : | The CCTML Audit Committee, Corporate Disclosure Committee and Executive Committee |
| "**CCTML Management**" | : | The CCTML Management team |
| "**CCT Properties**" | : | Capital Tower, Six Battery Road, One George Street, HSBC Building, Bugis Village, Wilkie Edge, Golden Shoe Car Park, a 100 per cent. interest in Twenty Anson, a 40 per cent. interest in CapitaGreen and a 60 per cent. interest in Raffles City Singapore |
| "**CCT Property Manager**" | : | CapitaLand Commercial Management Pte. Ltd., as property manager of CCT |

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| "**CCT Trust Deed**" | : | The trust deed dated 6 February 2004 constituting CCT, as amended, varied and/or supplemented by:<br>(i) the first supplemental deed dated 15 July 2005;<br>(ii) the second supplemental deed dated 20 April 2006;<br>(iii) the third supplemental deed dated 11 August 2006;<br>(iv) the fourth supplemental deed dated 31 October 2007;<br>(v) the first amending and restating deed dated 26 March 2008;<br>(vi) the sixth supplemental deed dated 24 August 2010;<br>(vii) the seventh supplemental deed dated 27 April 2012;<br>(viii) the eighth supplemental deed dated 13 August 2012;<br>(ix) the ninth supplemental deed dated 8 March 2013; and<br>(x) the tenth supplemental deed dated 6 May 2015,<br>as entered into between the CCT Manager and the CCT Trustee, and as further amended, varied and/or supplemented from time to time |
| "**CCT Trustee**" or "**Guarantor**" | : | HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CCT) |
| "**CDP**" or "**Depository**" | : | The Central Depository (Pte) Limited |
| "**CIS Code**" | : | The Code on Collective Investment Schemes issued by the MAS on 23 May 2002 (as updated from time to time) pursuant to Section 321 of the SFA |
| "**CMT**" | : | CapitaLand Mall Trust |
| "**Companies Act**" | : | The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time |
| "**Conditions**" | : | In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1 of the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 of the Trust Deed, and any reference to a particular numbered Condition shall be construed accordingly |

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| “**Couponholders**” | : | Holders of the Coupons |
| “**Coupons**” | : | The interest coupons appertaining to an interest bearing definitive Note |
| “**Dealers**” | : | Persons appointed as dealers under the MTN Programme |
| “**Deed of Covenant**” | : | The Deed of Covenant dated 20 November 2007 executed by the Issuer by way of deed poll in relation to the Notes (which are represented by Global Notes and which are deposited with the Depository), as amended, modified and supplemented by a Supplemental Deed of Covenant dated 31 March 2010, and as further amended, varied and/or supplemented from time to time |
| “**Definitive Notes**” | : | A definitive Note in bearer form, being substantially in the form set out in Part I of Schedule 1 of the Trust Deed and having, where appropriate, Coupons attached on issue |
| “**Deposited Property**” | : | The value of CCT’s total assets based on the latest valuation, including its proportionate interest in joint ventures |
| “**Depository Services Agreement**” | : | The Depository Services Agreement dated 20 November 2007 made between (1) the Issuer, as issuer, and (2) the Depository, as depository, as amended, modified and supplemented by a Supplemental Depository Services Agreement dated 31 March 2010 made between the same parties, and as further amended, varied and/or supplemented from time to time |
| “**Extraordinary Resolution**” | : | A resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast |
| “**Fitch**” | : | Fitch, Inc or its successors |
| “**FOPL**” | : | FirstOffice Pte. Ltd. |
| “**FY**” | : | Financial year ended or ending 31 December |
| “**Global Note**” | : | A Global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons |
| “**Group**” | : | CCT and its subsidiaries |
| “**Guarantee**” | : | The guarantee of the Guarantor contained in the Trust Deed |
| “**Issue Documents**” | : | The Trust Deed, the Agency Agreement, the Depository Services Agreement and the Deed of Covenant |

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| **"Issuer"** | : | CCT MTN Pte. Ltd. |
| **"Issuing and Paying Agent"** | : | DBS Bank Ltd. |
| **"JPY"** | : | Japanese Yen |
| **"Latest Practicable Date"** | : | 22 June 2015 |
| **"MQREIT"** | : | MRCB-Quill REIT (formerly known as QCT) |
| **"MAS"** | : | The Monetary Authority of Singapore |
| **"Moody's"** | : | Moody's Investors Service or its successors |
| **"MSO Trust"** | : | The joint ownership vehicle in the form of an unlisted special purpose sub-trust constituted by the trust deed dated 15 June 2011 as supplemented and amended by a First Supplemental Deed dated 15 November 2011, with CCT holding an interest of 40 per cent., CLS holding an interest of 50 per cent. and Mitsubishi Estate Asia Pte. Ltd. holding an interest of 10 per cent. |
| **"MTN Programme"** | : | The S$2,000,000,000 Multicurrency Medium Term Note Programme of the Issuer |
| **"Noteholder"** | : | Has the meaning ascribed to it in the Conditions |
| **"Notes"** | : | The notes to be issued by the Issuer under the MTN Programme |
| **"NLA"** | : | Net lettable area |
| **"Permanent Global Note"** | : | A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 4 of the Trust Deed |
| **"Pricing Supplement"** | : | In relation to a Series or Tranche, a pricing supplement specifying the relevant issue details in relation to such Series or Tranche |
| **"Programme Agreement"** | : | The Programme Agreement dated 20 November 2007 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) DBS Bank Ltd., as arranger and dealer, as amended, modified and supplemented by a Supplemental Programme Agreement dated 31 March 2010 made between the Issuer, the Guarantor, the Arranger and the Dealers named therein, and as further amended, varied and/or supplemented from time to time |
| **"Property Funds Appendix"** | : | Appendix 6 to the CIS Code in relation to real estate investment trusts, as amended or modified from time to time |

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| "**Property Managers**" | : | The CCT Property Manager and the RCS Property Manager |
| "**QCT**" | : | Quill Capita Trust |
| "**Raffles City Singapore**" or "**RCS**" | : | Inclusive of Raffles City Tower, Raffles City Shopping Centre, Raffles City Convention Centre and the two hotels comprising Fairmont Singapore and Swissôtel The Stamford Singapore |
| "**RCS Management Committee**" | : | The committee comprising representatives from CCT and CMT to act as the manager of RCS Trust |
| "**RCS Property Manager**" | : | CapitaLand (RCS) Property Management Pte. Ltd., as property manager of Raffles City Singapore |
| "**RCS Trust**" | : | The joint ownership vehicle in the form of an unlisted special purpose sub-trust constituted by the trust deed dated 18 July 2006, with CCT holding an interest of 60 per cent. and CMT holding an interest of 40 per cent. |
| "**RCS Trust Trustee-Manager**" | : | HSBC Institutional Trust Services (Singapore) Limited, as the trustee-manager of the RCS Trust |
| "**REIT**" | : | Real estate investment trust |
| "**RM**" or "**RM$**" | : | Malaysian Ringgit |
| "**S&P**" | : | Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. or its successors |
| "**Securities Account**" | : | A securities account maintained by a depositor with CDP |
| "**Securities Act**" | : | Securities Act of 1933 of the United States, as amended |
| "**Series**" | : | (1) (In relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest |
| "**SFA**" | : | Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time |
| "**SGX-ST**" | : | Singapore Exchange Securities Trading Limited |
| "**Shares**" | : | Ordinary shares in the capital of the Issuer |

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| "**Tax Rulings**" | : | The tax rulings dated 10 December 2003 and 22 March 2006, issued by the Inland Revenue Authority of Singapore on the taxation of CCT and the Unitholders in relation to CCT's joint ownership of Raffles City Singapore with CMT through RCS Trust respectively, as the same may be modified, amended, supplemented, revised and/or replaced from time to time |
| "**Temporary Global Note**" | : | A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 of the Trust Deed |
| "**Tranche**" | : | Notes which are identical in all respects (including as to listing) |
| "**Trust Deed**" | : | The Trust Deed dated 20 November 2007 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended, modified and supplemented by a Supplemental Trust Deed dated 31 March 2010 and a Second Supplemental Trust Deed dated 26 June 2015 made between the same parties, and as further amended, varied and/or supplemented from time to time |
| "**Trustee**" | : | DBS Trustee Limited |
| "**Unit(s)**" | : | An undivided interest in CCT as provided for in the CCT Trust Deed |
| "**Unitholder(s)**" | : | The registered holder(s) for the time being of a Unit including persons so registered as joint holders, except where the registered holder is CDP, the term "**Unitholder**" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units |
| "**S$**" or "**Singapore Dollars**" or "**$**" and "**cents**" | : | Singapore dollars and cents respectively |
| "**United States**" or "**U.S.**" | : | United States of America |
| "**%**" | : | Per cent. |
| "**sq m**" | : | Square metres |

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

## SUMMARY OF THE MTN PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant amendment or supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

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| Issuer | : | CCT MTN Pte. Ltd. |
| Guarantor | : | HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CCT). |
| Arranger | : | DBS Bank Ltd. |
| Dealer | : | DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement. |
| Issuing and Paying Agent and Agent Bank | : | DBS Bank Ltd. |
| Trustee | : | DBS Trustee Limited. |
| Description | : | S$2,000,000,000 Multicurrency Medium Term Note Programme. |
| Programme Limit | : | The maximum aggregate principal amount of the Notes outstanding at any time shall be S$2,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the Programme Agreement. |
| Currency | : | Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore Dollars or any other currency agreed between the Issuer and the relevant Dealer(s). |
| Method of Issue | : | Notes may be issued from time to time under the MTN Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement. |
| Issue Price | : | Notes may be issued at par or at a discount, or premium, to par. |
| Maturities | : | Subject to compliance with all relevant laws, regulations and directives, Notes shall have such tenure as may be agreed between the Issuer and the relevant Dealer(s). |
| Mandatory Redemption | : | Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face. |

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| Interest Basis | : | Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest. |
| Fixed Rate Notes | : | Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity. |
| Floating Rate Notes | : | Floating Rate Notes which are denominated in Singapore Dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.<br><br>Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s). |
| Variable Rate Notes | : | Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. |
| Hybrid Notes | : | Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (in the case of Hybrid Notes denominated in Singapore Dollars), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore Dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s). |
| Zero Coupon Notes | : | Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment. |
| Form and Denomination of Notes | : | The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a |

Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.

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| Custody of the Notes | : | Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg. |
| Status of the Notes and the Guarantee | : | The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu,* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured creditors (other than subordinated obligations and priorities created by law) of the Issuer.<br><br>The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor. |
| Negative Pledge | : | In the Trust Deed, the Issuer has covenanted that so long as any Notes remains outstanding, it will not create or permit to subsist any security over the whole or any part of its undertakings, assets, property or revenues, present or future, except for:<br><br>(i) any security over any asset existing at the date of the Trust Deed and disclosed in writing to the Trustee on or prior to the date of the Trust Deed (but the principal amount secured by any such security may not be increased, except with the prior approval of the Noteholders by way of an Extraordinary Resolution);<br><br>(ii) liens or rights of set-off arising in the ordinary course of its business; or<br><br>(iii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.<br><br>In the Trust Deed, the Guarantor has covenanted that so long as any Notes remains outstanding, it will not, and will procure that none of the Principal Subsidiaries (as defined in Condition 9 of the Notes) will, create or have outstanding any security ("**Subsequent Security**") over any Existing Secured Assets (as defined below) which ranks, in point of priority, completely after the security created over such Existing Secured Asset, except for any security created or outstanding with the prior consent in writing of the Trustee or the |

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| | | Noteholders by way of an Extraordinary Resolution. In the Trust Deed and the Conditions, "**Existing Secured Asset**" means any of the undertaking, assets, property or revenues or rights to receive dividends of the Guarantor and/or the Principal Subsidiaries over which a first ranking security by way of an assignment and/or a charge and/or mortgage exists at the time of creation of the Subsequent Security over such undertaking, assets, property or revenues. For the avoidance of doubt, nothing in Clause 15.2.14 of the Trust Deed shall prohibit:<br>(i) any new first ranking security to be created over any Existing Secured Asset (whether in connection with a refinancing or otherwise) provided that the security over such Existing Secured Asset is discharged contemporaneously with the creation of such new security; and<br>(ii) any first ranking security over any units or shares in any company, trust or other entity which are not secured notwithstanding that the undertaking, assets, property or revenues belonging to such company, trust or entity may be secured. |
| Redemption and Purchase | : | If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. |
| Shareholding Covenant | : | So long as any Notes remains outstanding, each of the Issuer and the Guarantor has covenanted that it will ensure that the Guarantor will at all times own (directly or indirectly) the whole of the issued share capital for the time being of the Issuer. |
| Compliance with Property Funds Appendix | : | So long as any Notes remains outstanding, the Guarantor has covenanted that it will comply with the Property Funds Appendix. |
| Events of Default | : | Please refer to Condition 9 of the Notes. |
| Taxation | : | All payments in respect of the Notes and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of |

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| | | such amounts as would have been received by them had no such deduction or withholding been required. For further details, please see the section "Singapore Taxation". |
| Listing | : | Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. |
| Ratings | : | Each Series of the Notes issued under the Programme may be rated or unrated. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency. |
| Selling Restrictions | : | For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, please see the section "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes. |
| Governing Law | : | The MTN Programme and any Notes issued under the MTN Programme will be governed by, and construed in accordance with, the laws of Singapore. |

# TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement:*

The Notes are constituted by a Trust Deed (as amended and supplemented, the "**Trust Deed**") dated 20 November 2007 made between (1) CCT MTN Pte. Ltd. (the "**Issuer**"), (2) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Commercial Trust ("**CCT**")) (the "**Guarantor**" or the "**CCT Trustee**"), and (3) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of deed of covenant (as amended and supplemented, the "**Deed of Covenant**") dated 20 November 2007, relating to the Notes executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which include the form of the Notes and Coupons referred to below. The Issuer and the Guarantor have entered into an Agency Agreement (as amended and supplemented, the "**Agency Agreement**") dated 20 November 2007 made between (1) the Issuer, (2) the Guarantor (in its capacity as trustee of CCT), (3) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**"), and (4) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

## 1. Form, Denomination and Title

### (a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

**(b) Title**

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## 2. Status and Guarantee

### (a) Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

### (b) Guarantee

The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee and the Trust Deed are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional and unsecured obligations of the Guarantor and shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

## 3. Negative Pledge

### (a) Covenant by Issuer

In the Trust Deed, the Issuer has covenanted that so long as any Notes remains outstanding, it will not create or permit to subsist any security over the whole or any part of its undertakings, assets, property or revenues, present or future, except for:

(i) any security over any asset existing at the date of the Trust Deed and disclosed in writing to the Trustee on or prior to the date of the Trust Deed (but the principal amount secured by any such security may not be increased, except with the prior approval of the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed));

(ii) liens or rights of set-off arising in the ordinary course of its business; or

(iii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

### (b) Covenant by Guarantor

In the Trust Deed, the Guarantor has covenanted that so long as any Notes remains outstanding, it will not, and will procure that none of the Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security ("**Subsequent Security**") over any Existing Secured Assets (as defined below) which ranks, in point of priority, completely after the security created over such Existing Secured Asset, except for any security created or outstanding with the prior consent in writing of the Trustee or the Noteholders by way of an Extraordinary Resolution. In the Trust Deed and the Conditions, "**Existing Secured Asset**" means any of the undertaking, assets, property or revenues or rights to receive dividends of the Guarantor and/or the Principal Subsidiaries over which a first ranking security by way of an assignment and/or a charge and/or mortgage exists at the time of creation of the Subsequent Security over such undertaking, assets, property or revenues.

For the avoidance of doubt, nothing in this Condition shall prohibit:

(i) any new first ranking security to be created over any Existing Secured Asset (whether in connection with a refinancing or otherwise) provided that the security over such Existing Secured Asset is discharged contemporaneously with the creation of such new security; and

(ii) any first ranking security over any units or shares in any company, trust or other entity which are not secured notwithstanding that the undertaking, assets, property or revenues belonging to such company, trust or entity may be secured.

**4. (I) Interest on Fixed Rate Notes**

**(a) Interest Rate and Accrual**

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

**(b) Calculations**

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon.

**(II) Interest on Floating Rate Notes or Variable Rate Notes**

**(a) Interest Payment Dates**

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each date ("**Interest Payment Date**"). Such Interest Payment Date is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

**(b) Rate of Interest – Floating Rate Notes**

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof) and as adjusted by the Spread (if any);

(C) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page (as defined below) as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(D) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (C) above on the basis of the quotations of those Reference Banks providing such quotations;

(E) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period) and as adjusted by the Spread (if any);

(C) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

| | | |
|---|---|---|
| SIBOR | = | the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and under the column headed "USD SIBOR" (or such other page as may replace Page ABSI for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; |
| Spot Rate | = | the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Agent Bank) of the rates quoted by the Reference Banks and which appear on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; |
| Premium or Discount | = | the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Agent Bank) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appears on Page ABSI on the monitor of the Bloomberg agency |

under the caption "ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

(D) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (C) above is not quoted on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "USD SIBOR" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

| | | |
|---|---|---|
| Spot Rate | = | the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Agent Bank) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SPOT" (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; |
| Premium or Discount | = | the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Agent Bank) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear on the Reuters Screen ABSIRFIX06-7 Pages under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" (or such other page as may replace the Reuters Screen ABSIRFIX06-7 Pages for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and |
| T | = | the number of days in the Interest Period concerned. |

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

(E) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (D) above is not quoted on the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Agent Bank) and as adjusted by the Spread (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market; and

T = the number of days in the Interest Period concerned;

(F) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with quotations of their Swap Rate(s), the Average Swap Rate for the relevant Interest Period shall be determined in accordance with (E) above on the basis of the quotations of those Reference Banks providing such quotations; and

(G) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

**(c) Rate of Interest – Variable Rate Notes**

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Guarantor, the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

## (d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means:

(i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore; and

(ii) (in the case of Notes denominated in a currency other than Singapore dollars), a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement (in the case of any Screen Page provided by any information service other than the Bloomberg agency or the Reuters Monitor Money Rates Service ("**Reuters**")) and agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre; and

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified in the applicable Pricing Supplement for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark.

**(III) Interest on Hybrid Notes**

**(a) Interest Rate and Accrual**

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

**(b) Fixed Rate Period**

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

## (c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each date ("**Interest Payment Date**"). Such Interest Payment Date is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

**(IV) Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(h)).

**(V) Calculations**

**(a) Determination of Rate of Interest and Calculation of Interest Amounts**

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable in respect of any Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

**(b) Notification**

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

**(c) Determination or Calculation by the Trustee**

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

### (d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

## 5. Redemption and Purchase

### (a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

### (b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of Notes.

### (c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

**(d) Redemption at the Option of the Issuer**

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of Notes.

**(e) Redemption at the Option of Noteholders**

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(f) Redemption for Taxation Reasons**

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the Issuer or, as the case may be, the Guarantor, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor, has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

**(g) Purchases**

The Issuer, the Guarantor or any of their respective related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer, the Guarantor or any of their respective related corporations may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

**(h) Early Redemption of Zero Coupon Notes**

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

**(i) Redemption upon Termination of CCT**

In the event that CCT is terminated in accordance with the provisions of the CCT Trust Deed (as defined in the Trust Deed), the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of CCT.

The Issuer shall forthwith notify the Trustee, the Agents and the Noteholders of the termination of CCT.

**(j) Cancellation**

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective related corporations may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

## 6. Payments

### (a) Principal and Interest

Payments of principal (which shall include the Redemption Amount and the Early Redemption Amount) and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

### (b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

### (c) Appointment of Agents

The Issuing and Paying Agent and its specified office are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that they will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Guarantor, the Issuing and Paying Agent and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Guarantor, the Issuing and Paying Agent and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Guarantor, the Issuing and Paying Agent and the Trustee, adversely affect the interests of the holders.

### (d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

**(e) Non-business days**

Subject as provided in the relevant Pricing Supplement or otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

**(f) Default Interest**

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to one per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

## 7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the

Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore or a non-resident of Singapore who purchased the Notes using funds from his or its Singapore operations); or

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

## 8. Prescription

The Notes and Coupons shall become void unless presented for payment within three years from the appropriate Relevant Date for payment.

## 9. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) (i) the Issuer does not pay the principal of, or Redemption Amount (whether becoming due upon redemption or otherwise) or (in the case of Zero Coupon Notes) the Early Redemption Amounts on, or any interest on, any Notes of any Series when due and such default continues for three business days or (ii) the Guarantor does not pay any amount under the Guarantee within two business days of demand;

(b) the Issuer or the Guarantor does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer or the Guarantor referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and (except in any case where the Trustee considers the failure to be incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by the Trustee on the Issuer of notice requiring the same to be remedied;

(c) any representation, warranty or statement by the Issuer or the Guarantor in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any material respect or is or proves to have been incorrect in any material respect when made or deemed repeated and (except in a case where the Trustee considers such non-compliance to be incapable of remedy) such non-compliance is not remedied for a period of 30 days following the service by the Trustee on the Issuer of notice required the same to be remedied;

(d) (i) any other present or future indebtedness of the Issuer, CCT or any of the Principal Subsidiaries of CCT in respect of borrowed money is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as the case may be, within any applicable grace period in any agreement relating to that indebtedness; or

(ii) the Issuer, CCT or any of the Principal Subsidiaries of CCT fails to pay within 15 days after being properly called upon to do so, any present or future guarantee of indebtedness for borrowed moneys.

However, no Event of Default will occur under this paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S$20,000,000 or its equivalent in other currencies;

(e) the Issuer, CCT or any of the Principal Subsidiaries of CCT is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness (other than those contested in good faith and by appropriate proceedings), begins negotiations or takes any proceeding under any law for a deferral, rescheduling or other readjustment of all or a material part of its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer, CCT or any of the Principal Subsidiaries of CCT;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the Issuer, CCT or any of the Principal Subsidiaries of CCT and is not discharged or stayed within 25 days of its occurrence;

(g) (i) any security on or over the whole or any material part of the assets of the Issuer, CCT or any of the Principal Subsidiaries of CCT becomes enforceable; or

(ii) if any meeting is convened, or any petition or originating summons is presented or any order is made or any resolution is passed for the winding-up, amalgamation, reconstruction, reorganisation, merger, consolidation or termination of, the Issuer, CCT or any of the Principal Subsidiaries of CCT (except for a reconstruction, amalgamation, reorganisation, merger or consolidation where such event is either (1) not likely to have a material adverse effect on the Issuer or CCT or (2) on terms approved before such event by the Trustee or the Noteholders by way of an

Extraordinary Resolution) or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer, CCT or any of the Principal Subsidiaries of CCT or over any part of the assets of the Issuer, CCT or any of the Principal Subsidiaries of CCT;

(h) if (i) the Issuer shall cease or threaten to cease to carry on its Authorised Business (as defined in the Trust Deed), or (ii) CCT shall cease or threaten to cease to carry on its principal business of the ownership and operation of commercial properties;

(i) an order is made by any government authority or agency with a view to condemnation, seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer, CCT or any of the Principal Subsidiaries of CCT and such condemnation, seizure, compulsory acquisition, expropriation or nationalisation will have a material adverse effect on the Issuer or CCT;

(j) any decree, resolution, authorisation, approval, consent, filing, registration or exemption necessary for the execution and delivery of the Issue Documents or the Notes on behalf of the Issuer or the Guarantor or the performance of the Issuer's or the Guarantor's obligations under the Notes or the Guarantee is withdrawn or modified or otherwise ceases to be in full force and effect;

(k) it is or will become unlawful for the Issuer or the Guarantor to observe, perform or comply with, or the Issuer or the Guarantor contests the validity or enforceability of or repudiates, any one or more of their respective obligations under any of the Issue Documents and/or the Guarantee to which it is a party or any of the Notes;

(l) (i) any of the Issue Documents to which it is a party or any of the Notes ceases for any reason (or is claimed by the Issuer or the Guarantor not) to be the legal and valid obligations of the Issuer or the Guarantor, binding upon it in accordance with its terms; or

(ii) any applicable law, directive, order or judgment is enacted, promulgated or entered, the effect of which would be to render any Issue Document to which the Issuer or the Guarantor is a party unenforceable;

(m) any litigation, arbitration or administrative proceeding (other than those which are of a frivolous or vexatious nature) is current or pending (i) to restrain the entry into, exercise of any of the rights and/or the performance or enforcement of or compliance with any of the material obligations of the Issuer or the Guarantor under the Issue Documents to which it is a party or any of the Notes or (ii) which will have a material adverse effect on the Issuer or CCT;

(n) if (i)(1) the CCT Trustee (as defined in the Trust Deed) resigns or is removed; (2) an order is made for the winding-up of the CCT Trustee, a receiver, judicial manager, administrator, agent or similar officer of the CCT Trustee is appointed; and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the CCT Trustee which prevents or restricts the ability of the Guarantor to perform its obligations under any of the Issue Documents to which it is a party or any of the Notes and (ii) the replacement or substitute trustee of CCT is not appointed in accordance with the terms of the CCT Trust Deed (as defined in the Trust Deed);

(o) the CCT Manager (as defined in the Trust Deed) is removed pursuant to the terms of the CCT Trust Deed, and the replacement or substitute manager is not appointed in accordance with the terms of the CCT Trust Deed;

(p) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g) or (i);

(q) the Issuer, the Guarantor or any of the Principal Subsidiaries of CCT is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore;

(r) for any reason the CCT Trustee ceases to own (directly or indirectly) the whole of the issued share capital for the time being of the Issuer; or

(s) the Guarantee is not or ceases to be (or is claimed by the Guarantor not to be) in full force and effect.

In these Conditions:

(1) "**Principal Subsidiaries**" means any Subsidiary of CCT whose total assets, as shown by the accounts of such Subsidiary, based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 25 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such Subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or CCT (the "**transferee**") then:

  (aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is CCT) shall thereupon become a Principal Subsidiary; and

  (bb) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is CCT) shall thereupon become a Principal Subsidiary.

  Any Subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such Subsidiary or the date of issue of a report by the Auditors described below (whichever is earlier), based upon which such audited consolidated accounts or, as the case may be, Auditor's report have been prepared, to be less than 25 per cent. of the total assets of the Group, as shown by such audited consolidated accounts or, as the case may be, Auditor's report. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**Subsidiary**" has the meaning ascribed to it in the Trust Deed.

## 10. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer or the Guarantor as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

## 11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

**12. Replacement of Notes and Coupons**

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent, or at the specified office of such other Issuing and Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

**13. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

**14. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer, the Guarantor or any of their respective subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

**15. Notices**

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in the Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes (as defined in the Trust Deed) are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or the Depository for communication by it to the Noteholders, except that if the Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuing and Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where (i) the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses or (ii) the units of CCT and/or the Notes are listed on the SGX-ST, notices to the holders of the Notes may be given by way of an announcement through the corporate announcement system administered by the SGX-ST including but not limited to the website maintained by the SGX-ST (the "**SGX Corporate Announcement System**") and will be deemed to have been given upon the publication of such announcement on the SGX Corporate Announcement System.

**16. Contracts (Rights of Third Parties) Act**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

**17. Acknowledgement**

(a) Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, the Trustee, the Noteholders and the Couponholders acknowledge that the Guarantor has entered into the Trust Deed in its capacity as trustee of CCT and not in the Guarantor's personal capacity and all references to the "Guarantor" in the Trust Deed, the Notes and the Coupons shall be construed accordingly. As such, notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, the Guarantor has assumed all obligations under the Trust Deed, the Notes and the Coupons in its capacity as trustee of CCT and not in its personal capacity and any liability of or indemnity given by the Guarantor under the Trust Deed, the Notes and the Coupons and any power and right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of CCT over which the Guarantor has recourse and shall not extend to any assets of the Guarantor other than the assets of CCT, any personal assets of the Guarantor or any assets held by the Guarantor in its capacity as trustee of any trust (other than CCT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Guarantor under the Trust Deed, the Notes and the Coupons shall only be in connection with matters relating to CCT (and shall not extend to the Guarantor's obligations in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity or relieve or discharge the Guarantor from any negligence, fraud or breach of trust.

(b) Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby agreed that the Guarantor's obligations under the Trust Deed, the Notes and the Coupons will be solely the corporate obligations of the Guarantor and that the Trustee, the Noteholders and the Couponholders shall not have any recourse against the shareholders, directors, officers or employees of the Guarantor for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity or relieve or discharge the Guarantor from any negligence, fraud or breach of trust.

(c) For the avoidance of doubt, any legal action or proceedings commenced against the Guarantor whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes and the Coupons shall be brought against the Guarantor in its capacity as trustee for CCT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity or relieve or discharge the Guarantor from any negligence, fraud or breach of trust.

## 18. Governing Law and Jurisdiction

The Trust Deed shall be governed by, and construed in accordance with, the laws of Singapore.

The courts of Singapore are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the Trustee, the Noteholders and the Couponholders and shall not limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Each of the Issuer and the Guarantor irrevocably agrees that, should the Trustee take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Issuer and the Guarantor irrevocably agrees that the Issuer and its assets and CCT and CCT's assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed.

# THE ISSUER

## History and Business

The Issuer was incorporated with limited liability under the laws of the Republic of Singapore on 25 September 2007. It is a wholly-owned subsidiary of the CCT Trustee. All of the issued share capital of the Issuer is owned by the CCT Trustee.

Its principal activities are the provision of financial and treasury services for and on behalf of CCT. Since its incorporation, the Issuer has not engaged in any material activities other than the establishment of the MTN Programme, the proposed issue of the Notes under the MTN Programme and the authorisation of documents and agreements referred to in this Information Memorandum to which it is or will be a party.

## Shareholding and Capital

As at the date of this Information Memorandum, the share capital of the Issuer is one ordinary share of S$1. The sole issued ordinary share in the capital of the Issuer is held by the CCT Trustee.

## Indebtedness

As at the date of this Information Memorandum, there is S$573.3 million in principal amount of Notes outstanding. Save as disclosed herein, the Issuer has no borrowings, indebtedness in the nature of borrowings, loan capital outstanding or created but unissued (including term loans), guarantees or material contingent liabilities.

## Directors

The number of Directors shall not be less than two. All the Directors of the Issuer shall be natural persons.

The Directors are:

| Name | Business Address |
|---|---|
| Lynette Leong Chin Yee | 168 Robinson Road #30-01<br>Capital Tower<br>Singapore 068912 |
| Anne Chua Tai Hua | 168 Robinson Road #30-01<br>Capital Tower<br>Singapore 068912 |

## DIRECTORS OF THE ISSUER

### LYNETTE LEONG CHIN YEE

Business Address: 168 Robinson Road, #30-01 Capital Tower, Singapore 068912

Ms Leong has more than 20 years of international experience, including banking and finance with Standard Chartered Bank and United Malayan Banking Corporation Berhad in Singapore and Malaysia, and real estate fund management in the London, New York, Chicago and Asian offices of LaSalle Investment Management. Prior to joining the CCT Manager, Ms Leong was the Chief Executive Officer of Ascendas' South Korea office where she spearheaded Ascendas' strong foothold in the country's real estate market, including the acquisition of office and logistics properties and the establishment of its first real estate fund in South Korea that was co-invested in by some of South Korea's largest financial institutions.

Ms Leong holds a Bachelor of Science degree in Estate Management and a Master of Science in Real Estate from the National University of Singapore.

### ANNE CHUA TAI HUA

Business Address: 168 Robinson Road, #30-01 Capital Tower, Singapore 068912

Ms Chua is the Head of Finance of the CCT Manager and is responsible for financial reporting, budgeting and taxation matters as well as the sourcing and management of funds for CCT. Prior to joining the CCT Manager, Ms Chua was the Senior Vice President, Group Treasury of The Ascott Group. Ms Chua has more than 20 years of working experience in banking and finance, including with Citibank and has extensive regional experience in finance with locally-listed as well as American-listed companies. Ms Chua holds a Bachelor of Business Administration from the National University of Singapore, a Master of Applied Finance from Macquarie University of Australia and a Master of Professional Accounting from the Singapore Management University.

# CAPITALAND COMMERCIAL TRUST

## 1. HISTORY AND BACKGROUND

CCT is Singapore's first listed commercial REIT and is constituted by the CCT Trust Deed.

CCT was formally admitted to the Official List of the SGX-ST on 11 May 2004 and was included under the Central Provident Fund Investment Scheme on 11 May 2004. On 6 May 2015, the CCT Manager announced that the names of CCT and the CCT Manager had been changed from 'CapitaCommercial Trust' to 'CapitaLand Commercial Trust' and "CapitaCommercial Trust Management Limited" to "CapitaLand Commercial Trust Management Limited" respectively.

CCT was established with the investment objective of owning and investing in real estate and real estate-related assets which are income-producing and used or predominantly used for commercial purposes.

Under the management of the CCT Manager, an indirect wholly-owned subsidiary of CapitaLand, CCT is one of Singapore's premier commercial REITs, with a market capitalisation of approximately S$4.6 billion (based on the closing price of S$1.555 per Unit) as at the Latest Practicable Date and a Deposited Property value of S$7.6 billion as at 31 March 2015.

As at the Latest Practicable Date, CCT's portfolio comprises 10 properties in the central area of Singapore as well as an investment in Malaysia. The properties in Singapore are Capital Tower, Six Battery Road, One George Street, HSBC Building, Wilkie Edge, Bugis Village, Golden Shoe Car Park, a 100% interest in Twenty Anson through a special purpose vehicle FOPL, a 40% interest in CapitaGreen through MSO Trust and a 60% interest in Raffles City Singapore through RCS Trust.

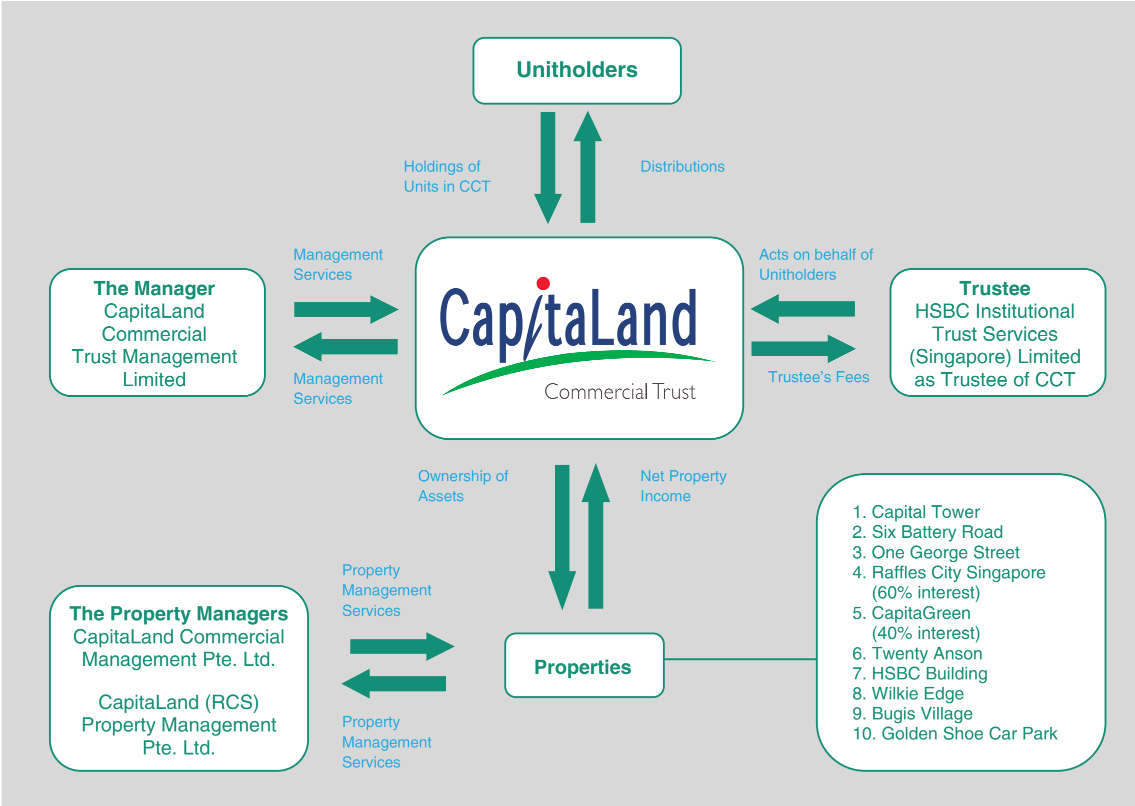
In respect of its investment in Malaysia, CCT owns 17.7% of MQREIT (formerly known as QCT). MQREIT is a commercial REIT constituted in Malaysia that owns 11 commercial properties in Kuala Lumpur, Cyberjaya and Penang and is listed on Bursa Malaysia as at the Latest Practicable Date. As at 31 March 2015, MQREIT has a market capitalisation of RM800.3 million.

As at the Latest Practicable Date, CCT is a component of various key indices which includes the MSCI Global Standard Indices, FTSE ST Mid-Cap Index and the FTSE4Good Index Series.

As at 31 March 2015, the aggregate leverage (as defined in the Property Funds Appendix, "**Aggregate Leverage**") is 29.9% and the interest coverage ratio is 7.6 times. The Property Funds Appendix provides that the Aggregate Leverage of a REIT may exceed 35% of its Deposited Property so long as it obtains and discloses a credit rating from Moody's, Fitch or S&P's (subject to a cap of 60% of its Deposited Property). As at the date of this Information Memorandum, CCT has an "A3" corporate rating with stable outlook assigned by Moody's, and an "A-" rating with stable outlook assigned by S&P.

## 2. STRUCTURE OF CCT

The following diagram illustrates the relationship between CCT, the CCT Trustee, the CCT Manager, the Property Managers and the Unitholders:




### THE CCT TRUSTEE – HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

The trustee of CCT is HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**"). HSBCIT is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the date of this Information Memorandum, HSBCIT has a share capital of S$5,150,000 and its registered address is 21 Collyer Quay, #10-02, HSBC Building, Singapore 049320.

HSBCIT is engaged in a wide range of trust services. It acts as trustee for numerous unit trust schemes as well as corporate and private trusts in Singapore and also undertakes corporate administration as part of its services.

#### Powers, Duties and Obligations of the CCT Trustee

The CCT Trustee's powers, duties and obligations are set out in the CCT Trust Deed. The powers and duties of the CCT Trustee include:

(1) acting as trustee of CCT on behalf of the Unitholders and, therefore, safeguarding the rights and interests of the Unitholders;

(2) holding the assets of CCT on the trusts contained in the CCT Trust Deed for the benefit of the Unitholders; and

(3) exercising all powers of a trustee and the powers that are incidental to the ownership of the assets of CCT.

The CCT Trustee has covenanted in the CCT Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties as trustee of CCT, and in safeguarding the rights and interests of the Unitholders.

In the exercise of its powers under the CCT Trust Deed, the CCT Trustee may (on the recommendation of the CCT Manager), without limitation, purchase or sell any real or personal property, borrow, encumber any asset, give any indemnity or provide any guarantee.

The CCT Trustee may appoint and engage:

(1) a person or an entity to exercise any of its powers or to perform its obligations; and

(2) on the recommendation of the CCT Manager, any real estate agents or managers, including an associate of the CCT Manager, in relation to the management, development, leasing, purchase or sale of any of the assets of CCT.

The CCT Trustee is responsible for protecting the rights and interests of the Unitholders. It must carry out its functions and duties and comply with all the obligations imposed on it and set out in the CCT Trust Deed and the SFA (and regulations promulgated thereunder, including the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations), the CIS Code as well as the Tax Rulings and all other relevant laws and guidelines promulgated from time to time by the relevant authorities. It must retain CCT's assets, or cause CCT's assets to be retained, in safe custody, and cause the accounts relating to CCT to be audited. It can also appoint valuers to value the assets of CCT.

The CCT Trustee is not liable to a Unitholder in connection with the office of the CCT Trustee except in respect of its own fraud, negligence, wilful default, breach of trust or breach of the CCT Trust Deed. Any liability incurred and any indemnity to be given by the CCT Trustee shall be limited to the assets of CCT over which the CCT Trustee has recourse, provided that the CCT Trustee has acted without fraud, negligence, wilful default, breach of trust or breach of the CCT Trust Deed. The CCT Trust Deed contains certain indemnities in favour of the CCT Trustee under which it will not be liable to Unitholders or any other persons for certain acts or omissions. These indemnities are subject to any applicable laws.

**Retirement and Replacement of the CCT Trustee**

The CCT Trustee may retire or be replaced under the following circumstances:

(1) The CCT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the CCT Trust Deed).

(2) The CCT Trustee may be removed by notice in writing to the CCT Trustee by the CCT Manager in any of the following events:

    (a) if the CCT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CCT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the CCT Trustee;

    (b) if the CCT Trustee ceases to carry on business;

(c) if the CCT Trustee fails or neglects after reasonable notice from the CCT Manager to carry out or satisfy any material obligation imposed on the CCT Trustee by the CCT Trust Deed;

(d) if the Unitholders by Extraordinary Resolution (as defined in the CCT Trust Deed) duly passed at a meeting of Unitholders held in accordance with the provisions contained in the CCT Trust Deed decide that the CCT Trustee be removed and of which not less than 21 days' notice has been given to the CCT Trustee and the CCT Manager shall so decide; and

(e) if the MAS directs that the CCT Trustee be removed.

**CCT Trustee's Fee**

Under the CCT Trust Deed, the maximum fee payable to the CCT Trustee is 0.1% per annum of the value of the Deposited Property (for the purposes of this section, the "**permitted limit**"), subject to a minimum of S$8,000 per month, excluding out-of-pocket expenses and goods and services tax. In addition, the CCT Trustee was paid a one-time inception fee of S$15,000 out of the assets of CCT. The actual fee payable to the CCT Trustee (which shall not exceed the permitted limit) will be determined between the CCT Manager and the CCT Trustee from time to time.

Any increase to the permitted limit or any change in the structure of the CCT Trustee's fee must be approved by the Unitholders by an Extraordinary Resolution.

**THE CCT MANAGER – CAPITALAND COMMERCIAL TRUST MANAGEMENT LIMITED**

The CCT Manager's primary role is to set the strategic direction of CCT and make recommendations to the CCT Trustee on the acquisition, divestment and enhancement of the assets of CCT in accordance with its stated investment strategy. The research, evaluation and analysis required for this purpose are coordinated and carried out by the CCT Manager.

The CCT Manager has general powers of management over the assets of CCT. The CCT Manager's primary responsibility is to manage the assets and liabilities of CCT for the benefit of the Unitholders. The CCT Manager does this with a focus on generating rental income and enhancing asset value over time so as to maximise returns from investments, and ultimately distributions and total returns to Unitholders.

The CCT Manager's other functions and responsibilities include:

(a) using its best endeavours to conduct CCT's business in a proper and efficient manner and to conduct all transactions with, or on behalf of CCT, at arm's length;

(b) preparing annual business plans for review by the directors of the CCT Manager, including forecasts of revenue, net income and capital expenditure, explanations of major variances to plans, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions;

(c) ensuring compliance with relevant laws and regulations, including the SGX-ST Listing Manual, the CIS Code issued by the MAS, the Property Funds Appendix and the Tax Rulings;

(d) attending to all regular communications with Unitholders; and

(e) supervising the CCT Property Manager which performs the day-to-day property management functions (including leasing, marketing, promotion, coordination and property management) for CCT's properties. With regard to Raffles City Singapore (RCS), which is held by CCT and CMT in the proportions of 60% and 40% respectively, the CCT Property Manager holds a 60% interest in the RCS Property Manager. The other 40% is held by CapitaLand Retail Management Pte Ltd, the property manager of the malls owned by CMT. As a result of its interest in the RCS Property Manager, the CCT Property Manager is able to play a key role in directing the property management function for RCS.

The CCT Manager also considers sustainability issues (including environmental and social factors), as part of its responsibilities.

CCT, constituted as a trust, is externally managed by the CCT Manager and therefore has no personnel of its own. The CCT Manager appoints experienced and well-qualified management to run its day-to-day operations. All directors and employees of the CCT Manager are remunerated by the CCT Manager and not by CCT.

The CCT Manager was appointed in accordance with the terms of the CCT Trust Deed. The CCT Trust Deed also outlines certain circumstances under which the CCT Manager can be removed, including by notice in writing given by the CCT Trustee upon the occurrence of certain events, or by a resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the CCT Trust Deed.

The CCT Manager is a subsidiary of CapitaLand which holds a significant unitholding interest in CCT. CapitaLand is a long-term real estate developer and investor and has strong inherent interests in the performance of CCT. CapitaLand's retention of a significant unitholding interest in CCT ensures its commitment to CCT and aligns its interests with other Unitholders. The CCT Manager's association with CapitaLand provides the following benefits, amongst others, to CCT:

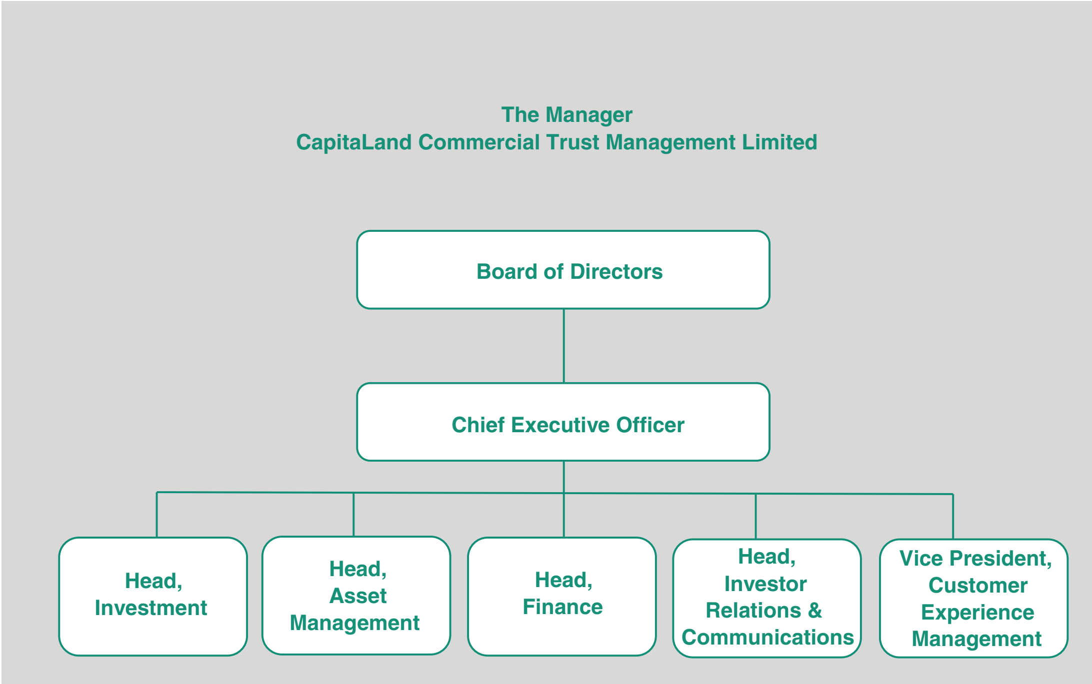
(a) stable pipeline of property assets through CapitaLand's development activities;

(b) wider and better access to banking and capital markets on favourable terms;

(c) fund raising and treasury support; and

(d) access to a bench of experienced management talent.

The following diagram is a simplified illustration of the organisation of the CCTML Board and CCTML Management as at the Latest Practicable Date.




**The CCTML Board**

The CCT Manager is led by the CCTML Board, with non-executive independent directors comprising half of the CCTML Board. Each director brings to the CCTML Board skills, experience, insights and sound judgment, which together with his or her strategic networking relationships, serve to further the interests of CCT. At all times, the directors are collectively and individually obliged to act honestly and with diligence, and consider the best interests of Unitholders.

The CCTML Board oversees the affairs of the CCT Manager, in furtherance of the CCT Manager's primary responsibility to manage the assets and liabilities of CCT for the benefit of Unitholders. The CCTML Board appoints the Chief Executive Officer who, assisted by the CCTML Management, is responsible for the day-to-day management and overall operation of CCT's business.

The CCTML Board provides leadership to the CCTML Management, sets the strategic direction and oversees the management of CCT. The CCTML Board establishes goals for the CCTML Management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and to comply with the requirements under the SGX-ST Listing Manual, the Property Funds Appendix, as well as any applicable laws and any other applicable guidelines prescribed by the SGX-ST, the MAS or other relevant authorities. It also sets the disclosure and transparency standards for CCT and ensures that obligations to Unitholders and other stakeholders are understood and met.

The CCTML Board has reserved authority to approve certain matters and these include:

(a) material acquisitions, investments, disposals and divestments;

(b) issue of new units;

(c) income distributions and other returns to Unitholders; and

(d) matters which involve a conflict of interest for a controlling unitholder or a director.

Various CCTML Board Committees, namely the Audit Committee, the Corporate Disclosure Committee and the Executive Committee have been constituted with clear written terms of reference to assist the CCTML Board in the discharge of its functions.

Each of the CCTML Board Committees operates under delegated authority from the CCTML Board. The CCTML Board may form other Board committees as dictated by business imperatives. Membership of the various CCTML Board Committees is managed to ensure an equitable distribution of responsibilities among CCTML Board members, to maximise the effectiveness of the CCTML Board and to foster active participation and contribution from CCTML Board members. Diversity of experience and appropriate skills are considered in the composition of the respective CCTML Board Committees.

The CCTML Board has adopted a set of internal controls which establishes approval limits for, amongst other things, capital expenditure, investments, divestments and debt. Apart from matters that specifically require the CCTML Board's approval, the CCTML Board delegates authority for transactions below those limits to the CCTML Board Committees and the CCTML Management. Approval sub-limits are also provided at management level to optimise operational efficiency.

The CCTML Board meets at least once every quarter, and as required by business imperatives. Where exigencies prevent a director from attending a CCTML Board meeting in person, the Articles of Association of the CCT Manager permit the director to participate via teleconferencing or video conferencing. The CCTML Board and CCTML Board Committees may also make decisions by way of resolutions in writing.

The CCT Manager believes in the manifest contribution of its directors beyond attendance at formal CCTML Board and CCTML Board Committee meetings. To judge a director's contributions based on his or her attendance at formal meetings alone would not do justice to his or her overall contributions, which include being accessible by CCTML Management for guidance or exchange of views outside the formal environment of CCTML Board and CCTML Board Committee meetings.

The CCT Manager provides suitable training for directors. Upon appointment, each director is provided with a formal letter of appointment and is also given a copy of the directors' manual (which includes information on a broad range of matters relating to the role of a director). All directors on appointment are required to go through an induction programme to familiarise themselves with matters relating to the business activities of CCT, its strategic direction and policies, the regulatory environment in which CCT operates and the CCT Manager's corporate governance practices. The CCT Manager also provides appropriate training for first-time directors, which covers industry-specific knowledge.

Following their appointment, directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities, changes to regulations and accounting standards, and industry-related matters, so as to be updated on matters that affect or may enhance their performance as directors or CCTML Board Committee members.

**Removal and Retirement of the CCT Manager**

The CCT Manager shall have the power to retire in favour of a corporation approved by the CCT Trustee to act as the manager of CCT.

The CCT Manager shall be subject to removal by notice in writing given by the CCT Trustee in any of the following events:

(1) if the CCT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CCT Trustee) or if a receiver is appointed over any of its assets or a judicial manager is appointed in respect of the CCT Manager;

(2) if the CCT Manager ceases to carry on business;

(3) if the CCT Manager fails or neglects after reasonable notice from the CCT Trustee to carry out or satisfy any material obligation imposed on the CCT Manager by the CCT Trust Deed;

(4) if the Unitholders, by a resolution passed by a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a meeting of Unitholders duly convened and held in accordance with the provisions contained in the schedule of the CCT Trust Deed, decide that the CCT Manager is to be removed;

(5) if for good and sufficient reason the CCT Trustee is of the opinion, and so states in writing such reason and opinion, that a change of the CCT Manager is desirable in the interests of the Unitholders PROVIDED THAT if the CCT Manager within one month after such statement expresses its dissatisfaction in writing with such opinion, the matter shall then forthwith be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 of Singapore, before three arbitrators, the first of whom shall be appointed by the CCT Manager, the second of whom shall be appointed by the CCT Trustee and the third of whom shall be appointed by the chairman for the time being of the SGX-ST (failing which appointment the third arbitrator shall be jointly appointed by the CCT Manager and the CCT Trustee) and any decision made pursuant to the arbitration shall be binding upon the CCT Manager, the CCT Trustee and the Unitholders; and

(6) if the MAS directs the CCT Trustee to remove the CCT Manager.

**CCT Manager's Management Fees**

The CCT Manager is entitled to the following management fees:

(1) a base fee of 0.1% per annum of the value of the Deposited Property (the "**Base Fee**"), payable quarterly in arrear; and

(2) an annual performance fee of 5.25% per annum of CCT's Net Investment Income (as defined below) of CCT, before payment of the CCT Manager's management fees (the "**Performance Fee**"), also payable quarterly in arrear.

"**Net Investment Income**" means net property income and other operating income of CCT (whether at the level of CCT or the special purpose vehicles) (including interest income but excluding any non-operating income such as gains on disposal or revaluation of properties) less borrowing costs (whether at the level of CCT or the special purpose vehicles), the CCT Manager's management fees and all fees, costs, charges and expenses payable out of

CCT's administrative fund or the Deposited Property pursuant to the CCT Trust Deed (including recurring operating expenses such as the CCT Trustee's remuneration, annual listing fees, registry fee, accounting, audit and tax advisory fee, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expense of CCT), but before tax.

The CCT Manager is entitled to receive, at the option of the CCT Manager, the CCT Manager's management fees wholly in the form of cash, wholly in the form of Units or a combination of both. When paid in the form of Units, the CCT Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of the CCT Manager's management fees attributable to such period at an issue price equal to the Market Price.

The CCT Manager may apportion such part of the Base Fee and/or the Performance Fee as is attributable to any special purpose vehicle to the special purpose vehicle and will procure the entry by the special purpose vehicle into a written agreement relating to the payment by the special purpose vehicle of such part of the Base Fee and/or the Performance Fee apportioned to the special purpose vehicle.

In relation to Raffles City Singapore, which is held by RCS Trust, the CCT Manager shall receive fees as set out in the trust deed constituting RCS Trust dated 18 July 2006 (the "**RCS Trust Deed**"), and each of the Base Fee, the Performance Fee, the Acquisition Fee (as defined below) and the Divestment Fee (as defined below) that the CCT Manager is entitled to in respect of RCS Trust or assets held by RCS Trust shall be reduced to the extent that any such payment has been received by the CCT Manager pursuant to the RCS Trust Deed.

Under the RCS Trust Deed, the CCT Manager is entitled to an agreed percentage of:

(1) a base fee of 0.25% per annum of the value of the deposited property of RCS Trust; and

(2) a performance fee of 4% of the net property income of RCS Trust, (collectively, the "**RCS Management Fee**").

The RCS Management Fee shall be payable wholly in units in RCS Trust or, with the unanimous approval of the CCT Manager and the manager of CMT (the "**CMT Manager**"), wholly in cash, or in a combination of both.

Where the RCS Management Fee payable to the CCT Manager and the CMT Manager is to be paid in units in RCS Trust, HSBCIT, as the trustee-manager of RCS Trust (the "**RCS Trust Trustee-Manager**") shall issue units in RCS Trust to the CCT Trustee and the trustee of CMT ("**CMT Trustee**"), and the CCT Manager and the CMT Manager shall then issue and receive for their own account such number of Units and units in CMT (as the case may be) as may be purchased with the respective amounts of the RCS Management Fee received by each of the CCT Trustee and the CMT Trustee respectively. Where the RCS Management Fee payable to the CCT Manager and the CMT Manager is to be paid in cash, such amounts shall be paid directly to the CCT Manager and the CMT Manager.

In relation to CapitaGreen, which is held by MSO Trust, the CCT Manager shall receive fees as set out in the trust deed constituting MSO Trust dated 15 June 2011 (the "**MSO Trust Deed**"), and each of the Base Fee, the Performance Fee, the Acquisition Fee (as defined below) and the Divestment Fee (as defined below) that the CCT Manager is entitled to in respect of MSO Trust or assets held by MSO Trust shall be reduced to the extent that any such payment has been received by the CCT Manager pursuant to the MSO Trust Deed.

Under the MSO Trust Deed, the CCT Manager is entitled to an agreed percentage of:

(1) a base fee of 0.10% per annum of the value of the deposited property of MSO Trust; and

(2) a performance fee of 5.25% per annum of the net investment income of MSO Trust, (collectively, the "**MSO Management Fee**").

The CCT Manager may elect to receive the MSO Management Fees in cash or in CCT Units.

Where the MSO Management Fee payable to the CCT Manager is to be paid in CCT Units, the CCT Manager shall, subject to the provisions of CCT Trust Deed and the CIS Code, issue or procure the issue and receive for its own account such number of CCT Units as may be purchased with the relevant amount of the MSO Management Fee. Where the MSO Management Fee payable to CCT Manager is to be paid in cash, such amounts shall be paid directly to the CCT Manager.

When the CCT Manager's management fees (including the RCS Management Fee and the MSO Management Fee) are paid in the form of Units, the CCT Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of its management fees attributable to such period at an issue price equal to the Market Price.

Units issued to the CCT Manager in payment of the CCT Manager's management fees are equally entitled to distribution as with all other Units. Subject to the CCT Manager's undertaking to the MAS not to deal in the Units during certain specified periods, the CCT Manager may, at its option, sell any such Units issued and is entitled to keep any gains made on such sale for its own account.

Any increase in the rate or any change in the structure of the CCT Manager's management fees must be approved by an Extraordinary Resolution.

The CCT Manager is also entitled to:

(1) an acquisition fee of 1% of the acquisition price of any Authorised Investment (as defined below) acquired directly or indirectly by CCT (pro-rated, if applicable, to the proportion of CCT's interest in the Authorised Investment acquired) (the "**Acquisition Fee**"); and

(2) a divestment fee of 0.5% of the sale price of any Authorised Investment sold or divested directly or indirectly by CCT (pro-rated, if applicable, to the proportion of CCT's interest in the Authorised Investment divested) (the "**Divestment Fee**").

"**Authorised Investments**" refers to, in general:

(1) real estate, whether freehold, leasehold and/or held as joint owner, and whether in or outside Singapore;

(2) any improvement or extension of or addition to or reconstruction or renovation or other development of any real estate or any building thereon;

(3) real estate related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;

(4) listed or unlisted debt securities and listed shares or stock of or issued by local or foreign non-property companies or corporations;

(5) government securities (issued on behalf of the Singapore government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;

(6) cash and cash equivalent items; and

(7) financial derivatives only for the purposes of (a) hedging existing positions in CCT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, provided that such derivatives are not used to gear the overall portfolio of CCT or intended to be borrowings of CCT; and

(8) any other investment not covered by paragraph (1) to (7) of this definition but specified as a permissible investment in the Property Funds Appendix (or as otherwise permitted by the MAS) and selected by the CCT Manager for investment by CCT and approved by the CCT Trustee in writing.

Any increase in the maximum permitted level of the Acquisition Fee or Divestment Fee must be approved by an Extraordinary Resolution.

Any payment to third party agents or brokers in connection with the acquisition, sale or divestment of any Authorised Investments for CCT shall be paid by the CCT Manager to such persons out of the Acquisition Fee or the Divestment Fee received by the CCT Manager, and not additionally out of CCT or the assets of the relevant special purpose vehicle.

## THE PROPERTY MANAGERS

The CCT Property Manager, an indirect wholly-owned subsidiary of CapitaLand, performs the day-to-day property management functions of the CCT Properties including CapitaGreen but excluding Raffles City Singapore. The CCT Property Manager holds a 60% interest in the RCS Property Manager, which performs the day-to-day property management functions at Raffles City Singapore. CapitaLand Retail Management Pte. Ltd., which is the property manager of the properties owned by CMT, holds the other 40%. As a result of its interest in the RCS Property Manager, the CCT Property Manager is able to play a key role in directing the property management function for Raffles City Singapore.

### The Property Managers' Services

The services provided by each of the Property Managers for each property under its management include the following:

(1) establishing (for the approval of the CCT Trustee or, as the case may be, the RCS Trust Trustee-Manager or the MSO Trust Trustee-Manager, following the recommendation of the CCT Manager or, as the case may be, the RCS Management Committee or MSO Trust Management Committee) operating budgets and annual plans for the operation, management, marketing and maintenance of the property;

(2) operating and maintaining property in accordance with budgets and plans (and revisions thereof) approved by the CCT Trustee or, as the case may be, the RCS Trust Trustee-Manager or MSO Trust Trustee-Manager, following the recommendation of the CCT Manager or, as the case may be, the RCS Management Committee or MSO Trust Management Committee;

(3) planning and coordinating marketing and promotional programmes;

(4) recommending leasing strategy and negotiating leases, licences and concessions;

(5) supervising and controlling all collections and receipts, payments and expenditure;

(6) administrating leases;

(7) with the assistance of insurance advisers, coordinating, reviewing and maintaining at all times certain insurance coverage; and

(8) maintaining books of accounts and records in respect of the operation of property.

## 3. GROWTH STRATEGIES

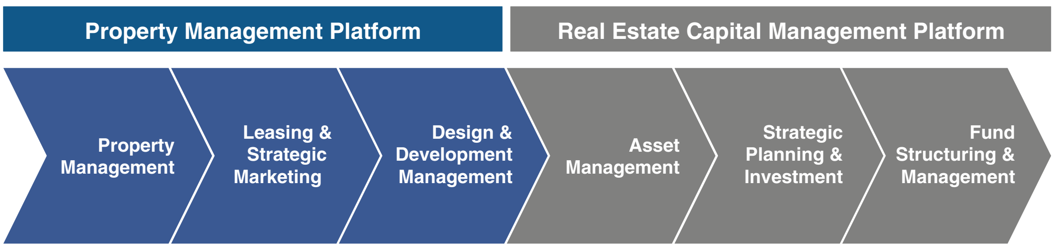
The CCT Manager's principal investment strategy is to own and invest in real estate and real estate related assets which are income-producing and used, or predominantly used, for commercial purposes. The CCT Manager's key objectives are to produce regular and stable distributions for Unitholders and to provide a competitive investment return to Unitholders.

The CCT Manager plans to achieve these key objectives through the following strategies:

### (a) Unique Integrated Real Estate Platform

The CCT Manager leverages the unique integrated real estate platform, with in-house capabilities in commercial real estate investment, development, commercial building management and fund management, of its sponsor, CapitaLand. The CCT Manager expects to benefit from its close relationship with CapitaLand by drawing upon CapitaLand's expertise and best practices in managing commercial assets. The CCT Manager takes a holistic approach to the management of CCT, and strives not only to manage the CCT Properties well through CapitaLand's specialised divisions handling property management, leasing and strategic marketing and design and development management, but also to be in a good position to manage the funds raised by CCT through CapitaLand's divisions handling asset management, strategic planning and investment as well as fund structuring and management as depicted diagrammatically in the integrated real estate platform below:

**Integrated Real Estate Platform**




### (b) Pursue an Active Asset Management Strategy

The CCT Manager proactively manages its portfolio of assets to maximise the performance of such assets to create a stable growth platform. Since the listing of CCT in 2004, the property portfolio value, including CCT's 60% interest in RCS Singapore and 40% interest in CapitaGreen, has grown from S$1,918.2 million to S$7,362.9 million as at 31 March 2015, reflecting a compound annual growth rate of 14.4% from 2004 to 2014.

In addition to the acquisition of income-producing assets, a proportion of CCT's asset growth has been achieved through:

- improved rental rates for lease renewals and new leases;
- attaining high occupancy rates for the properties;
- generating non-rental income from car parks, leasing of advertisement panels and event spaces; and
- fostering close tenant relationships to improve retention of clients.

The CCT Manager also implements various asset enhancement initiatives to increase the yield of office and retail space in the CCT Properties. These initiatives include:

- décantation whereby lower yielding spaces are transformed into higher yielding spaces; and
- conversion of under-utilised space or common areas into rental space.

The CCT Manager adopts a proactive approach towards quality and value enhancements of its properties. This includes the divestment of properties that have reached their optimal life cycle and the reinvestment of the sales proceeds in acquisition of assets generating higher returns or assets which have potential for value enhancement.

**(c) Value Creation through Asset Enhancement Initiatives**

Asset enhancement initiatives ("**AEIs**") are aimed at strengthening CCT Properties' competitiveness, reinforcing the Grade A positioning of assets and improving rental yields in the long run. With the objective of creating value for the portfolio, AEIs were completed at Six Battery Road and Raffles City Tower in December 2013 and June 2014 respectively and another is underway in phases in Capital Tower with a target completion date of 4Q 2015. A combination of enhancements has been made to these properties and these include:

- addition of design features such as a vertical garden at Six Battery Road and a distinctive canopy and sculpture, "L' Envol", by renowned French sculptor Etienne at Raffles City Tower;
- the upgrade and refreshing of common areas such as main lobbies and lift lobbies, lift interiors and restrooms;
- enhancement of security and concierge features with new visitor management systems, security turnstiles and concierge counters; and
- introduction of "green" building features such as more efficient lighting, new chiller plants and condensate water recycling from the air-handling units for the cooling towers of new chiller plants.

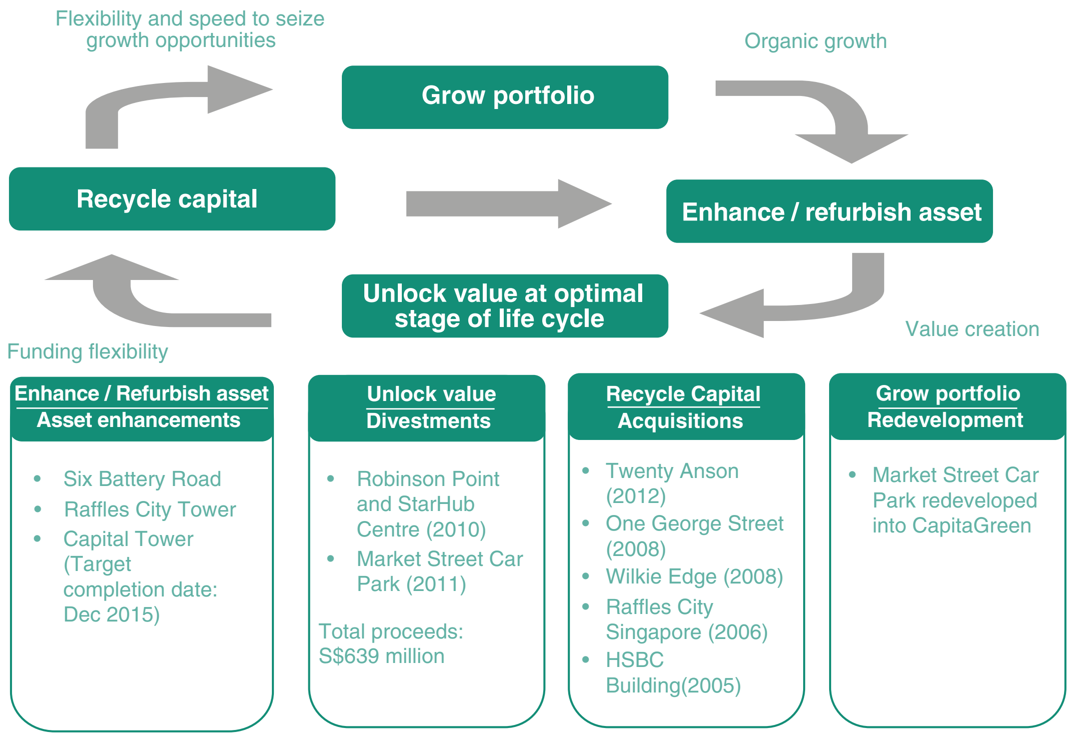
As a result of these enhancements, the following properties have obtained the BCA Green Mark award – Six Battery Road (Green Mark Platinum), Raffles City Tower (Green Mark Gold) and Capital Tower (Green Mark Platinum).

### (d) Seek Quality Acquisitions and Investments

The CCT Manager actively pursues accretive acquisitions with value creating opportunities based on the following principal considerations: (i) distribution per unit accretion, (ii) rental income sustainability and (iii) potential for value creation.

Since the listing of CCT on 11 May 2004, the CCT Manager has acquired five good quality buildings. This includes: (i) the acquisition of HSBC Building for S$147 million completed on 29 April 2005, (ii) the acquisition of Raffles City Singapore for S$2,166 million (CCT's 60% share is S$1,299.6 million) completed on 1 September 2006, (iii) the acquisition of One George Street for S$1,165 million completed on 11 July 2008, (iv) the acquisition of Wilkie Edge for S$182.7 million completed on 2 December 2008 and (v) the acquisition of Twenty Anson for S$430 million completed on 22 March 2012.

**Portfolio Reconstitution Strategy**




In line with the Portfolio Reconstitution Strategy outlined above, the CCT Manager recycled the net sale proceeds of S$639 million from the divestments of Robinson Point and StarHub Centre in 2010 and Market Street Car Park in 2011 to acquire Twenty Anson for S$430 million in 2012 and to jointly redevelop (with CapitaLand and Mitsubishi Estate Asia) Market Street Car Park into CapitaGreen, a modern Grade A office building.

### (e) Exercise Prudent Capital and Risk Management

Appropriate debt and equity financing policies are employed by the CCT Manager to optimise its funding structure. The CCT Manager also monitors CCT's exposure to various risks by adhering to clearly established management policies and procedures.

CCT has a robust capital structure with a gearing of only 29.9%, a debt headroom of S$1.2 billion to fund future acquisitions assuming 40% gearing and low exposure to interest rate risk with only 17% total borrowings on floating rate interest as at 31 March 2015.

## 4. COMPETITIVE STRENGTHS

### (a) Strategically Located Quality Assets

CCT owns a portfolio of 10 centrally-located properties, most of which are strategically situated in prime locations around major MRT train stations in Singapore's CBD. The CCT Properties comprise Grade A offices, the best grade of office space in Singapore, and prime commercial buildings enhanced by award-winning "green features". For 1Q 2015, approximately 80% of CCT's net property income was derived from such Grade A and prime office properties including CCT's 60% interest in Raffles City Singapore (see "The Portfolio of the CCT Properties by Net Property Income").

Multinational and local corporations from the banking, insurance and financial services sectors as well as government and government-linked offices make up approximately 36% of CCT's tenant trade mix by monthly gross rental income as at March 2015. These quality tenants underpin the stability of rents at the properties. CCT also has a highly diversified tenant mix, with the top ten tenants contributing approximately 42% of gross rental income (excluding retail turnover rent) as at March 2015 (see "Trade Sector Analysis of the CCT Properties" and "Top Ten Tenants of CCT Properties").

As at 31 March 2015, the committed occupancy rate of the CCT Properties including CapitaGreen is 97%, higher than CBRE's CBD Core market occupancy of 96.1%. These high occupancy rates reflect the CCT Properties' strategic locations as well as proactive lease management of the CCT Manager with respect to the renewal and replacement of tenants.

### (b) Strong and Committed Sponsor

CCT's sponsor, CapitaLand, is one of Asia's largest real estate companies headquartered and listed in Singapore. The company leverages its significant asset base, design and development capabilities, active capital management strategies, and extensive market network and operational capabilities to develop high-quality real estate products and services. Its diversified global real estate portfolio includes integrated developments, shopping malls, serviced residences, offices and homes. Its two core markets are Singapore and China, while Indonesia, Malaysia and Vietnam have been identified as new growth markets. The company also has one of the largest real estate fund management businesses with assets located in Asia.

CCT is able to leverage CapitaLand's worldwide network of operations as well as CapitaLand's established real estate and capital management team and platform to deliver a comprehensive range of value-added real estate services.

To ensure that there is an alignment of interest, as well as to avoid any conflict between CCT and CapitaLand, CapitaLand has, through its wholly-owned subsidiary, CLS, granted to CCT a right of first refusal over any Targeted Property (as defined below) which may in the future be identified and targeted for acquisition by CLS or any CLS Entity. In this respect, CLS will give CLS's notice of any proposed offer of sale of a Targeted Property made to a CLS entity, and if: (i) the CCT Trustee does not confirm interest in considering the purchase of such property within seven days (or such longer period as the CCT Trustee and CLS may agree in writing), (ii) the CCT Trustee does not enter into a sale and purchase agreement or put and call option agreement (whether conditional or unconditional) in relation to such property within 30 days from the CCT Trustee's receipt of CLS's Notice (or such longer period as the CCT Trustee and CLS may agree in writing) or (iii) the CCT Trustee enters into such a sale and purchase agreement or put and call option agreement and the proposed purchase is aborted, the relevant CLS Entity is free to purchase such property without any accountability or liability to the CCT Trustee.

"**Targeted Property**" means a leasehold interest (of at least 10 years) in a completed income-producing property located in Singapore which is used, or predominantly used, for commercial purposes, where, when the property is identified as suitable for acquisition, at least 50% of the total net lettable area of such property is rented out.

The right of first refusal will continue to operate for so long as the CCT Manager remains the manager of CCT and a subsidiary of CapitaLand.

**(c) Managed by an Experienced and Professional Management Team**

The CCT Manager is indirectly owned and controlled by CapitaLand. It also leverages CapitaLand's significant real estate asset base and market knowledge to develop real estate financial products and services in Singapore and the region. The CCT Manager expects to benefit from its close relationship with CapitaLand by drawing upon CapitaLand's expertise and best practices in managing commercial properties.

In addition, the Property Managers are staffed by experienced professionals. The CCT Manager and the Property Managers are employees of the CapitaLand Group. Key staff members have in-depth real estate investment, asset management, research and property management experience.

**(d) Prudent Capital Management**

CCT adheres to a prudent capital structure and regularly reviews its sources of debt, debt maturity profile and liquidity position in order to meet its funding requirements. As at 31 March 2015, the gearing of the Group is 29.9%, the weighted average cost of debt is 2.4% per annum and 100% of the total asset value of the Group is unencumbered.

## PROPERTY PORTFOLIO

As at 31 March 2015, CCT owns a portfolio of 10 centrally-located properties, most of which are concentrated around major MRT interchange train stations such as Raffles Place and City Hall in Singapore's Central Business District. CCT's properties comprise Grade A offices, the best grade of office space in Singapore, and prime commercial buildings enhanced by award-winning "green features".


1. Capital Tower
2. Six Battery Road
3. One George Street
4. Raffles City Singapore
5. CapitaGreen
6. Twenty Anson
7. HSBC Building
8. Wilkie Edge
9. Bugis Village
10. Golden Shoe Car Park

The CCT Properties as at 31 March 2015 are:

| Property | Description | Net Lettable Area (sqm) |
|---|---|---|
| Capital Tower | A 52-storey Grade A office building set in a landscaped plaza. Located along Robinson Road in Singapore's CBD, and adjacent to the Tanjong Pagar MRT train station, the building is integrated with lifestyle amenities, meeting facilities and retail outlets on the first and ninth levels. There are 415 car park lots on the third to eighth floors. The building was conferred a Green Mark Platinum award in 2013, the highest accolade given by the Building and Construction Authority (the "**BCA**"). | 68,720 |
| Six Battery Road | A 42-storey Grade A office landmark, located in the heart of Raffles Place, with direct basement access to the Raffles Place MRT interchange train station. There are 190 car park lots located over three basement levels. A major asset enhancement initiative was undertaken in October 2010 and completed in December 2013. It was the first operating office building in the CBD to attain the Green Mark Platinum award. | 45,911 |
| One George Street | A 23-storey Grade A office building in Raffles Place with eco-friendly features, sky gardens, large floor plates, advanced building automation and iconic roof gardens. There are 178 car park lots located over three levels. It houses excellent amenities including food and beverage outlets, a fitness centre and a swimming pool. | 41,564 |
| Raffles City Singapore(1) | A prime landmark and one of Singapore's largest integrated developments served by three MRT lines. It comprises the 42-storey Raffles City Tower, Raffles City Shopping Centre, Raffles City Convention Centre, the 73-storey Swissôtel The Stamford Singapore, the 28-storey twin-towers Fairmont Singapore and three levels of basement car parks. | 74,391(2) and 2,030 rooms |
| CapitaGreen(3) | An ultra-modern Grade A office tower completed at the end of 2014. The 40-storey landmark has unique building features including an energy-efficient façade clad with lush foliage and a "Sky Forest" and roof top wind scoop for cool wind intake. For its achievements in sustainability and design, CapitaGreen was awarded BCA's Green Mark Platinum certification in 2012 and Universal Design Mark Gold$^{PLUS}$ (Design) in 2013. | 65,298 |

| Property | Description | Net Lettable Area (sqm) |
|---|---|---|
| Twenty Anson | A 20-storey prime office building located in downtown Tanjong Pagar. Served by the Tanjong Pagar MRT Station and major expressways, this Green Mark Platinum development features a modern facade, column-free floor plates, a roof garden and a cafe. | 19,051 |
| HSBC Building | A 21-storey office tower with excellent frontage, facing Marina Bay and convenient transport access. It houses the Hongkong and Shanghai Banking Corporation Limited, the sole tenant who bears all the building's operating expenses except expenses relating to insurance and structural maintenance. | 18,624 |
| Wilkie Edge | A 12-storey integrated development comprising office space, retail units and serviced residences. The building has 215 car park lots and its distinctive facade features a large LED screen that lights up the surrounding cultural precinct. Located at the junction of Wilkie Edge and Selegie Road, it is in close proximity to Dhoby Ghaut MRT interchange train station. | 14,206 |
| Bugis Village | Bugis Village comprises 34 three-storey pre-Second World War conservation shop houses that were restored in 1991. Bugis Village is located in a vibrant shopping district and is directly across the road from the Bugis interchange MRT train station. It accommodates a mix of offices, music schools and tuition centres, as well as hair salons, restaurants and retail outlets. | 11,254 |
| Golden Shoe Car Park | A 10-storey building located on Market Street, Golden Shoe Car Park is the largest parking facility in the CBD. The Raffles Place MRT train station is within a short walking distance. Beside offices on the top floor and 1,053 car park lots on the second to ninth storeys, it houses an array of retail and Food and Beverage outlets on the ground floor that cater to the CBD office crowd. | 4,341 |

**Notes:**

(1) CCT holds 60% interest.

(2) Comprising a net lettable area of 35,396 sqm in respect of Raffles City Tower and a net lettable area of 38,995 sqm in respect of Raffles City Shopping Centre (including the B2 link).

(3) CCT holds 40% interest.

## Portfolio Statements as at 31 December 2014

| Description of Property | Tenure of Land | Term of Lease | Remaining Term of Lease | Location | Existing Use | At Valuation S$'000 |
|---|---|---|---|---|---|---|
| **<u>Group</u>** | | | | | | |
| **Investment properties – Office buildings** | | | | | | |
| *Singapore* | | | | | | |
| Six Battery Road | Leasehold | 999 years | 810 years | 6 Battery Road | Commercial | 1,330,000 |
| Capital Tower | Leasehold | 99 years | 80 years | 168 Robinson Road | Commercial | 1,309,000 |
| One George Street | Leasehold | 99 years | 87 years | 1 George Street | Commercial | 975,000 |
| HSBC Building | Leasehold | 999 years | 835 years | 21 Collyer Quay | Commercial | 450,000 |
| Twenty Anson[1] | Leasehold | 99 years | 92 years | 20 Anson Road | Commercial | 431,000 |
| **Investment property – Car park building** | | | | | | |
| *Singapore* | | | | | | |
| Golden Shoe Car Park | Leasehold | 99 years | 66 years | 50 Market Street | Transport facilities | 141,000 |
| **Investment properties – other buildings** | | | | | | |
| *Singapore* | | | | | | |
| Wilkie Edge | Leasehold | 99 years | 90 years | 8 Wilkie Road | Commercial | 191,000 |
| Bugis Village | Leasehold | 99 years | 73 years | 62 to 67 Queen Street<br>151 to 166 Rochor Road<br>229 to 253 (odd numbers only) Victoria Street | Commercial | 55,400 |
| **CCT investment properties, at valuation** | | | | | | **4,882,400** |
| **<u>Joint Ventures</u>** | | | | | | |
| **Investment property – Mixed use building** | | | | | | |
| *Singapore* | | | | | | |
| Raffles City[2] | Leasehold | 99 years | 64 years | 250 & 252 North Bridge Road,<br>2 Stamford Road and<br>80 Bras Basah Road | Retail<br>Office<br>Hotel | 1,865,700 |
| **Investment property – Office building** | | | | | | |
| *Singapore* | | | | | | |
| CapitaGreen[3] | Leasehold | 99 years | 58 years | 138 Market Street | Commercial | 610,400 |
| **Investment properties, Joint Ventures at valuation** | | | | | | **2,476,100** |

1 Twenty Anson is held through CCT's 100% interest in FOPL

2 Representing CCT's 60% interest in Raffles City Singapore.

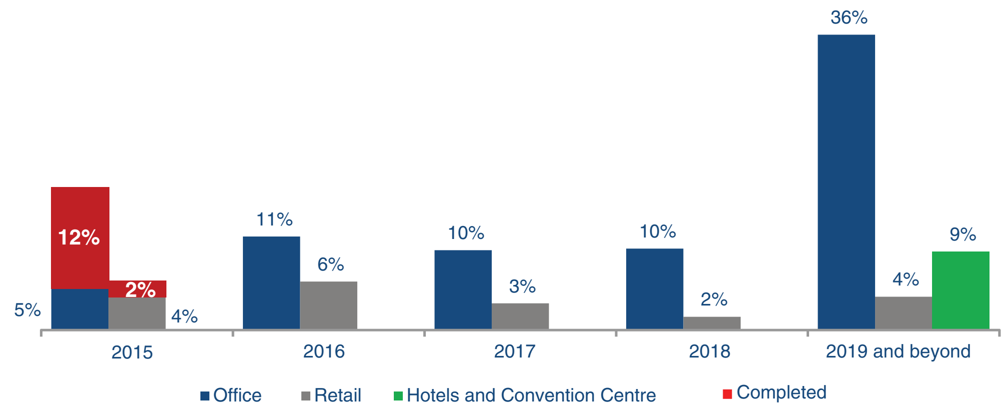
3 Representing CCT's 40% interest in MSO Trust, a sub-trust formed to hold CapitaGreen.

## (a) LEASE EXPIRY PROFILE OF THE CCT PROPERTIES

The graph below illustrates the lease expiry profile as a percentage of monthly gross rental income as at 31 March 2015.

**Well-spread portfolio lease expiry profile**

Lease expiry profile (1) as a percentage of committed monthly gross rental income (2)




Portfolio WALE(3) by NLA as at end March 2015 = 7.9 years

**Note:**

(1) Includes CapitaGreen

(2) Excludes retail and hotel turnover rent

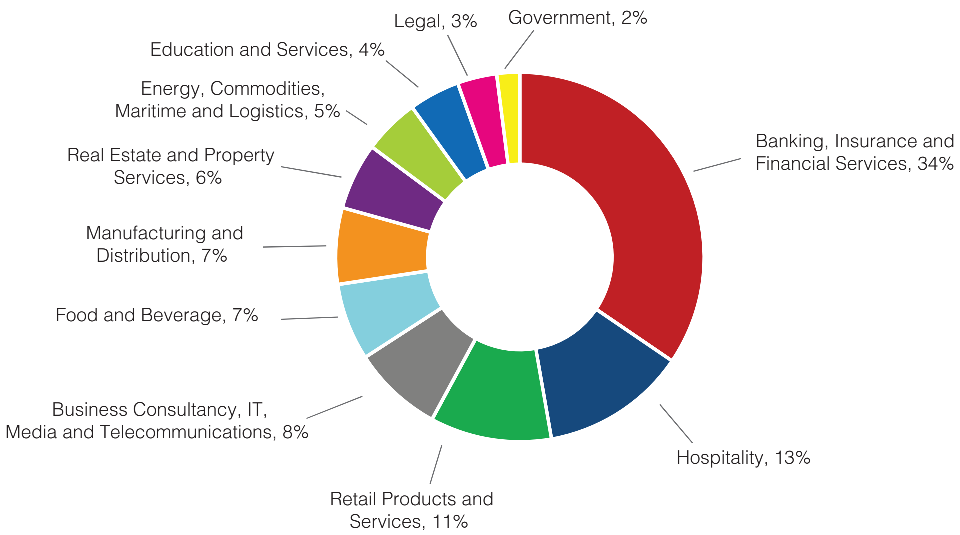
(3) WALE: Weighted Average Lease term to Expiry

## (b) TRADE SECTOR ANALYSIS OF THE CCT PROPERTIES

The chart below illustrates the diversified tenant mix based on monthly gross rental income including CCT's 60% interest in Raffles City Singapore and excluding retail turnover rent of tenants as at 31 March 2015.

**Diverse tenant mix in CCT's portfolio** (1)

Tenant mix in CCT portfolio




**Note:**

(1) Based on committed monthly gross rental income of tenants as at 31 Mar 2015, including CCT's 60% interest in Raffles City Singapore and 40% interest in CapitaGreen, and excluding retail turnover rent.

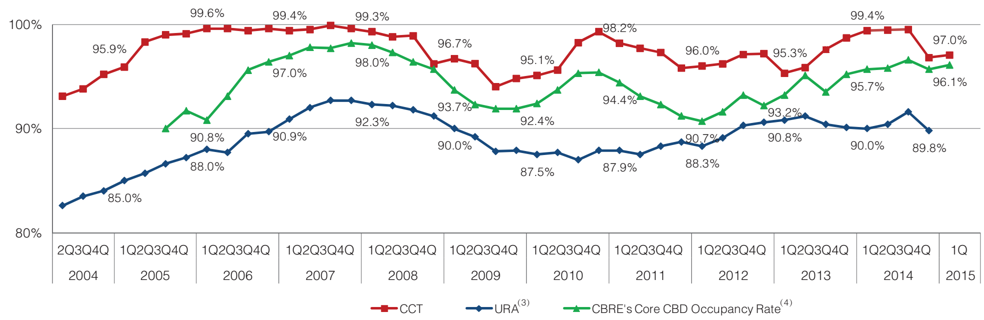
## (c) PORTFOLIO OCCUPANCY RATE

The chart below illustrates CCT's portfolio occupancy rate since its inception.

**CCT's portfolio occupancy of 97% above market occupancy of 96.1%**

| | CCT Committed Occupancy | | | | Market Occupancy Level (2) | |
|---|---|---|---|---|---|---|
| | Including CapitaGreen | | Excluding CapitaGreen | | | |
| | 1Q 2015(1) | 4Q 2014 | 1Q 2015 | 4Q 2014 | 1Q 2015 | 4Q 2014 |
| Grade A office | 95.7% | 95.4% | 100.0% | 99.8% | 94.9% | 94.2% |
| Portfolio | 97.0% | 96.8% | 99.7% | 99.5% | 96.1% | 95.7% |

CCT's Committed Occupancy Since Inception




**Notes:**

(1) Based on CapitaGreen's occupancy of 69.9% as at 31 Mar 2015. However, portfolio committed occupancy would be 97.6% based on CapitaGreen's occupancy of 76.4% as at 21 Apr 2015.

(2) Source: CBRE Pte. Ltd.

(3) Source: URA. URA has not released Occupancy Index Figure for 1Q 2015.

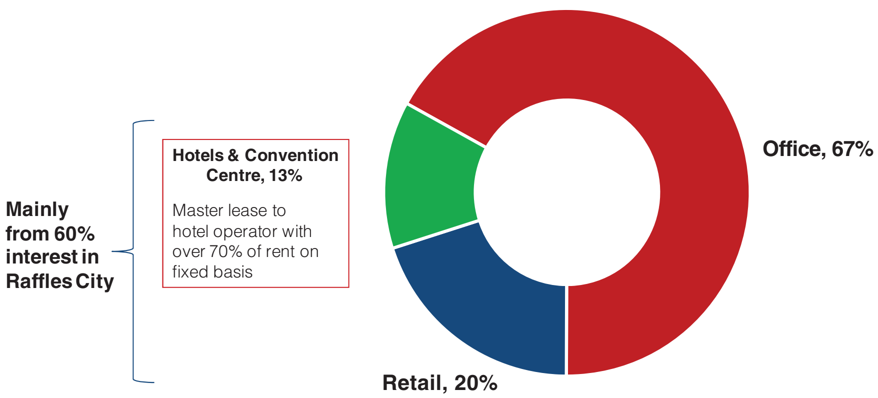
(4) Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q 2005 onwards.

## (d) MAJOR USAGE MIX FOR THE CCT PROPERTIES

The chart below shows the breakdown of CCT's income contribution by sector based on gross rental income excluding retail turnover rent for 1Q 2015 and includes gross rental income from CCT's 60% interest in Raffles City.

**67% of gross rental income (1) contributed by office and 33% by retail and hotels & convention centre**

CCT's income contribution by sector

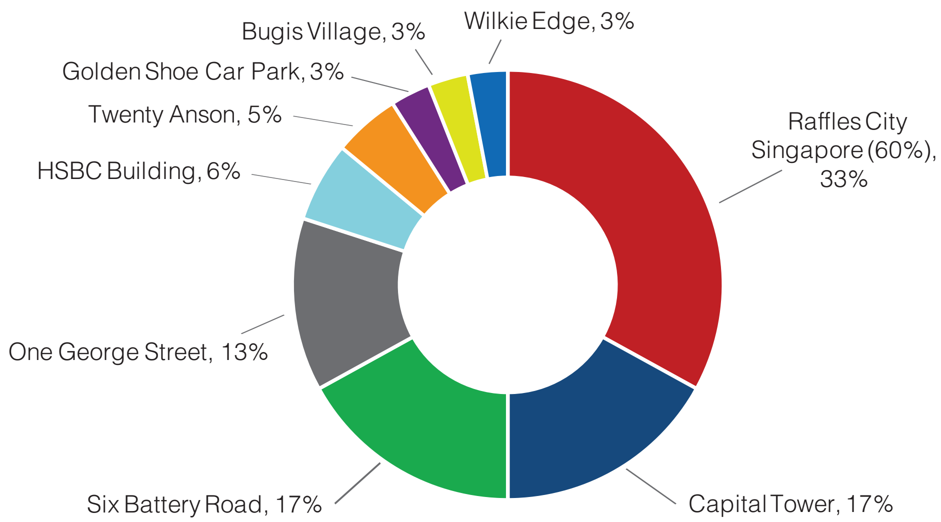



**Note:**

(1) Based on gross rental income from 1 Jan 2015 to 31 Mar 2015, including gross rental income from CCT's 60% interest in Raffles City Singapore and excluding retail turnover rent.

## (e) THE PORTFOLIO OF THE CCT PROPERTIES BY NET PROPERTY INCOME

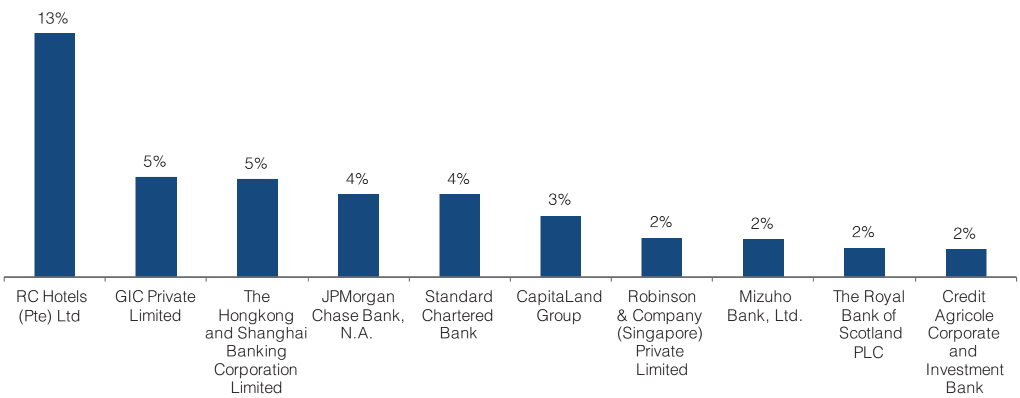
The graph below provides a breakdown by net property income for each property of the CCT Properties for 1Q 2015.




## (f) TOP TEN TENANTS OF THE CCT PROPERTIES

The graph below illustrates the top ten tenants by monthly gross rental income (excludes retail turnover rent) as at 31 March 2015.

**Top 10 blue-chip tenants contribute 42% of monthly gross rental income[(1)]**




**Note:**

(1) Based on monthly gross rental income of top ten tenants as at 31 Mar 2015, excluding retail turnover rent.

# SELECTED FINANCIAL INFORMATION

**CapitaLand Commercial Trust and its subsidiaries**
**Statements of Total Return**

| | 1Q 2015 S$'000 | 1Q 2014 S$'000 | FY 2014 S$'000 | FY 2013 S$'000 (Restated)* |
|---|---|---|---|---|
| **Gross revenue** | **68,162** | **64,001** | **262,608** | **251,463** |
| Property operating expenses | (14,194) | (13,298) | (57,359) | (54,342) |
| **Net property income** | **53,968** | **50,703** | **205,249** | **197,121** |
| Interest income | 998 | 929 | 3,732 | 3,713 |
| Amortisation of intangible asset | (172) | (1,188) | (3,512) | (4,579) |
| Asset management fees: | | | | |
| – Base fees | (1,231) | (1,189) | (4,892) | (4,774) |
| – Performance fees | (2,457) | (2,139) | (8,681) | (7,882) |
| Trust expenses | (1,005) | (759) | (2,666) | (2,556) |
| Finance costs | (8,510) | (9,700) | (36,434) | (42,560) |
| **Net income before share of profit of associate and joint ventures** | **41,591** | **36,657** | **152,796** | **138,483** |
| Share of profit (net of tax) of: | | | | |
| Associate | 1,820 | 1,052 | 4,745 | 4,355 |
| Joint ventures | 14,868 | 18,152 | 212,612 | 123,087 |
| **Net income** | **58,279** | **55,861** | **370,153** | **265,925** |
| Dilution loss on investment in associate | (18,903) | – | – | – |
| Gain on disposal of available-for-sale unquoted investment | – | – | 226 | – |
| Gain on re-measurement of financial derivatives | – | – | – | 2,519 |
| Premium on repurchase of convertible bonds | – | – | (2,713) | – |
| Net increase in fair value of investment properties | – | – | 81,219 | 106,162 |
| **Total return for the period/year before tax** | **39,376** | **55,861** | **448,885** | **374,606** |
| Tax expense | (86) | – | (3) | (16) |
| **Total return for the period/year after tax** | **39,290** | **55,861** | **448,882** | **374,590** |
| **Distribution Statement** | | | | |
| Net income before share of profit of associate and joint ventures | 41,591 | 36,657 | 152,796 | 138,483 |
| Net tax and other adjustments | 379 | 3,123 | 9,139 | 13,186 |
| Tax-exempt income distribution | – | – | 4,035 | 1,667 |
| Distribution from joint venture | 20,783 | 20,149 | 83,243 | 80,899 |
| **Distributable income to Unitholders** | **62,753** | **59,929** | **249,213** | **234,235** |
| **Distribution per Unit (cents)** | **2.12** | **2.04** | **8.46** | **8.14** |

* FY 2013 has been restated to take into account the retrospective adjustments relating to FRS 111 Joint Arrangements. The adoption of FRS 111 has no impact on the total return for the year after tax, distributable income to unitholders and earnings per unit for FY 2013.

**Review of performance for 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 the 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. The amount for 1Q 2015 of S$0.2 million was lower than that of 1Q 2014 due to the lower yield stabilisation required. Amortisation expense does not affect distributable income.

Trust expenses in 1Q 2015 of S$1 million were higher than that of 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.

The share of profit of joint ventures relates to the 60% share of results of RCS Trust and the 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 capitalised prior to CapitaGreen's TOP on 18 December 2014.

Dilution loss on investment in associate relates to the loss recognised when the Group's investment in MQREIT (formerly known as QCT) was reclassified from investment in associate to available-for-sale investment, which was marked-to-market. This loss does not have any impact on the Group's distributable income or distribution per unit, but reduces the Group's adjusted net asset value per unit by about S$0.01.

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 the Group and higher distributable income from RCS Trust.

**Review of performance for FY 2014 vs FY 2013**

Gross revenue of S$262.6 million for FY 2014 was higher than that of FY 2013 by S$11.1 million or 4.4%. The increase was due to higher revenue contribution from all properties except for One George Street. The drop in revenue for One George Street was due to no yield protection income in FY 2014 (FY 2013: S$7.4 million) arising from the cessation of the Deed of Yield Protection on 10 July 2013.

Property operating expenses of S$57.4 million were higher than that of FY 2013 by S$3 million or 5.6% due mainly to higher property tax, albeit offset partially by lower other property operating expenses.

Amortisation expense of S$3.5 million relates to the amortisation of intangible asset in FY 2014. The amount for FY 2014 was lower than that of FY 2013 by S$1.1 million or 23.3% due to lower yield stabilisation required. The amortisation expense does not affect distributable income.

Trust expenses for FY 2014 of S$2.7 million were higher than FY 2013 by S$0.1 million or 4.3% due mainly to higher unitholders expenses and higher professional fees incurred.

Finance costs of S$36.4 million for FY 2014 were S$6.1 million or 14.4% lower compared with FY 2013, mainly due to lower interest cost, amortisation and transaction costs.

The share of profit of joint ventures relates to the 60% share of profit of RCS Trust and the 40% share of profit of MSO Trust. The higher share of profit in FY 2014 compared with that of FY 2013 was largely due to the increase in fair value gain on the property value of CapitaGreen (CCT's 40% interest) which contributed to the improved financial performance of MSO Trust. On the other hand, RCS Trust's financial performance was affected by the decrease in fair value gain on the property value of Raffles City Singapore (CCT's 60% interest).

The gain on disposal of available-for-sale unquoted investment relates to the gain realised in respect of CCT's 7.4% stake in Malaysia Commercial Development Fund Pte. Ltd. ("**MCDF**") which returned the capital and surplus assets in cash to CCT in FY 2014.

The premium on repurchase of convertible bonds relates to the premium on repurchase of principal amount of S$120.8 million Convertible Bonds 2015 in FY 2014. The premium does not affect distributable income.

The net increase in fair value of investment properties relates to the revaluation gains of CCT properties which includes Twenty Anson but excludes Raffles City Singapore (CCT's 60% interest) and CapitaGreen (CCT's 40% interest).

Distributable income to unitholders in FY 2014 of S$249.2 million was 6.4% higher than that in FY 2013 mainly due to higher net property income from the Group and higher distributable income from RCS Trust as well as the release of MQREIT's (formerly known as QCT) tax-exempt income. The estimated distribution per Unit for FY 2014 of 8.46 cents is 3.9% higher than that of FY 2013 of 8.14 cents.

**Net change in fair value of investment properties**

Independent valuations were conducted as at 31 December 2014 by CBRE Pte. Ltd. for eight CCT properties and Raffles City Singapore, while Knight Frank Pte Ltd assessed the valuation of CapitaGreen.

The main methods of valuation adopted for investment properties comprise the Direct Capitalisation Method and Discounted Cash Flow Approach. The Direct Comparison Method is used as a check against the derived values of the two main methods where applicable.

For the December 2014 valuation, CapitaGreen, which obtained its temporary occupation permit in December 2014, was valued as an operating asset using the above methods as compared to June 2014 where only CapitaGreen's land was appraised using the Residual Land Value Method and Direct Capitalisation Method.

The Group's investment properties, which include Twenty Anson held through CCT's 100% interest in FOPL, were revalued to S$4,882.4 million as at 31 December 2014, an increase of S$27.9 million over the carrying value of the investment properties of S$4,854.5 million. The gain in fair value of S$27.9 million was recognised in the Statement of Total Return in 4Q 2014. Including the fair value gain of investment properties for 1H 2014 of S$53.3 million, the total fair value gain of investment properties was S$81.2 million for the full year of 2014.

CCT's 60% interest in Raffles City Singapore (held by RCS Trust) was revalued to S$1,865.7 million as at 31 December 2014, an increase of S$15 million over its carrying value of S$1,850.7 million. The gain in fair value was S$15 million (CCT's 60% interest) in 4Q 2014. Including the fair value gain in 1H 2014 of S$29.3 million, the total fair value gain of Raffles City Singapore was S$44.4 million for the full year of 2014.

CCT's 40% interest in CapitaGreen (held by MSO Trust) was valued at S$610.4 million as at 31 December 2014. Compared to the carrying value of the property of S$525.4 million, a gain in fair value of S$85 million (CCT's 40% interest) was recognised in 4Q 2014 by MSO Trust. Including the fair value gain in the residual land value recognised in 1H 2014 of S$12.2 million (CCT's 40% interest), the total fair value gain recognised as CCT's proportionate share in MSO Trust was S$97.2 million for the full year of 2014.

The property values of both Raffles City Singapore (through CCT's 60% interest in RCS Trust) and CapitaGreen (through CCT's 40% interest in MSO Trust) were accounted for as part of the net asset value of joint ventures in the Group's statement of financial position. The gain in fair value of S$44.4 million and S$97.2 million by CCT's proportionate share in RCS Trust and MSO Trust respectively was included as part of the share of results of joint ventures in the Group's statement of total return for the full year of 2014.

**CapitaLand Commercial Trust and its subsidiaries**
**Statements of Financial Position**

| | Note | 31 Mar 2015 S$'000 | 31 Dec 2014 S$'000 | 31 Dec 2013 S$'000 (Restated)* |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Plant and equipment | | 1,398 | 1,453 | 1,480 |
| Investment properties | 1 | 4,886,104 | 4,882,400 | 4,769,000 |
| Intangible asset | 2 | 4,650 | 4,822 | 8,334 |
| Associate | 3 | – | 63,899 | 65,002 |
| Available-for-sale investment | 3 | 54,108 | – | – |
| Joint ventures | 4 | 1,423,944 | 1,427,895 | 1,283,879 |
| Financial derivatives | 5 | 2,416 | 1,160 | – |
| **Total non-current assets** | | **6,372,620** | **6,381,629** | **6,127,695** |
| **Current assets** | | | | |
| Available-for-sale unquoted investment | 6 | – | – | 6 |
| Trade and other receivables | | 39,432 | 38,345 | 33,716 |
| Cash and cash equivalents | | 54,927 | 101,085 | 84,064 |
| **Total current assets** | | **94,359** | **139,430** | **117,786** |
| **Total assets** | 7 | **6,466,979** | **6,521,059** | **6,245,481** |
| **Current liabilities** | | | | |
| Trade and other payables | | 52,731 | 47,355 | 50,899 |
| Current portion of security deposits | | 13,979 | 11,437 | 11,964 |
| Interest-bearing liabilities | 8 | 200,000 | 270,000 | – |
| Current tax payable | | 89 | 3 | 4 |
| **Total current liabilities** | | **266,799** | **328,795** | **62,867** |
| **Non-current liabilities** | | | | |
| Non-current portion of security deposits | | 26,871 | 28,300 | 26,333 |
| Interest-bearing liabilities | 9 | 884,381 | 800,972 | 867,049 |
| Convertible bonds | 10 | 169,719 | 169,206 | 351,276 |
| Financial derivatives | 11 | 32,579 | 40,298 | 25,243 |
| **Total non-current liabilities** | | **1,113,550** | **1,038,776** | **1,269,901** |
| **Total liabilities** | | **1,380,349** | **1,367,571** | **1,332,768** |
| **Net assets** | | **5,086,630** | **5,153,488** | **4,912,713** |
| **Unitholders' funds** | | **5,086,630** | **5,153,488** | **4,912,713** |

* The statement of financial position as at 31 December 2013 has been restated to take into account the retrospective adjustments relating to FRS 111 Joint Arrangements. The adoption of FRS 111 has no impact on the net asset value per unit as at 31 December 2013.

**Note:**

1. The investment properties as at 31 December 2013 and 31 December 2014 are stated at valuation performed by independent professional valuers.

2. This relates primarily to the unamortised yield stabilisation sum receivable by the Group in relation to Twenty Anson. The intangible asset is amortised over the yield stabilisation period of 3.5 years commencing on 22 March 2012.

3. The investment in MQREIT (formerly known as QCT) is reclassified from investment in associate as at 31 December 2014 to available-for-sale unquoted investment as at 31 March 2015.

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 to the fair value of interest rate swaps.

6. As at 31 December 2013, this relates to the investment in MCDF. MCDF returned all its capital and surplus assets in cash to CCT in FY 2014 and the company has been dissolved on 15 December 2014.

7. Total assets was S$6,467 million as at 31 March 2015 (31 December 2014: S$6,521.1 million, 31 December 2013: S$6,245.5 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, 31 December 2013: S$7,218.2 million).

8. As at 31 March 2015, this relates to the S$200 million fixed rate notes that are maturing in December 2015 (31 December 2014: S$270 million, 31 December 2013: nil). CCT has available credit facilities to refinance the fixed rate notes. The S$70 million fixed rate notes that matured in February 2015 were refinanced in 1Q 2015.

9. Interest-bearing liabilities under non-current liabilities comprised:

   (a) Unsecured fixed rate notes totaling S$50 million and JPY24.9 billion (hedged via cross currency swaps to S$323.3 million) (31 December 2014: Unsecured fixed rate notes totaling S$50 million and JPY16.3 billion, 31 December 2013: Unsecured fixed rate notes totaling S$270 million and JPY10 billion); and

   (b) Unsecured bank borrowings of S$555 million (31 December 2014: S$575 million, 31 December 2013: S$480 million).

10. This relates to the liability component of the convertible bonds due 2017 of S$175 million which was measured at amortised cost.

11. This relates to the fair values of cross currency swaps and interest rate swaps.

# RISK FACTORS

*Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below. The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the businesses of the Issuer, CCT or the Group or any of their respective properties or any decision to purchase, own or dispose of the Notes. Additional risk factors which the Issuer or the CCT Trustee are currently unaware of may also impair its business, financial condition, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer, CCT or the Group could be materially and adversely affected. In such cases, the ability of the Issuer or the CCT Trustee to comply with its obligations under the Trust Deed and the Notes may be adversely affected. These risk factors have been broadly classified as (1) risks associated with an investment in the Notes and (2) risks associated with CCT's general business and operations.*

**Limitations of this Information Memorandum**

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such determination. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme or the Notes (nor any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, any of the Dealer(s) or the Arranger that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, the Guarantor, their subsidiaries or associated companies, any of the Dealer(s) or the Arranger or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor, CCT and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

**This Information Memorandum does not purport to contain all information that a prospective investor of the Notes may require in investigating the matters or the parties referred to above, prior to making an investment in the Notes.**

## RISKS RELATING TO THE NOTES

### Limited Liquidity of the Notes

There is no assurance regarding the future development of a secondary market for the Notes issued under the MTN Programme, the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes.

Although the issue of additional Notes may increase the liquidity of the Notes in general, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

### Fluctuation of the Market Value of Notes

Trading prices of the Notes are influenced by numerous factors, including the operating results and/or financial condition of the Issuer, CCT and/or the subsidiaries and/or associated companies of CCT, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, CCT and/or the subsidiaries and/or associated companies of CCT generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, CCT and/or the subsidiaries and/or associated companies of CCT operate or have business dealings, could have a material adverse effect on the Singapore economy and the operating results and/or the financial condition of the Issuer, CCT and/or the subsidiaries and/or associated companies of CCT.

### Performance of Contractual Obligations

The ability of the Issuer or the Guarantor to make payments in respect of the Notes may depend upon the due performance by the other parties to the Issue Documents of the obligations thereunder including the performance by the Trustee, the Issuing and Paying Agent and/or the Agent Bank of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer nor the Guarantor of their obligations to make payments in respect of the Notes, the Issuer and/or the Guarantor may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

### Interest Rate Risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

### Inflation Risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

### Enforcement of the Guarantee

Noteholders should note that the Guarantee is issued by the CCT Trustee and not CCT, since CCT is not a legal entity. Noteholders should note that under the terms of the Guarantee, the Noteholders shall only have recourse in respect of the trust properties of CCT and not the CCT Trustee personally nor any other properties held by the CCT Trustee of any trust (other than CCT).

Further, Noteholders do not have direct access to the trust properties of CCT but can only gain access to such trust properties through the CCT Trustee and if necessary seek to subrogate the CCT Trustee's right of indemnity out of the trust properties of CCT. Accordingly, any claim of the Noteholders to the trust properties of CCT is derivative in nature. A Noteholder's right of subrogation could be limited by the CCT Trustee's right of indemnity. Noteholders should also note that such right of indemnity of the CCT Trustee may be limited or lost through fraud, negligence, wilful default or breach of trust of or breach of the CCT Trust Deed by the CCT Trustee.

**Ratings of the Notes**

The ratings (if any) to be assigned by the rating agencies are based on views of the rating agencies only. The expected ratings address the rating agencies' views on the likelihood of the timely payment of interest and the ultimate payment of principal by the maturity date of the Notes. However, future events could have a negative impact on the ratings of the Notes and prospective investors should be aware that there is no assurance that ratings given will continue or that the ratings would not be reviewed, revised, suspended or withdrawn as a result of future events or judgment on the part of the rating agencies. Any rating changes that could occur may have a negative impact on the market value of the Notes.

**Singapore Taxation Risk**

Subject to meeting certain conditions more particularly described in the section "Singapore Taxation", the Notes are proposed to be issued as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore. However, there is no assurance that such Notes will continue to be "qualifying debt securities" and therefore enjoy the tax concessions should the tax laws be amended or revoked.

**RISKS ASSOCIATED WITH THE GROUP'S BUSINESS**

**Uncertainties and instability in global financial, credit and currency markets could adversely affect the business, financial condition and results of operations of CCT as well as the value of the Notes**

The global financial markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries in Europe, the United States and elsewhere. These and other related events have had a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole. Global credit markets have experienced substantial dislocations, liquidity disruptions and market corrections of which the scope, duration, severity and economic effect remain uncertain. These events could adversely affect CCT, including:

- a negative impact on the ability of the tenants of CCT to pay their rents in a timely manner or continue their leases, thus reducing CCT's cash flow;

- an adverse effect on the cost of funding CCT's business, thus limiting CCT's growth opportunities;

- an increase in counterparty risk; and

- an increased likelihood that one or more of CCT's banking syndicate or insurers may be unable to honour their commitments to CCT.

The liquidity and the value of the Notes are sensitive to the volatility of the credit markets and may be adversely affected by future developments. To the extent that turmoil in the credit market continues and/or intensifies, it may have the potential to materially affect the Notes' liquidity and value.

Although the Group has not, to date, experienced any substantial adverse effect on its assets or funding sources as a consequence of this liquidity crisis, there can be no assurance that this liquidity crisis will not, if sustained, adversely affect the Group's business, financial condition, results of operations or prospects.

**The Group's business, results of operations, financial condition and prospects may be adversely affected by natural disasters and the occurrence of epidemics**

Natural disasters and epidemics such as Severe Acute Respiratory Syndrome ("**SARS**"), H5N1 avian flu or swine flu ("**Influenza A (H1N1)**") may adversely affect the economy, infrastructure and livelihood of the people in the countries in which the Group has properties and operates. An outbreak of Influenza A (H1N1) virus, SARS, H5N1 avian flu or a similar epidemic, or the measures taken by the governments of affected countries, including Singapore, against such an outbreak, could severely disrupt the Group's business operations and undermine investor confidence, thereby materially and adversely affecting its financial condition or results of operations.

**Terrorist attacks, other acts of violence or war and adverse political developments may affect the business and results of operations of the Group**

The terrorist attacks in South East Asia and the rest of the world have resulted in substantial and continuing economic volatility and social unrest in Southeast Asia. Any further developments or terrorist activities could also materially and adversely affect international financial markets and the Singapore economy and may adversely affect the operations, revenues and profitability of the Group. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its businesses and results of operations.

**The Group is exposed to general risks associated with reliance on third party contractors to provide various services**

The Group engages third-party contractors to provide various services in connection with its commercial developments and physical asset enhancement initiatives, including construction, piling and foundation, building and property fitting-out work, alterations and additions, interior decoration, installation of air-conditioning units and lifts, and gardening and landscaping works. The Group is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and the Group may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project.

Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to the Group. There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory or match the Group's targeted quality levels. All of these factors could adversely affect the Group's businesses, financial condition and results of operations.

**The Group's ability to refinance its indebtedness**

As at 31 March 2015, the Group has approximately S$2,263.7 million of total indebtedness. While the Group may have unutilised facilities and funds available for use, there can be no assurance that the Group will be able to refinance its indebtedness as it becomes due on commercially reasonable terms or at all. Additionally, with the Group's level of indebtedness, a portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations.

**The Group may experience limited availability of funds**

The Group may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. Factors that could affect the Group's ability to procure financing include the cyclicality of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In addition, further consolidation in the banking industry in Singapore and/or elsewhere in Asia may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

Moreover, the Group's future credit facilities may contain covenants that limit its operating and financing activities and require the creation of security interests over its assets. The Group's ability to meet its payment obligations and to fund planned capital expenditures will depend on the success of the Group's business strategy and the Group's ability to generate sufficient revenues to satisfy its obligations, which are subject to many uncertainties and contingencies beyond the Group's control.

**The Group is subject to interest rate fluctuations**

As at 31 March 2015, the Group has a consolidated debt of approximately S$2,263.7 million of which approximately 17 per cent. is on a floating rate basis. As a result, its operations or financial condition could potentially be adversely affected by interest rate fluctuations.

As part of its active capital management strategies, the Group may enter into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, its hedging policy may not adequately cover the Group's exposure to interest rate fluctuations.

**The CCT properties may face competition from other properties**

There are many commercial spaces and properties in Singapore that compete with the CCT properties in attracting tenants. The CCT properties may also compete with properties that may be developed in the future.

**Loss of anchor tenants could directly and indirectly reduce the future cash flows of the Group**

The Group's ability to sell properties and the value of such properties could be adversely affected by the loss of an anchor tenant in the event that such anchor tenant files for bankruptcy or insolvency or experiences a downturn in its business, including the decision by any such tenants not to renew their leases or, in cases where a key tenant has termination rights exercisable by written notice, to terminate their leases before they expire.

Space that has been vacated by an anchor tenant can reduce the demand for and value of other properties because of the loss of the departed anchor tenant's customer drawing power. In addition, as some of the Group's anchor tenants may be related to each other, the risk of such loss is concentrated and could affect all of the Group's properties if it should occur. Any of these events could materially and adversely affect the Group's businesses, financial condition and results of operation.

**A number of CCT's office leases of the properties held by CCT are for periods of up to three years, which exposes CCT to high rates of lease expiries each year**

A substantial number of CCT's office leases are for periods of up to three years and reviewed to market rentals upon lease expiry, which reflects the general practice in the Singapore office property market. As a result, the properties held by CCT experience lease cycles in which a number of its office leases expire each year. This exposes CCT to certain risks, including the risk of declining market rentals and that vacancies following non-renewal of leases may lead to reduced occupancy rates which may in turn reduce CCT's gross revenue. If a large number of tenants do not renew their leases in a year when a high concentration of leases expires or renew leases at lower rentals, it could have an adverse effect on the business, financial condition and results of operations of CCT.

If the rental rates for the properties held by CCT decrease, if CCT's existing tenants do not renew their tenancies, or if a significant portion of its vacant space and space for which tenancies are scheduled to expire cannot be re-leased, there may be an adverse effect on the business, financial condition and results of operations of CCT.

**CCT's Singapore properties are in the same general location, which may result in a higher level of risk compared to some other REITs that have properties spread over diverse locations**

CCT's Singapore properties are located in Singapore's central area, with a majority located in the city's downtown core. This concentration may entail a higher level of risk as compared to some other REITs that have properties spread over several different locations. Any circumstance which adversely affects the operations or business of any of CCT's Singapore properties or their attractiveness to tenants, may in effect affect all of CCT's Singapore properties. Should this happen, CCT may not have sufficient income from CCT's other properties (or interests in other properties) to mitigate any ensuing loss of income arising from such circumstance.

**The CCT properties or a part of them may be subject to compulsory acquisition by the Government of Singapore**

The Land Acquisition Act, Chapter 152 of Singapore gives the Government of Singapore the power to, among other things, acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

The compensation to be awarded pursuant to any such compulsory acquisition would be based on, among other factors:

(i) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of intention to acquire is made by publication in the Government Gazette);

(ii) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire, where such declaration is made after six months of the notification; and

(iii) any increase in the value of any other land (such as contiguous or adjacent land) of the person interested likely to accrue from the use to which the land acquired will be put.

Accordingly, if the market value of a property or part thereof which is acquired is greater than the market values referred to above, the compensation paid in respect of the acquired property will be less than its market value and this would have an adverse effect on the assets of CCT.

**The gross revenue earned from, and the value of, the CCT Properties may be adversely affected by a number of factors**

The gross revenue earned from, and the value of, the CCT Properties may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates which reduce CCT's gross revenue and its ability to recover certain operating costs through service charges;
- the ability of the property managers of CCT to collect rent from tenants on a timely basis or at all;
- tenants requesting for rental rebates in the event of an economic downturn;
- tenants requesting waiver of interest on late payment of rent;
- events affecting the properties in CCT's portfolio which could result in the inability of the relevant tenants to operate in such properties and thereby result in the inability of such tenants to make timely payments of rent;
- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease which could hinder or delay the re-letting of the space in question, or the sale of the relevant property;
- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are agreed being less favourable than those under current tenancies;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, commercial and retail space, changes in market rental rates and operating expenses for the CCT Properties);
- the CCT Manager's ability to provide adequate management and maintenance of the properties or to purchase or put in place adequate insurance;

- competition for tenants from other similar properties which may affect rental income or occupancy levels at the CCT Properties;

- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and

- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the CCT Manager.

**The CCT Properties may be subject to increases in property expenses**

CCT's ability to make distributions to Unitholders could be adversely affected if property expenses, such as maintenance charges, property management fees, property taxes and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses include any:

- increase in the amount of maintenance charges for any affected CCT properties;

- increase in property taxes and other statutory charges;

- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and development;

- increase in utility charges;

- increase in sub-contracted service costs;

- inflation;

- increase in insurance premiums; and

- damage or defects affecting any CCT properties which need to be rectified, leading to unforeseen capital expenditure.

**The Group may suffer an uninsured loss**

The Group maintains insurance policies covering both its assets and employees in line with general business practices in Singapore in the real estate and commercial properties industries, with policy specifications and insured limits which the Group believes are adequate. Risks insured against include fire, business interruption, lightning, flooding, theft, vandalism and public liability. There are, however, certain types of losses (such as from wars, acts of terrorism or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. The Group currently maintains insurance for acts of terrorism for all its properties. Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the property, as well as anticipated future revenue from that property. The Group would also remain liable for any debt that is with recourse to the

Group and may remain liable for any mortgage indebtedness or other financial obligations related to the relevant property. Any such loss could adversely affect the results of operations and financial condition of the Group. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms or at commercially reasonable rates.

**The Group is exposed to general risks associated with the ownership and management of real estate**

The Group invests primarily in real estate which entails a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Rising capitalisation rates and/or REIT yields may also result in increasing difficulty in the divestment of commercial properties. Such illiquidity also limits the ability of the Group to manage the Group's portfolio in response to changes in economic, real estate market or other conditions. This could have an adverse effect on CCT's financial condition and results of operations, with a consequential adverse effect on the Group's ability to meet the expected returns. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to its illiquidity.

In addition, if the Group defaults on its payment obligations, mortgagees to any of the affected properties could foreclose or require a forced sale of any of the affected properties with a consequent loss of income and asset value to the Group. The amount to be received upon a foreclosure sale of any affected property would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. Each of the Group's properties is illiquid and there can be no assurance that any of the Group's properties can or will be liquidated in a short period of time. For all these reasons, there can be no assurance that the proceeds from any foreclosure sale will be sufficient for the Group to meet its obligations pursuant to its borrowings.

Property investment is also subject to risks incidental to the ownership and management of commercial properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the Group's financial statements, increased operating costs, the need to renovate, repair and re-let space periodically and to pay the associated costs, wars, terrorist attacks, riots, civil commotions, natural disasters and other events beyond the Group's control. The activities of the Group may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws relating to government appropriation, condemnation and redevelopment.

**The Group's business is concentrated in Singapore and property prices and yields are subject to volatility**

As at the Latest Practicable Date, properties held by CCT are principally located in Singapore. Such concentration in Singapore may entail a higher level of risk as compared to some other REITs which have properties spread over different countries or have a more diverse range of investments. A substantial portion of CCT's earnings depends on the continued strength of Singapore's office property market, which is in turn affected by general economic and business conditions. This exposes CCT to the risk of a downturn in economic and real estate conditions in Singapore. The value of the CCT Properties and the rental revenue collected may also be adversely affected by local real estate conditions.

Valuations of commercial property prices in Singapore are subject to fluctuations depending on general economic and business conditions in Singapore and globally. In 2009, the CCT Properties experienced downward revaluation. Although the CCT Properties were subsequently revalued higher in 2010, there can be no assurance that there will not be further downward revaluation of the properties held by CCT in the future. Any fall in the gross revenue or net property income earned from the CCT Properties may result in the downward revaluation of the properties held by CCT.

In addition, CCT is required to measure investment properties at fair value annually and any change in the fair value of the investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on CCT's financial results in financial years where there is a significant decrease in the valuation of CCT's investment properties which result in revaluation losses being charged to its statements of total return.

In the event that new supply exceeds demand as a result of economic uncertainty, slower growth, increased interest rates (which reduce the ability of the Group's customers to finance real estate rentals and increase the Group's costs of financing) and other resulting circumstances, this may have an adverse effect on the Group's businesses, financial condition and results of operations.

**The amount CCT may borrow is limited, which may affect the operations of CCT and the borrowing limit may be exceeded if there is a downward revaluation of assets**

The Property Funds Appendix provides that the Aggregate Leverage of a REIT may reach a maximum of 60% of the value of its Deposited Property provided that a credit rating of the REIT from Moody's, Fitch or S&P is obtained and disclosed to the public. In addition, such credit rating should be maintained and disclosed so long as the Aggregate Leverage of the REIT exceeds 35% of the value of its Deposited Property. CCT is currently assigned a corporate rating of "A3" by Moody's and "A-" by S&P's, and is currently permitted to borrow up to a maximum of 60% of the value of its Deposited Property. However, a decline in the value of CCT's Deposited Property may affect CCT's ability to borrow further.

Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements in relation to the CCT Properties;

- an inability to fund acquisitions of properties; and

- cash flow shortages which may have an adverse impact on CCT's ability to make distributions.

A downward revaluation of any of the CCT Properties or investments may result in a breach of the borrowing limit under the Property Funds Appendix. In the event of such a breach, CCT, through the CCT Trustee would not be able to incur further indebtedness. In such circumstances, while CCT may not be required to dispose of its assets to reduce its indebtedness, its ability to incur further indebtedness may be adversely affected and this may constrain its operational flexibility.

In addition, a severe downward revaluation of any of the CCT Properties may result in a breach of certain financial covenants under any of the CCT Trustee's other debt financing arrangements.

**The Group may have a higher level of gearing than certain other types of unit trusts and may experience limited availability of funds and face risks associated with debt financing and refinancing**

The Group may, from time to time, require additional debt financing to fund working capital requirements to support the future growth of its business and/or to refinance existing debt obligations. In addition, the Group's indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group's indebtedness may also restrict its ability to obtain additional financing for capital expenditure, asset enhancement initiatives, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn. Investors in CCT should note that the willingness of financial institutions to make capital commitments by way of investing in debt or equity instruments may for an indeterminate period be adversely affected by the current uncertainty and instability in global market conditions. The Group's level of borrowings may represent a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments.

**The CCT Manager may change CCT's investment strategy**

CCT's policies with respect to certain activities, including investments and acquisitions, will be determined by the CCT Manager, subject to applicable laws and regulations. The CCT Manager has stated its intention to restrict investments to real estate which is income-producing and which is used, or primarily used, for commercial purposes. The CCT Trust Deed grants the CCT Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in Singapore and other jurisdictions.

**The CCT Manager may not be able to implement its investment strategy**

The CCT Manager's investment strategy includes expanding CCT's portfolio of commercial properties, providing regular and stable distributions to Unitholders and enabling the Issuer to make regular and stable interest payments to the Noteholders. There can be no assurance that the CCT Manager will be able to implement its investment strategy successfully or that it will be able to expand CCT's portfolio at all, or at any specified rate or to any specified size. The CCT Manager may not be able to make investments or acquisitions on favourable terms or within a desired time frame.

CCT will be relying on external sources of funding to expand its portfolio, which may not be available on favourable terms or at all, particularly in light of any adverse global market conditions mentioned above. Even if CCT were able to successfully make additional property investments, there can be no assurance that CCT will achieve its intended return on such investments. Since the amount of debt that CCT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions will largely be dependent on CCT's ability to raise equity capital, which may result in a dilution of Unitholders' holdings. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including commercial property development companies, private investment funds and other REITs whose investment policy is also to invest in commercial properties. There can be no assurance that CCT will be able to compete effectively against such entities.

**The CCT Manager may not be able to implement its asset enhancement strategy**

One of the CCT Manager's strategies for growth is to increase yields and total returns through value creation via asset enhancement initiatives. Any plans for asset enhancement initiatives are subject to known and unknown risks, uncertainties and other factors which may lead to any of such asset enhancement initiatives and/or their outcomes being materially different from the original projections or plans. There can be no assurance that the CCT Manager will be able to implement any of its proposed asset enhancement initiatives successfully or that the carrying out of any asset enhancement initiative will enhance the value of the relevant property. The proposed asset enhancement initiatives are subject to CCT obtaining the approvals of the relevant authorities. Furthermore, the CCT Manager may not be able to carry out the proposed asset enhancement initiatives within a desired timeframe, and any benefit or return which may arise from such asset enhancement initiatives may be reduced or lost. Even if the asset enhancement initiatives are successfully carried out, there can be no assurance that CCT will achieve its intended return or benefit on such asset enhancement initiatives.

**There may be potential conflicts of interest among CCT, the CCT Manager, the Property Managers and CapitaLand**

As at the Latest Practicable Date, CapitaLand, through its wholly-owned subsidiaries, has an aggregate indirect interest in 937,084,343 Units, which is equivalent to approximately 31.78% of the existing Units. As a result, the overall interests of CapitaLand may influence the strategy and activities of CCT. Further, CapitaLand may exercise influence over the activities of CCT through the CCT Manager, which is an indirect wholly-owned subsidiary of CapitaLand.

CapitaLand, its subsidiaries, related corporations and associates are engaged in the investment in, and the development and management of, among others, property used, or predominantly used, for commercial purposes. Some of these properties compete directly with the existing properties of CCT for tenants. Further, CapitaLand may in the future invest in other REITs which may also compete directly with CCT. There can be no assurance that the interests of CCT will not conflict or be subordinated to those of CapitaLand in such circumstances.

**CCT faces certain risks in connection with the acquisition of properties from CapitaLand or parties related to CapitaLand**

CCT may acquire other assets from CapitaLand or parties related to CapitaLand in the future. There can be no assurance that the terms of such acquisitions, the negotiations in relation to such acquisitions, the acquisition value of such properties and other terms and conditions relating to the purchase of such properties (in particular, with respect to the representations, warranties and/or indemnities agreed) are not or, as the case may be, will not be adverse to CCT or reflect or, as the case may be, will reflect, an arm's length acquisition of such properties by CCT.

**The valuations of the CCT Properties are based on various assumptions and the price at which CCT is able to sell a property in future may be different from the initial acquisition value of that property**

The valuations of the CCT Properties are based on different methodologies. Primarily, the discounted cash flow method and the capitalisation method are employed but there can be no assurance that the assumptions relied on are accurate measures of the market, and therefore, the values of the CCT Properties may have not been evaluated accurately. The valuations of the CCT Properties arrived at by independent valuers may have included a subjective determination of certain factors relating to the CCT Properties such as their relative market positions, financial and competitive strengths and physical condition and accordingly, the valuation of the CCT Properties may be subjective and there is no assurance that CCT will be able to sell the CCT Properties at the same valuation or higher.

**CCT depends on certain key personnel, and the loss of any key personnel may adversely affect its financial condition and results of operations**

CCT's success depends, in part, upon the continued service and performance of members of the senior management team of the CCT Manager and certain key senior personnel. These key personnel may leave the CCT Manager in the future and compete with the CCT Manager and CCT. The loss of any of these key individuals, or of one or more of the CCT Manager's other key employees, could have a material adverse effect on CCT's financial condition and results of operations.

Future performance of the Group depends largely on the Group's ability to attract, train, retain and motivate high quality personnel, especially for its management and technical teams. The loss of key employees may have a material adverse effect on the Group's businesses, financial condition and results of operations.

**CCT may be subject to risks related to its 17.7% investment in MQREIT (formerly known as QCT)**

CCT owns a 17.7% stake in MQREIT, a commercial REIT listed on Bursa Malaysia.

As MQREIT's properties are all located in Malaysia, CCT's investment in MQREIT may be affected by risks relating to property investment in Malaysia. As MQREIT is listed on Bursa Malaysia, the value of CCT's investment in QCT is affected by changes in the trading price of units in MQREIT. The trading price of units in MQREIT may be affected by various factors including, but not limited to, changes in the value of MQREIT's properties, changes in the level of distributions from MQREIT, changes in legal and tax laws and policies in Malaysia and changes in general economic conditions. CCT's investment in MQREIT may be subject to currency fluctuation risks.

**Potential liability for environmental problems could result in unanticipated costs**

The CCT Properties are subject to various environmental laws, including those relating to soil contamination, health and hygiene, air pollution control, water pollution control, waste disposal and noise pollution control and storage of hazardous materials. The costs of removal or remediation of such substances could be substantial. These laws often impose liability without regard as to whether the owner or operator knew of, or was responsible for, the release or presence of hazardous substances. There can be no assurance that potential environmental liabilities do not exist or will not arise in the future. The presence of contamination or hazardous substances on the CCT Properties could adversely affect its ability to lease or sell such facilities or to borrow using these properties as collateral, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**CCT may be involved in legal and other proceedings from time to time**

CCT may be involved from time to time in disputes with various parties such as tenants, contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the asset enhancement initiatives, operation and purchase of its properties. These disputes may lead to legal and other proceedings, and may cause CCT to suffer additional costs and delays. In addition, CCT may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that result in financial losses and delay the construction or completion of its projects.

**As a condition of the Tax Rulings, CCT is required to distribute at least 90% of its taxable income (after deduction of applicable expenses) (failing which CCT would be liable to pay tax on its taxable income) and may face liquidity constraints**

As a condition of the Tax Rulings, CCT is required to distribute at least 90% of its taxable income, failing which CCT would be liable to pay tax on its taxable income (after deduction of applicable expenses).

If CCT's taxable income (after deduction of applicable expenses) is greater than its cashflow from operations, it may have to borrow funds to meet ongoing cashflow requirements in order to distribute at least 90% of its taxable income (after deduction of applicable expenses) since it may not have any reserves to draw on. CCT's ability to borrow is, however, limited by the Property Funds Appendix.

Failure to make distributions would put CCT in breach of the terms of the Tax Rulings and CCT would be liable to pay income tax.

## PURPOSE OF THE MTN PROGRAMME AND USE OF PROCEEDS

The Issuer will lend the net proceeds arising from the issue of Notes under the MTN Programme (after deducting issue expenses) to the CCT Trustee. The CCT Trustee will use the proceeds of such loans to refinance existing borrowings, to finance or, as the case may be, refinance investments of CCT, to on-lend to any trust, fund or entity in which CCT has an interest, to finance or, as the case may be, refinance any asset enhancement works initiated by CCT or such trust, fund or entity in which CCT has an interest and for the general working capital of CCT.

# CLEARING AND SETTLEMENT

## Clearance and Settlement Through Euroclear and/or Clearstream, Luxembourg

In respect of Notes which are accepted for clearance by Euroclear and/or Clearstream, Luxembourg, for so long as any of the Notes is represented by a Global Note and such Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (other than Clearstream, Luxembourg, where Clearstream, Luxembourg is an accountholder of Euroclear or *vice versa*) shall be treated as the holder of such nominal amount of Notes other than with respect to the payment of principal of and interest on the Notes. For such purpose, the bearer of the relevant Global Note will be treated as the holder of such nominal amount of such Notes.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or, as the case may be, Clearstream, Luxembourg, for his share of each payment of principal or interest (if any) made by the Issuer or the Guarantor (where applicable) to, or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer or (where applicable) the Guarantor in respect of any payments due on that Global Note.

Whilst any Note is represented by a Temporary Global Note, payments of principal and interest (if any) due prior to the exchange date will be made through Euroclear and/or Clearstream, Luxembourg against presentation of the Temporary Global Note only to the extent of receipt of non-U.S. beneficial ownership certifications. The holder of a Temporary Global Note will not be entitled to collect any payment of principal or interest due on or after the exchange date, unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments of principal of, and interest (if any) on, a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or, as the case may be, surrender of such Permanent Global Note without any requirement for such certification as is referred to in the preceding paragraph.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

## Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

**General**

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

## SINGAPORE TAXATION

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the relevant authorities in force as at the date of this Information Memorandum and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Information Memorandum are intended to or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer, the Arranger nor other persons involved in the MTN Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.*

### 1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "ITA"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17 per cent. The applicable rate for non-resident individuals is 20 per cent[1]. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

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[1] It is proposed in the Singapore Budget 2015, announced on 23 February 2015, that the top marginal rate for Singapore tax resident individuals will be increased from 20.0 per cent. to 22.0 per cent. with effect from the year of assessment 2017. It is not known at this juncture whether the tax rate for non-resident individuals will be similarly adjusted from 20.0 percent., to 22.0 per cent.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

> "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
>
> "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

In addition, as the MTN Programme as a whole was arranged by DBS Bank Ltd., a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes issued as debt securities under the MTN Programme during the period from the date of this Information Memorandum to 31 December 2018 (the "**Relevant Notes**") would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by the MAS on 28 June 2013 (the "**MAS Circular**"), "qualifying debt securities" for the purposes of the ITA, to which the following treatments shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "**Comptroller**") may direct, of a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the MAS and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Specified Income**") from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the MAS), Specified Income from the Relevant Notes derived by any company or by a body of persons (as defined in the ITA) is subject to income tax at a concessionary rate of 10 per cent., (unless it qualifies for the tax exemption described above or it is a Financial Sector Incentive (standard tier) company as defined in Section 43N(4) of the ITA); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the Issuer, or such other person as the Comptroller may direct, furnishing to the MAS a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

Specified Income derived from the Relevant Notes is not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and

(B) even though a particular tranche of Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of such Relevant Notes which are outstanding at any time during the life of the issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer, Specified Income derived from such Relevant Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax of 10 per cent. as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption as described above shall not apply if such person acquires the Relevant Notes using the funds obtained from its operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (the "**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing by the Issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the MAS), income tax exemption is granted on Specified Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity date of not less than 10 years;

(c) cannot be redeemed, converted, exchanged or called within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

In determining an investor's income that is to be exempted from tax under the QDS Plus Scheme, prescribed conditions apply in relation to how the investor's losses, expenses, capital allowances and donations which are attributable to such exempt income are to be treated.

However, even if a particular tranche of the Relevant Notes is "qualifying debt securities" which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of such Relevant Notes which are outstanding at any time during the life of the issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer, Specified Income from such Relevant Notes derived by:

(aa) any related party of the Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Specified Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met. MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

**2. Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who adopt or are adopting Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

**3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes**

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). Legislative effect to the tax treatment set out in the FRS 39 Circular is provided for in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Under FRS 39, the holder of a financial instrument with an embedded derivative may be required to separately account for the embedded derivative if certain conditions are fulfilled. This would typically include the equity conversion option in a convertible bond although a derivative which is embedded in a financial asset which is itself reported at a fair value through profit or loss is generally not required to be separately accounted for.

According to the FRS 39 Circular, for financial assets on revenue account classified as:

(a) "fair value through profit or loss", all gains or losses recognised in the profit and loss account will be taxed or allowed as a deduction event though they are unrealised;

(b) "available-for-sale", only the cumulative gains or losses (which had been recognised in equity) that are transferred to the profit and loss account upon derecognition will be taxed or allowed as a deduction;

(c) "held-to-maturity" and loans, the interest income based on the amount shown in the accounts, which is calculated using the effective interest method under FRS 39, will be taxed.

The FRS 39 Circular refers to the definition of the effective interest method under FRS 39 and states that the "effective interest method" is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period and the "effective interest rate" is the rate that exactly discounts estimated future cash payments of receipts through the expected life of the financial instruments. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

However, for debt securities which are on capital account, the FRS 39 Circular indicates that interest income reflected in the profit and loss account under FRS 39 will be adjusted to that based on the coupon/contractual rate.

In this regard, Section 34A of the ITA provides that where interest from debt securities is chargeable to tax under Section 10(1)(d) of the ITA (i.e. as passive income rather than as income from a trade or business), such interest will be computed based on the contractual interest rate and not the effective interest rate. In this section, "contractual interest rate" in relation to any financial instrument means the interest rate specified in the financial instrument. A gain from discounts or premiums on debt securities, being a gain chargeable to tax under Section 10(1)(d) of the ITA, shall be deemed to accrue only on the maturity or redemption of the debt securities and to be equal to the difference between the amount received on the maturity or redemption of the debt securities and the amount for which the debt securities were issued.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular and Section 34A of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

### 4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

# SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

Each Dealer and its affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each Dealer may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealer and its affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to the Dealer or its affiliate for asset management and/or proprietary purposes but not with a view to distribution.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer or any affiliate of the Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

**United States**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented, warranted and agreed that, and each further Dealer appointed under the MTN Programme will be required to represent, warrant and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Tranche, as determined and certified to the Issuing and Paying Agent or the Issuer, by such Dealer (or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

**Hong Kong**

Each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

**Singapore**

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

**General**

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement.

*Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.*

# GENERAL AND OTHER INFORMATION

## SHARE CAPITAL

1. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Articles of Association of the Issuer.

2. No shares in the Issuer have been issued or are proposed to be issued, as fully or partly paid up, for cash or for a consideration other than cash, within the two years preceding the date of this Information Memorandum.

3. The issued share capital of the Issuer as at the date of this Information Memorandum is as follows:

| Share Designation | Issued Share(s) | Issued Share Capital (S$) |
|---|---|---|
| Ordinary Shares | 1 | 1 |

4. The Units in issue are as follows:

| | |
|---|---|
| Units as at 31 March 2015 | 2,946,694,080 |
| Units created as payment of asset management fees during the period from 1 April 2015 to the Latest Practicable Date | 1,819,430 |
| Units as at the Latest Practicable Date | 2,948,513,510 |

## BORROWINGS

5. Save as disclosed in Appendix II, CCT has, as at 31 March 2015, no other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

## WORKING CAPITAL

6. The directors of the Issuer are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for its present requirements.

## CHANGES IN ACCOUNTING POLICIES

7. Save as disclosed in Appendix II, there are no significant changes in the accounting policies of CCT since its audited financial accounts for the year ended 31 March 2015.

## LITIGATION

8. There are no legal or arbitration proceedings pending or, so far as the directors of the Issuer are aware, threatened against the Issuer, the Guarantor, CCT or any of their respective subsidiaries (if any) the outcome of which, in the opinion of the directors of the Issuer, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or CCT.

## MATERIAL ADVERSE CHANGE

9. There has been no material adverse change in the financial condition or business of the Issuer, CCT or the Group since 31 March 2015.

## CONSENTS

10. The Auditors have given and have not withdrawn their respective written consents to the issue of this Information Memorandum with the references herein to their name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

## DOCUMENTS AVAILABLE FOR INSPECTION

11. Copies of the following documents may be inspected at the registered office of the Issuer at 168 Robinson Road, #30-01 Capital Tower Singapore 068912 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Memorandum and Articles of Association of the Issuer;

    (b) the Trust Deed;

    (c) the letter of consent referred to in paragraph 9 above;

    (d) the audited consolidated financial statements of CCT and its subsidiaries for the financial year ended 31 December 2014; and

    (e) the unaudited consolidated financial statements of CCT and its subsidiaries for the quarter ended 31 March 2015.

## FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

12. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

# AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CAPITALAND COMMERCIAL TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

*The information in this Appendix II has been reproduced from the audited financial statements of the Group for the financial year ended 31 December 2014 and has not been specifically prepared for inclusion in this Information Memorandum.*

**CapitaCommercial Trust and its Subsidiaries**

**(Constituted in the Republic of Singapore pursuant to a trust deed dated 6 February 2004 (as amended))**

Financial Statements
Year ended 31 December 2014

## Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaCommercial Trust (the "Trust") and its subsidiaries (the "Group") in trust for the unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaCommercial Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages FS1 to FS65 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

**For and on behalf of the Trustee,**
**HSBC Institutional Trust Services (Singapore) Limited**

**Antony Wade Lewis**
*Director*

**Singapore**
26 February 2015

## Statement by the Manager

In the opinion of the directors of CapitaCommercial Trust Management Limited, the accompanying financial statements set out on pages FS1 to FS65 comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds, Portfolio Statements, Statements of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of CapitaCommercial Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust as at 31 December 2014, the total return, distributable income, movements in unitholders' funds and cash flows of the Group and of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet its financial obligations as and when they materialise.

**For and on behalf of the Manager,**
**CapitaCommercial Trust Management Limited**

**Lynette Leong Chin Yee**
*Director*

**Singapore**
26 February 2015

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

## Auditors' Report to the Unitholders of CapitaCommercial Trust

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 6 February 2004 (as amended))

We have audited the accompanying financial statements of CapitaCommercial Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2014, the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Statements of Cash Flows of the Group and the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS65.

*Manager's responsibility for the financial statements*

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 December 2014 and the total return, distributable income, movements in unitholders' funds and cash flows of the Group and of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

KPMG LLP

**KPMG LLP**
*Public Accountants and*
*Chartered Accountants*

**Singapore**
26 February 2015

**Statements of Financial Position**
**As at 31 December 2014**

| | Note | Group 2014 $'000 | Group 2013 $'000 (Restated) | Group 2012 $'000 (Restated) | Trust 2014 $'000 | Trust 2013 $'000 |
|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | |
| Plant and equipment | 4 | 1,453 | 1,480 | 774 | 1,440 | 1,467 |
| Investment properties | 5 | 4,882,400 | 4,769,000 | 4,639,000 | 4,451,400 | 4,338,000 |
| Intangible asset | 6 | 4,822 | 8,334 | 12,913 | 4,822 | 8,334 |
| Subsidiaries | 7 | – | – | – | 435,576 | 435,576 |
| Joint ventures | 8 | 1,427,895 | 1,283,879 | 1,232,934 | 984,933 | 971,471 |
| Associate | 9 | 63,899 | 65,002 | 66,491 | 51,479 | 51,479 |
| Financial derivatives | 15 | 1,160 | – | – | 1,160 | – |
| | | 6,381,629 | 6,127,695 | 5,952,112 | 5,930,810 | 5,806,327 |
| **Current assets** | | | | | | |
| Available-for-sale unquoted investment | 10 | – | 6 | 6 | – | 6 |
| Trade and other receivables | 11 | 38,345 | 33,716 | 36,558 | 37,576 | 31,540 |
| Cash and cash equivalents | 12 | 101,085 | 84,064 | 118,325 | 76,719 | 60,105 |
| | | 139,430 | 117,786 | 154,889 | 114,295 | 91,651 |
| **Total assets** | | 6,521,059 | 6,245,481 | 6,107,001 | 6,045,105 | 5,897,978 |
| **Current liabilities** | | | | | | |
| Trade and other payables | 13 | 47,355 | 50,899 | 55,737 | 39,415 | 38,713 |
| Current portion of security deposits | | 11,437 | 11,964 | 9,243 | 10,876 | 9,726 |
| Interest-bearing liabilities | 14 | 270,000 | – | 50,000 | 270,000 | – |
| Financial derivatives | 15 | – | – | 2,519 | – | – |
| Current tax payable | | 3 | 4 | 102 | – | – |
| | | 328,795 | 62,867 | 117,601 | 320,291 | 48,439 |

The accompanying notes form an integral part of these financial statements.

**Statements of Financial Position (cont'd)**
**As at 31 December 2014**

| | | Group | | | Trust | |
|---|---|---|---|---|---|---|
| | Note | 2014 $'000 | 2013 $'000 (Restated) | 2012 $'000 (Restated) | 2014 $'000 | 2013 $'000 |
| **Non-current liabilities** | | | | | | |
| Non-current portion of security deposits | | 28,300 | 26,333 | 22,462 | 23,510 | 23,614 |
| Interest-bearing liabilities | 14 | 800,972 | 867,049 | 864,521 | 800,972 | 867,049 |
| Financial derivatives | 15 | 40,298 | 25,243 | 10,693 | 40,298 | 25,243 |
| Convertible bonds | 16 | 169,206 | 351,276 | 377,071 | 169,206 | 351,276 |
| | | 1,038,776 | 1,269,901 | 1,274,747 | 1,033,986 | 1,267,182 |
| **Total liabilities** | | 1,367,571 | 1,332,768 | 1,392,348 | 1,354,277 | 1,315,621 |
| **Net assets** | | 5,153,488 | 4,912,713 | 4,714,653 | 4,690,828 | 4,582,357 |
| Represented by: | | | | | | |
| **Unitholders' funds** | | 5,153,488 | 4,912,713 | 4,714,653 | 4,690,828 | 4,582,357 |
| **Units in issue ('000)** | 17 | 2,944,849 | 2,878,774 | 2,842,956 | 2,944,849 | 2,878,774 |
| | | $ | $ | $ | $ | $ |
| **Net asset value per Unit** | | 1.75 | 1.71 | 1.66 | 1.59 | 1.59 |

The accompanying notes form an integral part of these financial statements.

**Statements of Total Return**
**Year ended 31 December 2014**

| | Note | Group 2014 $'000 | Group 2013 $'000 (Restated) | Trust 2014 $'000 | Trust 2013 $'000 |
|---|---|---|---|---|---|
| Gross revenue | 18 | 262,608 | 251,463 | 240,289 | 229,730 |
| Property operating expense | 19 | (57,359) | (54,342) | (52,240) | (49,809) |
| **Net property income** | | 205,249 | 197,121 | 188,049 | 179,921 |
| Investment income | 20 | – | – | 87,087 | 84,743 |
| Interest income | | 3,732 | 3,713 | 16,002 | 15,991 |
| Base asset management fees | 21 | (4,892) | (4,774) | (4,892) | (4,774) |
| Performance asset management fees | 21 | (8,681) | (7,882) | (8,681) | (7,882) |
| Finance costs | 22 | (36,434) | (42,560) | (36,422) | (42,547) |
| Audit fees | | (277) | (264) | (258) | (244) |
| Amortisation of intangible asset | | (3,512) | (4,579) | (3,512) | (4,579) |
| Trustee's fees | | (620) | (605) | (620) | (605) |
| Valuation fees | | (303) | (285) | (266) | (246) |
| Other expenses | 23 | (1,466) | (1,402) | (1,464) | (1,393) |
| **Net income before share of profit of associate and joint ventures** | | 152,796 | 138,483 | 235,023 | 218,385 |
| Share of profit (net of tax) of: | | | | | |
| - Associate | | 4,745 | 4,355 | – | – |
| - Joint ventures | | 212,612 | 123,087 | – | – |
| **Net income** | | 370,153 | 265,925 | 235,023 | 218,385 |
| Premium on repurchase of convertible bonds | | (2,713) | – | (2,713) | – |
| Gain on disposal of available-for-sale unquoted investment | | 226 | – | 226 | – |
| Gain on remeasurement of financial derivatives | | – | 2,519 | – | 2,519 |
| Net increase in fair value of investment properties | | 81,219 | 106,162 | 83,222 | 106,322 |
| **Total return for the year before tax** | | 448,885 | 374,606 | 315,758 | 327,226 |
| Tax expense | 24 | (3) | (16) | – | – |
| **Total return for the year** | | 448,882 | 374,590 | 315,758 | 327,226 |
| | | **Cents** | **Cents** | **Cents** | **Cents** |
| **Earnings per Unit** | | | | | |
| Basic | 25 | 15.41 | 13.08 | 10.84 | 11.42 |
| Diluted | 25 | 15.06 | 12.47 | 10.65 | 10.96 |

The accompanying notes form an integral part of these financial statements.

**Distribution Statements**
**Year ended 31 December 2014**

| | Group | | Trust | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| | **S'000** | **S'000 (Restated)** | **S'000** | **S'000** |
| Amount available for distribution to Unitholders at 1 January | 122,325 | 119,362 | 122,325 | 119,362 |
| Net income before share of profit of associate and joint ventures | 152,796 | 138,483 | 235,023 | 218,385 |
| Net tax and other adjustments (Note A) | 9,139 | 13,186 | 10,155 | 15,850 |
| Tax-exempt income distribution | 4,035 | 1,667 | 4,035 | – |
| Distribution from joint ventures | 83,243 | 80,899 | – | – |
| | 249,213 | 234,235 | 249,213 | 234,235 |
| Amount available for distribution to Unitholders | 371,538 | 353,597 | 371,538 | 353,597 |
| Distributions to Unitholders: | | | | |
| Distribution of 4.08 cents per Unit for the period from 1/7/2012 to 31/12/2012 | – | (116,001) | – | (116,001) |
| Distribution of 4.01 cents per Unit for the period from 1/1/2013 to 30/6/2013 | – | (115,271) | – | (115,271) |
| Distribution of 4.13 cents per Unit for the period from 1/7/2013 to 31/12/2013 | (118,893) | – | (118,893) | – |
| Distribution of 4.22 cents per Unit for the period from 1/1/2014 to 30/6/2014 | (123,873) | – | (123,873) | – |
| | (242,766) | (231,272) | (242,766) | (231,272) |
| Amount available for distribution to Unitholders at 31 December | 128,772 | 122,325 | 128,772 | 122,325 |

The accompanying notes form an integral part of these financial statements.

**Distribution Statements (cont'd)**
**Year ended 31 December 2014**

**Note A – Net tax and other adjustments comprise:**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 (Restated) | 2014 $'000 | 2013 $'000 |
| Non-tax deductible/(chargeable) items: | | | | |
| - Amortisation of transaction costs on borrowings and convertible bonds | 7,024 | 9,727 | 7,012 | 9,714 |
| - Amortisation of lease incentives | (330) | 1,160 | (508) | 1,027 |
| - Amortisation of intangible asset | 3,512 | 4,579 | 3,512 | 4,579 |
| - Asset management fees paid and payable in Units | 3,701 | 3,812 | 3,701 | 3,812 |
| - Depreciation of plant and equipment | 330 | 219 | 325 | 213 |
| - Net profits from subsidiaries | (4,356) | (2,738) | – | – |
| - Trustee's fees | 620 | 605 | 620 | 605 |
| - Tax-exempt income retained | – | – | (3,422) | (1,801) |
| Other items | (1,362) | (4,178) | (1,085) | (2,299) |
| Net tax and other adjustments | 9,139 | 13,186 | 10,155 | 15,850 |

The accompanying notes form an integral part of these financial statements.

**Statements of Movements in Unitholders' Funds**
**Year ended 31 December 2014**

| | Note | Group 2014 $'000 | Group 2013 $'000 | Trust 2014 $'000 | Trust 2013 $'000 |
|---|---|---|---|---|---|
| **Net assets at 1 January** | | 4,912,713 | 4,714,653 | 4,582,357 | 4,430,039 |
| **Operations** | | | | | |
| Total return for the year | | 448,882 | 374,590 | 315,758 | 327,226 |
| **Unitholders' transactions** | | | | | |
| Creation of Units: | | | | | |
| - Units issued in respect of RCS Trust's asset management fees | | 8,662 | 8,378 | 8,662 | 8,378 |
| - Asset management fees paid in Units | | 3,650 | 3,995 | 3,650 | 3,995 |
| - Conversion of convertible bonds | | 74,304 | 35,851 | 74,304 | 35,851 |
| | | 86,616 | 48,224 | 86,616 | 48,224 |
| Distributions to Unitholders | | (242,766) | (231,272) | (242,766) | (231,272) |
| Repurchase and redemption of convertible bonds | | (37,111) | – | (37,120) | – |
| Net decrease in net assets resulting from Unitholders' transactions | | (193,261) | (183,048) | (193,270) | (183,048) |
| **Foreign currency translation reserves** | | | | | |
| Foreign currency translation differences | | (2,013) | (2,000) | – | – |
| **Capital reserves** | 26 | | | | |
| Repurchase, redemption and conversion of convertible bonds | | (17,869) | (3,210) | (17,869) | (3,210) |
| **Hedging reserves** | 27 | | | | |
| Effective portion of change in fair value of cash flow hedges | | 3,852 | 11,350 | 3,852 | 11,350 |
| Share of hedging reserves of joint venture | | 1,184 | 378 | – | – |
| | | 5,036 | 11,728 | 3,852 | 11,350 |
| **Net assets at 31 December** | | 5,153,488 | 4,912,713 | 4,690,828 | 4,582,357 |

The accompanying notes form an integral part of these financial statements.

**Portfolio Statements**
**As at 31 December 2014**

**Group**

| Description of Property | Tenure of Land | Term of Lease | Remaining Term of Lease | Location | Existing Use | Carrying Value[1] 2014 $'000 | Carrying Value[1] 2013 $'000 | Percentage of Net Assets 2014 % | Percentage of Net Assets 2013 % |
|---|---|---|---|---|---|---|---|---|---|
| **Investment properties - Office buildings** | | | | | | | | | |
| *Singapore* | | | | | | | | | |
| Six Battery Road | Leasehold | 999 years | 810 years | 6 Battery Road | Commercial | 1,330,000 | 1,285,000 | 25.8 | 26.2 |
| Capital Tower | Leasehold | 99 years | 80 years | 168 Robinson Road | Commercial | 1,309,000 | 1,282,000 | 25.4 | 26.1 |
| One George Street | Leasehold | 99 years | 87 years | 1 George Street | Commercial | 975,000 | 959,000 | 18.9 | 19.5 |
| HSBC Building | Leasehold | 999 years | 835 years | 21 Collyer Quay | Commercial | 450,000 | 429,000 | 8.7 | 8.7 |
| Twenty Anson[2] | Leasehold | 99 years | 92 years | 20 Anson Road | Commercial | 431,000 | 431,000 | 8.4 | 8.8 |
| **Investment property - Car park building** | | | | | | | | | |
| *Singapore* | | | | | | | | | |
| Golden Shoe Car Park | Leasehold | 99 years | 66 years | 50 Market Street | Transport facilities | 141,000 | 138,400 | 2.7 | 2.8 |
| **Investment properties - Other buildings** | | | | | | | | | |
| *Singapore* | | | | | | | | | |
| Wilkie Edge | Leasehold | 99 years | 90 years | 8 Wilkie Road | Commercial | 191,000 | 186,000 | 3.7 | 3.8 |
| Bugis Village | Leasehold | 99 years | 73 years | 62 to 67 Queen Street<br>151 to 166 Rochor Road<br>229 to 253 (odd numbers only) Victoria Street | Commercial | 55,400 | 58,600 | 1.1 | 1.2 |
| **Investment properties, at valuation (Note 5)** | | | | | | 4,882,400 | 4,769,000 | 94.7 | 97.1 |
| **Investment in associate (Note 9)** | | | | | | 63,899 | 65,002 | 1.2 | 1.3 |
| **Investment in joint ventures (Note 8)** | | | | | | 1,427,895 | 1,283,879 | 27.7 | 26.1 |
| **Other assets and liabilities (net)** | | | | | | (1,220,706) | (1,205,168) | (23.6) | (24.5) |
| **Net assets** | | | | | | 5,153,488 | 4,912,713 | 100.0 | 100.0 |

The accompanying notes form an integral part of these financial statements.

**Portfolio Statements (cont'd)**
**As at 31 December 2014**

**Trust**

| Description of Property | Tenure of Land | Term of Lease | Remaining Term of Lease | Location | Existing Use | Carrying Value[1] 2014 $'000 | Carrying Value[1] 2013 $'000 | Percentage of Net Assets 2014 % | Percentage of Net Assets 2013 % |
|---|---|---|---|---|---|---|---|---|---|
| **Investment properties - Office buildings** | | | | | | | | | |
| ***Singapore*** | | | | | | | | | |
| Six Battery Road | Leasehold | 999 years | 810 years | 6 Battery Road | Commercial | 1,330,000 | 1,285,000 | 28.3 | 28.0 |
| Capital Tower | Leasehold | 99 years | 80 years | 168 Robinson Road | Commercial | 1,309,000 | 1,282,000 | 27.9 | 28.0 |
| One George Street | Leasehold | 99 years | 87 years | 1 George Street | Commercial | 975,000 | 959,000 | 20.8 | 20.9 |
| HSBC Building | Leasehold | 999 years | 835 years | 21 Collyer Quay | Commercial | 450,000 | 429,000 | 9.6 | 9.4 |
| **Investment property - Car park building** | | | | | | | | | |
| ***Singapore*** | | | | | | | | | |
| Golden Shoe Car Park | Leasehold | 99 years | 66 years | 50 Market Street | Transport facilities | 141,000 | 138,400 | 3.0 | 3.0 |
| **Investment properties - Other buildings** | | | | | | | | | |
| ***Singapore*** | | | | | | | | | |
| Wilkie Edge | Leasehold | 99 years | 90 years | 8 Wilkie Road | Commercial | 191,000 | 186,000 | 4.1 | 4.1 |
| Bugis Village | Leasehold | 99 years | 73 years | 62 to 67 Queen Street<br>151 to 166 Rochor Road<br>229 to 253 (odd numbers only) Victoria Street | Commercial | 55,400 | 58,600 | 1.2 | 1.3 |
| **Investment properties, at valuation (Note 5)** | | | | | | 4,451,400 | 4,338,000 | 94.9 | 94.7 |
| **Other assets and liabilities (net)** | | | | | | 239,428 | 244,357 | 5.1 | 5.3 |
| **Net assets** | | | | | | 4,690,828 | 4,582,357 | 100.0 | 100.0 |

1 The carrying value of investment properties are at valuation.
2 Twenty Anson is held through CCT's 100% interest in FirstOffice Pte. Ltd..

The accompanying notes form an integral part of these financial statements.

**Portfolio Statements (cont'd)**
**As at 31 December 2014**

**Investment Properties**

On 31 December 2014, independent valuations of Capital Tower, Six Battery Road, HSBC Building, One George Street, Twenty Anson, Bugis Village, Wilkie Edge and Golden Shoe Car Park were undertaken by CBRE Pte. Ltd. (2013: Jones Lang LaSalle Property Consultants Pte. Ltd.).

The Manager believes that the independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations were based on direct capitalisation method and discounted cash flow analysis. The valuations were performed on the same basis as 2013.

The net increase in fair value of the investment properties has been taken to the statement of total return.

Investment properties comprise mainly commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. Contingent rents recognised in the Statements of Total Return of the Group and of the Trust amounted to $512,000 (2013 (restated): $415,000) and $510,000 (2013: $413,000) respectively.

**Statements of Cash Flows**
**Year ended 31 December 2014**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 (Restated) | $'000 | $'000 |
| **Cash flows from operating activities** | | | | |
| Total return for the year before tax | 448,885 | 374,606 | 315,758 | 327,226 |
| Adjustments for: | | | | |
| Amortisation of intangible asset | 3,512 | 4,579 | 3,512 | 4,579 |
| Amortisation of lease incentives | (330) | 1,160 | (508) | 1,027 |
| Asset management fees paid and payable in Units | 3,701 | 3,812 | 3,701 | 3,812 |
| Depreciation of plant and equipment | 330 | 219 | 325 | 213 |
| Finance costs | 36,434 | 42,560 | 36,422 | 42,547 |
| Foreign exchange loss | 375 | 375 | 375 | 375 |
| Gain on disposal of plant and equipment | * | * | * | * |
| Gain on disposal of available-for-sale unquoted investment | (226) | – | (226) | – |
| Gain on remeasurement of financial derivatives | – | (2,519) | – | (2,519) |
| Interest income | (3,732) | (3,713) | (16,002) | (15,991) |
| Investment income | – | – | (87,087) | (84,743) |
| Net increase in fair value of investment properties | (81,219) | (106,162) | (83,222) | (106,322) |
| Premium on redemption of convertible bonds | 2,713 | – | 2,713 | – |
| Share of profit of associate and joint ventures | (217,357) | (127,442) | – | – |
| Operating income before working capital changes | 193,086 | 187,475 | 175,761 | 170,204 |

* Less than $1,000

The accompanying notes form an integral part of these financial statements.

**Statements of Cash Flows (cont'd)**
**Year ended 31 December 2014**

| | Group | | Trust | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| | | **(Restated)** | | |
| Operating income before working capital changes brought forward | 193,086 | 187,475 | 175,761 | 170,204 |
| Changes in working capital: | | | | |
| Trade and other receivables | (202) | 6,911 | (1,432) | 6,275 |
| Trade and other payables | (5,815) | (5,825) | (807) | (1,167) |
| Security deposits | 1,440 | 6,592 | 1,046 | 5,610 |
| **Cash generated from operations** | 188,509 | 195,153 | 174,568 | 180,922 |
| Tax paid | (4) | (114) | – | (101) |
| **Net cash from operating activities** | 188,505 | 195,039 | 174,568 | 180,821 |
| **Cash flows from investing activities** | | | | |
| Capital expenditure on investment properties | (29,817) | (21,370) | (28,575) | (21,318) |
| Capital redemption and return of cash by available-for-sale unquoted investment | 232 | – | 232 | – |
| Distributions from associate | 3,459 | 3,469 | 3,459 | 3,469 |
| Distributions from joint venture | 82,687 | 79,180 | 82,687 | 79,180 |
| Interest income received | 200 | 203 | 12,470 | 12,413 |
| Loan to joint venture | (4,800) | – | (4,800) | – |
| Purchase of plant and equipment | (259) | (955) | (254) | (945) |
| **Net cash from investing activities** | 51,702 | 60,527 | 65,219 | 72,799 |
| Balance carried forward | 240,207 | 255,566 | 239,787 | 253,620 |

The accompanying notes form an integral part of these financial statements.

**Statements of Cash Flows (cont'd)**
**Year ended 31 December 2014**

| | | Group | | Trust | |
|---|---|---|---|---|---|
| | **Note** | **2014 \$'000** | **2013 \$'000 (Restated)** | **2014 \$'000** | **2013 \$'000** |
| Balance brought forward | | 240,207 | 255,566 | 239,787 | 253,620 |
| **Cash flows from financing activities** | | | | | |
| Distributions to Unitholders | | (242,766) | (231,272) | (242,766) | (231,272) |
| Interest paid | | (30,673) | (33,833) | (30,660) | (33,820) |
| Payment of transaction costs related to borrowings and convertible bonds | | (12) | (4,722) | (12) | (4,722) |
| Proceeds from interest-bearing liabilities | | 295,000 | 30,000 | 295,000 | 30,000 |
| Repayment of interest-bearing liabilities | | (75,000) | (50,000) | (75,000) | (50,000) |
| Repurchase and redemption of convertible bonds | | (169,735) | – | (169,735) | – |
| **Net cash used in financing activities** | | (223,186) | (289,827) | (223,173) | (289,814) |
| **Net increase/(decrease) in cash and cash equivalents** | | 17,021 | (34,261) | 16,614 | (36,194) |
| **Cash and cash equivalents at 1 January** | | 84,064 | 118,325 | 60,105 | 96,299 |
| **Cash and cash equivalents at 31 December** | 12 | 101,085 | 84,064 | 76,719 | 60,105 |

***Significant non-cash transactions***

During the year, 8,008,559 (2013: 8,032,273) Units were issued at various unit prices in satisfaction of asset management fees payable to the Manager, amounting to \$3,650,000 (2013: \$3,995,000) for the Group and \$8,662,000 (2013: \$8,378,000) on behalf of RCS Trust. The Trust received units in RCS Trust (see note 8) in settlement for the amount paid on its behalf.

# Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 26 February 2015.

## 1 General

CapitaCommercial Trust (the "Trust") is a Singapore-domiciled unit trust established pursuant to the trust deed dated 6 February 2004 (as amended) (the "Trust Deed") between CapitaCommercial Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 11 May 2004 and was included under the Central Provident Fund ("CPF") Investment Scheme on 11 May 2004.

The consolidated financial statements of the Trust as at and for the year ended 31 December 2014 comprise the Trust and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in its associate and joint ventures.

The principal activity of the Group is to invest in income producing real estate and real estate related assets, which are used or substantially used for commercial purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures of these services are as follows:

*(i) Property management fees*

Under the property management agreements, property management fees are charged at 3.00% per annum of the net property income of the properties except for HSBC Building which is charged at 0.25% per annum of the net property income.

The property management fees are payable monthly in arrears.

*(ii) Asset management fees*

Pursuant to the Trust Deed, the asset management fees comprise a base component of 0.10% per annum of the value of Deposited Property and a performance component of 5.25% per annum of net income of the Trust for each financial year. "Deposited Property" refers to all the assets of the Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the Trust Deed, except for the following investments:

(a) the investment in RCS Trust, a joint venture;

(b) the investment in MSO Trust, a joint venture; and

(c) the investment in Quill Capita Trust ("QCT"), an associate.

The Manager is entitled to receive, at the option of the Manager, the asset management fees wholly in the form of cash, wholly in the form of Units or a combination of both. When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of the asset management fee attributable to such period at an issue price equal to the Market Price.

The Manager is also entitled to receive acquisition fee at the rate of 1% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the acquisition price and a divestment fee at the rate of 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the sale price.

*(iii) Trustee's fees*

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.10% per annum of the value of Deposited Property (except for the investment in RCS Trust, a joint venture) (subject to a minimum sum of $8,000 per month) payable out of the Deposited Property of the Trust. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

The Trustee's fees are payable quarterly in arrears.

## 2 Basis of preparation

### *2.1 Statement of compliance*

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

## 2.2 *Basis of measurement*

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

## 2.3 *Functional and presentation currency*

These financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

## 2.4 *Use of estimates and judgments*

The preparation of the financial statements in conformity with RAP 7 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgment in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in the following note:

- Note 2.5 – Classification of joint ventures

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in following notes:

- Note 5 – Valuation of investment properties
- Note 28 – Valuation of financial instruments

***Measurement of fair values***

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – Valuation of investment properties
- Note 28 – Valuation of financial instruments

## 2.5 *Changes in accounting policies*

***Joint Arrangements***

From 1 January 2014, as a result of FRS 111 *Joint Arrangements*, the Group has changed its accounting policy for its interests in joint arrangements. Under FRS 111, the Group has classified its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole basis of classification.

At 31 December 2013, the Group had investments under joint arrangements. RCS Trust and MSO Trust were accounted for as jointly-controlled entities using the proportionate consolidation method. The Group has re-evaluated the rights and obligations of the parties to these joint arrangements and has determined that the parties in these joint arrangements have rights to the net assets of the joint arrangements. Accordingly, these joint arrangements have been classified as joint ventures under FRS 111 and are accounted for using the equity method. The amendments were applied retrospectively.

### *Summary of quantitative impact*

The quantitative impact of the above changes as follows:

**Impact on Statement of Financial Position – Group**

| | As at 1 January 2013 | | | As at 31 December 2013 | | |
|---|---|---|---|---|---|---|
| | As previously reported $'000 | Joint arrangements $'000 | As restated $'000 | As previously reported $'000 | Joint arrangements $'000 | As restated $'000 |
| **Non-current assets** | | | | | | |
| Plant and equipment | 898 | (124) | 774 | 1,955 | (475) | 1,480 |
| Investment properties | 6,380,200 | (1,741,200) | 4,639,000 | 6,579,800 | (1,810,800) | 4,769,000 |
| Investment property under construction | 314,880 | (314,880) | – | 380,025 | (380,025) | – |
| Intangible asset | 12,913 | – | 12,913 | 8,334 | – | 8,334 |
| Joint ventures | 64,800 | 1,168,134 | 1,232,934 | 64,800 | 1,219,079 | 1,283,879 |
| Associate | 66,491 | – | 66,491 | 65,002 | – | 65,002 |
| | 6,840,182 | (888,070) | 5,952,112 | 7,099,916 | (972,221) | 6,127,695 |
| **Current assets** | | | | | | |
| Available-for-sale unquoted investment | 6 | – | 6 | 6 | – | 6 |
| Inventories | 327 | (327) | – | 367 | (367) | – |
| Trade and other receivables | 22,969 | 13,589 | 36,558 | 14,358 | 19,358 | 33,716 |
| Cash and cash equivalents | 139,520 | (21,195) | 118,325 | 103,593 | (19,529) | 84,064 |
| | 162,822 | (7,933) | 154,889 | 118,324 | (538) | 117,786 |
| **Total assets** | 7,003,004 | (896,003) | 6,107,001 | 7,218,240 | (972,759) | 6,245,481 |
| **Current liabilities** | | | | | | |
| Trade and other payables | 87,139 | (31,402) | 55,737 | 97,454 | (46,555) | 50,899 |
| Current portion of security deposits | 17,699 | (8,456) | 9,243 | 18,088 | (6,124) | 11,964 |
| Interest-bearing liabilities | 50,000 | – | 50,000 | – | – | – |
| Financial derivatives | 2,519 | – | 2,519 | – | – | – |
| Current tax payable | 102 | – | 102 | 4 | – | 4 |
| | 157,459 | (39,858) | 117,601 | 115,546 | (52,679) | 62,867 |
| **Non-current liabilities** | | | | | | |
| Non-current portion of security deposits | 31,654 | (9,192) | 22,462 | 37,738 | (11,405) | 26,333 |
| Interest-bearing liabilities | 1,645,016 | (780,495) | 864,521 | 1,709,644 | (842,595) | 867,049 |
| Financial derivatives | 12,351 | (1,658) | 10,693 | 26,523 | (1,280) | 25,243 |
| Convertible bonds | 377,071 | – | 377,071 | 351,276 | – | 351,276 |
| Amounts owing to joint venture partners | 64,800 | (64,800) | – | 64,800 | (64,800) | – |
| | 2,130,892 | (856,145) | 1,274,747 | 2,189,981 | (920,080) | 1,269,901 |
| **Total liabilities** | 2,288,351 | (896,003) | 1,392,348 | 2,305,527 | (972,759) | 1,332,768 |
| **Net assets** | 4,714,653 | – | 4,714,653 | 4,912,713 | – | 4,912,713 |
| Represented by: | | | | | | |
| **Unitholders' funds** | 4,714,653 | – | 4,714,653 | 4,912,713 | – | 4,912,713 |

The change in accounting policy had no impact on net asset value per unit for the current and comparative years.

**Impact on Statement of Total Return - Group**
**Year ended 31 December 2013**

| | As previously reported $'000 | Joint arrangements $'000 | As restated $'000 |
|---|---|---|---|
| Gross revenue | 386,936 | (135,473) | 251,463 |
| Property operating expenses | (90,400) | 36,058 | (54,342) |
| **Net property income** | 296,536 | (99,415) | 197,121 |
| Interest income | 2,340 | 1,373 | 3,713 |
| Base asset management fees | (9,596) | 4,822 | (4,774) |
| Performance asset management fees | (11,867) | 3,985 | (7,882) |
| Finance costs | (61,462) | 18,902 | (42,560) |
| Audit fees | (318) | 54 | (264) |
| Amortisation of intangible asset | (4,579) | – | (4,579) |
| Trustee's fees | (829) | 224 | (605) |
| Valuation fees | (420) | 135 | (285) |
| Other expenses | (1,442) | 40 | (1,402) |
| **Net income before share of profit of associate and joint venture** | 208,363 | (69,880) | 138,483 |
| Share of profit (net of tax) of: | | | |
| - Associate | 4,355 | – | 4,355 |
| - Joint ventures | – | 123,087 | 123,087 |
| **Net income** | 212,718 | 53,207 | 265,925 |
| Gain on remeasurement of financial derivatives | 2,519 | – | 2,519 |
| Net increase in fair value of investment properties | 159,371 | (53,209) | 106,162 |
| **Total return for the year before tax** | 374,608 | (2) | 374,606 |
| Tax expense | (18) | 2 | (16) |
| **Total return for the year** | 374,590 | – | 374,590 |

The change in accounting policy had no impact on earnings per unit for the current and comparative years.

**Impact on Distribution Statement - Group**
**Year ended 31 December 2013**

| | As previously reported $'000 | Joint arrangements $'000 | As restated $'000 |
|---|---|---|---|
| Amount available for distribution to Unitholders at beginning of the year | 119,362 | – | 119,362 |
| Net income before share of profit of associate and joint ventures | 208,363 | (69,880) | 138,483 |
| Net tax and other adjustments (Note A) | 24,205 | (11,019) | 13,186 |
| Tax-exempt income distribution | 1,667 | – | 1,667 |
| Distribution from joint venture | – | 80,899 | 80,899 |
| | 234,235 | – | 234,235 |
| Amount available for distribution to Unitholders | 353,597 | – | 353,597 |
| Distributions to Unitholders: | | | |
| Distribution of 4.08 cents per unit for period from 01/07/2012 to 31/12/2012 | (116,001) | – | (116,001) |
| Distribution of 4.01 cents per unit for period from 01/01/2013 to 30/06/2013 | (115,271) | – | (115,271) |
| | (231,272) | – | (231,272) |
| Amount available for distribution to Unitholders at end of the year | 122,325 | – | 122,325 |

**Note A – Net tax and other adjustments comprise:**

| | As previously reported $'000 | Joint arrangements $'000 | As restated $'000 |
|---|---|---|---|
| Non-tax deductible/(chargeable) items: | | | |
| - Amortisation of transaction costs on borrowings and convertible bonds | 11,564 | (1,837) | 9,727 |
| - Amortisation of lease incentives | 1,160 | – | 1,160 |
| - Amortisation of intangible asset | 4,579 | – | 4,579 |
| - Asset management fees paid and payable in Units | 12,260 | (8,448) | 3,812 |
| - Depreciation of plant and equipment | 273 | (54) | 219 |
| - Net profits from subsidiaries | (2,738) | – | (2,738) |
| - Trustee's fees | 829 | (224) | 605 |
| Other items | (3,722) | (456) | (4,178) |
| Net tax and other adjustments | 24,205 | (11,019) | 13,186 |

**Impact on Statement of Cash Flows - Group**
**Year ended 31 December 2013**

| | As previously reported $'000 | Joint arrangements $'000 | As restated $'000 |
|---|---|---|---|
| Net cash from operating activities | 297,976 | (102,937) | 195,039 |
| Net cash (used in)/from investing activities | (79,455) | 139,982 | 60,527 |
| Net cash used in financing activities | (254,448) | (35,379) | (289,827) |

***Disclosure of interests in other entities***

From 1 January 2014, as a result of FRS 112 *Disclosure of Interests in Other Entities*, the Group has expanded its disclosures about its interests in subsidiaries (see note 7), joint ventures (see note 8) and associate (see note 9).

## 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

### *3.1 Basis of consolidation*

***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

***Investments in associate and joint ventures***

An associate is an entity in which the Group has a significant influence, but not control, over the financial and operating policies. Significance influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in an associate and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the associate and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

***Accounting for subsidiaries, associate and joint ventures by the Trust***

Investments in subsidiaries, associate and joint ventures are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

## 3.2 *Plant and equipment*

***Recognition and measurement***

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on the disposal of an item of plant and equipment is determined as the difference between the proceeds from disposal and the carrying amount of the item, and is recognised net within other expenses in the statement of total return on the date of disposal.

***Subsequent costs***

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

***Depreciation***

Items of plant and equipment are depreciated on a straight-line basis in the statement of total return over the estimated useful lives of each component.

The estimated useful lives for the current and comparative years of significant items of plant and equipment are as follows:

- Furniture, fittings and equipment 2 to 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### 3.3 *Investment properties*

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

Cost includes expenditure that is directly attributable to the acquisition of the investment, which includes transaction costs.

Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by MAS.

Any gain or loss on disposal of an investment property is recognised in the statement of total return.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

### 3.4 *Intangible asset*

Intangible asset acquired by the Group and the Trust is measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated based on the cost of the asset and recognised in the Statements of Total Return on a systematic basis over the estimated useful life for the current and comparative years of 42 months. Intangible asset is tested for impairment as described in Note 3.7.

## 3.5 Foreign currency

***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation and available-for-sale equity instruments.

***Foreign operations***

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant proportion of the cumulative amount in the foreign exchange translation reserve is reclassified to the statement of total return as part of the gain or loss on disposal.

## 3.6 Financial instruments

***Derivative financial instruments, including hedge accounting***

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return.

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80% – 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect the reported statement of total return.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

***Cash flow hedge***

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect the statement of total return, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in Unitholders' funds. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged item is a non-financial asset, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period or periods during which the non-financial item affects the statement of total return. In other cases as well, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period that the hedged item affects the statement of total return. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in the hedging reserve is reclassified to the statement of total return.

*Separable embedded derivatives*

Changes in the fair value of separable embedded derivatives are recognised immediately in the statement of total return.

*Other non-trading derivatives*

When a derivative financial instrument is not held for trading, and is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the statement of total return.

***Non-derivative financial instruments***

The Group initially recognises loans and receivables, deposits and convertible bonds issued on the date that they are originated. All other financial instruments are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial instruments into the following categories: loans and receivables, available-for-sale financial assets and other financial liabilities.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised on the date that they are originated at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and short-term bank deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

*Available-for-sale financial assets*

The Group's investments in certain equity securities are classified as available-for-sale financial assets if they are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign currency differences on available-for-sale debt instruments, are recognised directly in Unitholders' funds. When an investment is derecognised, the gain or loss accumulated in Unitholders' funds is reclassified to the statement of total return. Available-for-sale financial assets which are unquoted and where the fair value cannot be measured reliably, are stated at cost.

*Other financial liabilities*

Other financial liabilities comprise trade and other payables, security deposits and interest-bearing liabilities.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method.

***Convertible bonds accounted for as compound financial instruments***

Convertible bonds that can be converted into units at the option of the holder where the number of units to be issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments.

The liability component of the convertible bonds is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not remeasured subsequent to initial recognition. When the conversion option is exercised or lapsed, its carrying amount will be transferred to unitholders' funds. No gain or loss is recognised on conversion.

When a convertible bond is being redeemed before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) are allocated to the liability and equity components of the instrument at the date of redemption. Any resulting gain or loss relating to the liability component is recognised in the statement of total return. The remaining purchase consideration is recognised in unitholders' funds.

## *3.7 Impairment*

***Non-derivative financial assets***

A financial asset not classified at fair value through the statement of total return, including interest in an associate and jointly controlled entities, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. The individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through statement of total return.

***Non-financial assets***

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated.

An impairment loss is recognised in the statement of total return if the carrying amount of an asset or cash-generating unit ("CGU") exceeds its estimated recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets or CGUs. Impairment losses are recognised in the statement of total return unless it reverses a previous revaluation, credited to Unitholders' funds, in which case it is charged to Unitholders' funds.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### *3.8 Unitholders' funds*

Unitholders' funds are classified as equity. Incremental costs directly attributable to the issue of Units are recognised as a deduction from equity.

### *3.9 Revenue recognition*

***Rental income from operating leases***

Rental income from operating leases is recognised as revenue in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

***Car park income***

Car park income is recognised in the statement of total return on a receipt basis.

***Interest income***

Interest income is recognised in the statement of total return as it accrues, using the effective interest method.

***Investment income***

Investment income is recognised in the statement of total return on the date that the Group's right to receive payment is established.

### *3.10 Government grants*

Grants that compensate the Group for expenses incurred are recognised in the statement of total return as other income on a systematic basis in the periods in which the expenses are recognised.

### *3.11 Expenses*

***Property operating expenses***

Property operating expenses consist of property tax, utilities, maintenance, property management reimbursements, property management fees using the applicable formula stipulated in Note 1(i) for the Trust, marketing expenses and other property outgoings in relation to investment properties where such expenses are the responsibility of the Group.

Property operating expenses are recognised on an accrual basis.

***Asset management fees***

Asset management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(ii).

***Trustee's fees***

The Trustee's fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(iii).

### *3.12 Tax*

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the statement of total return except to the extent that it relates to a business combination, or items recognised directly in Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In the ordinary course of business, there are many transactions and calculations for which the ultimate tax treatment is uncertain. Therefore, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when the Group believes that certain positions may not be fully sustained upon review by tax authorities, despite the Group's belief that its tax return positions are supportable. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling, which includes a distribution of at least 90% of the taxable income of the Trust, the Trust will not be taxed on the portion of taxable income of the Trust that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trust. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with IRAS.

Individuals and Qualifying Unitholders are entitled to receive taxable income distributions at gross from the Trust. For other types of Unitholders (other than foreign non-individual Unitholders), the Trust is required to withhold tax at the prevailing corporate tax rate (currently 17%) on the taxable income distributions made by the Trust. Such Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate (currently 17%) by the Trust. Qualifying foreign non-individual Unitholders are entitled to receive taxable income distributions net of withholding tax at a reduced rate of 10% for distributions made on or before 31 March 2020.

A Qualifying Unitholder is a Unitholder who is:

(a) a Singapore-incorporated company which is tax resident in Singapore;

(b) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association);

(c) a Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deduction at source in respect of distributions from the Trust;

(d) an agent bank or a Supplementary Retirement Scheme ("SRS") operator acting as nominee for individuals who have purchased Units within the Central Provident Fund Investment Scheme ("CPFIS") or the SRS respectively; or

(e) a nominee who can demonstrate that the Units are held for beneficial owners who are individuals or who fall within the classes of Unitholders listed in (a) to (c) above.

The Trust has a distribution policy where it is required to distribute at least 90% of its taxable income, other than gains from the sale of real estate properties that are determined by IRAS to be trading gains. For the taxable income that is not distributed, referred to as retained taxable income, tax will be assessed on the Trust. Where such retained taxable income is subsequently distributed, the Trust need not deduct tax at source.

### 3.13 *Finance costs*

Finance costs comprise interest expense on borrowings and convertible bonds, amortisation of borrowings and convertible bonds related transaction costs and accretion of convertible bonds interest that are recognised in the statement of total return using the effective interest method over the period of borrowings and the convertible bonds.

### 3.14 *Earnings per unit*

The Group presents basic and diluted earnings per unit ("EPU") data for its units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Trust by the weighted average number of units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of units outstanding for the effects of all dilutive potential units.

### 3.15 *Segment reporting*

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chief Executive Officer and Board of Directors of the Manager (the Group's "Chief Operating Decision Makers" or "CODMs") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire items of plant and equipment and investment properties.

### 3.16 *New standards, interpretations and revised recommended accounting practice not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Trust. The Group does not plan to adopt these standards early.

## 4 Plant and equipment

| | Furniture, fittings and equipment | |
|---|---|---|
| **Group** | **2014 $'000** | **2013 $'000 (Restated)** |
| **Cost** | | |
| At 1 January | 2,327 | 2,059 |
| Additions | 287 | 925 |
| Disposals/write-off | (117) | (657) |
| At 31 December | 2,497 | 2,327 |
| **Accumulated depreciation** | | |
| At 1 January | 847 | 1,285 |
| Charge for the year | 330 | 219 |
| Disposals/write-off | (133) | (657) |
| At 31 December | 1,044 | 847 |
| **Carrying amounts** | | |
| At 1 January | 1,480 | 774 |
| At 31 December | 1,453 | 1,480 |

| **Trust** | **2014 $'000** | **2013 $'000** |
|---|---|---|
| **Cost** | | |
| At 1 January | 2,307 | 2,040 |
| Additions | 282 | 924 |
| Disposals/write-off | (117) | (657) |
| At 31 December | 2,472 | 2,307 |
| **Accumulated depreciation** | | |
| At 1 January | 840 | 1,284 |
| Charge for the year | 325 | 213 |
| Disposals/write-off | (133) | (657) |
| At 31 December | 1,032 | 840 |
| **Carrying amounts** | | |
| At 1 January | 1,467 | 756 |
| At 31 December | 1,440 | 1,467 |

## 5 Investment properties

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 (Restated) | $'000 | $'000 |
| At 1 January | 4,769,000 | 4,639,000 | 4,338,000 | 4,208,000 |
| Capital expenditure | 32,181 | 23,838 | 30,178 | 23,678 |
| Net increase in fair value recognised in statement of total return | 81,219 | 106,162 | 83,222 | 106,322 |
| At 31 December | 4,882,400 | 4,769,000 | 4,451,400 | 4,338,000 |

As at 31 December 2014 and 31 December 2013, all investment properties held by the Group and Trust are unencumbered.

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuations are prepared by considering the estimated rental value of the property by applying the appropriate valuation methods i.e. the capitalisation method and discounted cashflow method.

The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and ongoing vacancy to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the land lease from the valuation date at an appropriate capitalisation rate. The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value.

In determining the fair values of investment properties, the valuers have used the above valuation methods which involve certain estimates. The Manager reviews the key valuation parameters and underlying data including market-corroborated capitalisation rates and discount rates adopted by the valuers and is of the view that the estimates are reflective of the current market conditions as at the reporting date.

## 6 Intangible asset

| | Group and Trust | |
|---|---|---|
| | 2014 | 2013 |
| | $'000 | $'000 |
| **Cost** | | |
| At 1 January and 31 December | 17,100 | 17,100 |
| | | |
| **Accumulated amortisation** | | |
| At 1 January | 8,766 | 4,187 |
| Amortisation for the year | 3,512 | 4,579 |
| At 31 December | 12,278 | 8,766 |
| | | |
| **Carrying amounts** | | |
| At 1 January | 8,334 | 12,913 |
| At 31 December | 4,822 | 8,334 |

Intangible asset represents the unamortised yield stabilization sum received by the Group under the Deed of Yield Stabilization dated 22 March 2012 in relation to Twenty Anson (see Note 18).

## 7 Subsidiaries

| | Trust | |
|---|---|---|
| | **2014** | **2013** |
| | **$'000** | **$'000** |
| Unquoted equity investments at cost | 167,657 | 167,657 |
| Loan to a subsidiary | 267,919 | 267,919 |
| | 435,576 | 435,576 |

The loan to a subsidiary is unsecured, bears an effective interest rate of 4.6% (2013: 4.6%) per annum and not repayable within 12 months.

Details of the subsidiaries are as follows:

| Name of subsidiaries | Place of incorporation/ business | Effective equity interest held by the Trust | |
|---|---|---|---|
| | | **2014** | **2013** |
| | | **%** | **%** |
| CCT MTN Pte. Ltd. ("CCT MTN") [1] | Singapore | 100 | 100 |
| FirstOffice Pte. Ltd. ("FOPL") [1] | Singapore | 100 | 100 |

[1] Audited by KPMG LLP Singapore

## 8 Joint ventures

| | Group | | Trust | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| | **$'000** | **$'000 (Restated)** | **$'000** | **$'000** |
| Investments in joint ventures | 1,315,095 | 1,175,879 | 872,133 | 863,471 |
| Loan to joint venture | 112,800 | 108,000 | 112,800 | 108,000 |
| | 1,427,895 | 1,283,879 | 984,933 | 971,471 |

The loan to joint venture is unsecured, bears an effective interest rate of 3.12% (2013: 3.25%) per annum and not repayable within 12 months.

Details of the joint ventures are as follows:

| Name of joint ventures | Place of constitution/ business | Effective equity interest held by the Trust 2014 % | 2013 % |
|---|---|---|---|
| RCS Trust [1] | Singapore | 60 | 60 |
| MSO Trust [1] | Singapore | 40 | 40 |

[1] Audited by KPMG LLP Singapore

**RCS Trust**

RCS Trust is an unlisted special purpose trust constituted under a trust deed ("RCS Trust Trust Deed") dated 18 July 2006 entered into between HSBC Institutional Trust Services (Singapore) Limited as trustee-manager of RCS Trust ("RCS Trust Trustee-Manager"), HSBC Institutional Trust Services (Singapore) Limited as trustee of CapitaMall Trust ("CMT"), the Trustee, CapitaMall Trust Management Limited as Manager of CMT, and the Manager. RCS Trust is 60% owned by the Trust and 40% owned by CMT.

**MSO Trust**

MSO Trust is an unlisted special purpose trust constituted under a trust deed ("MSO Trust Trust Deed") dated 15 June 2011 entered between Market Street Office Trustee Pte. Ltd. as trustee-manager of MSO Trust ("MSO Trust Trustee-Manager"), the Trustee and the Manager.

On 13 July 2011, the Trustee and the Manager entered into a joint venture agreement with CapitaLand Singapore Limited ("CLS") and Mitsubishi Estate Asia Pte. Ltd. ("MEA"). Under the agreement, the Trust, CLS and MEA own 40%, 50% and 10% equity interest respectively in MSO Trust.

The following table summarises the financial information of joint ventures, based on the financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition, not adjusted for the percentage ownership held by the Group, were as follows:

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | **RCS Trust $'000** | **MSO Trust $'000** | **RCS Trust $'000** | **MSO Trust $'000** |
| **Results** | | | | |
| Gross revenue | 232,493 | – | 225,788 | – |
| Expenses [a] | (112,003) | (3,032) | (108,321) | (1,504) |
| Net increase in fair value of investment property and investment property under construction | 73,928 | 242,935 | 87,950 | 1,097 |
| Total return for the year | 194,418 | 239,903 | 205,417 | (407) |

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | **RCS Trust $'000** | **MSO Trust $'000** | **RCS Trust $'000** | **MSO Trust $'000** |
| **Assets and liabilities** | | | | |
| Non-current assets | 3,110,389 | 1,533,316 | 3,018,792 | 950,062 |
| Current assets [b] | 16,590 | 23,617 | 14,472 | 40,114 |
| Total assets | 3,126,979 | 1,556,933 | 3,033,264 | 990,176 |
| Current liabilities [c] | 81,574 | 977,856 | 82,338 | 68,667 |
| Non-current liabilities [d] | 1,044,089 | 293,315 | 1,019,738 | 878,594 |
| Total liabilities | 1,125,663 | 1,271,171 | 1,102,076 | 947,261 |
| Net assets | 2,001,316 | 285,762 | 1,931,188 | 42,915 |
| **Group's interest in net assets of investee at 1 January** | 1,158,713 | 17,166 | 1,107,984 | 16,950 |
| Increase in investment in joint venture with no change in effective interest [e] | 8,662 | – | 8,378 | – |
| Share of total return for the year | 116,651 | 95,961 | 123,250 | (163) |
| Share of hedging reserves for the year | – | 1,184 | – | 379 |
| Distributions received and receivable during the year | (83,236) | (6) | (80,899) | – |
| **Carrying amount of interest in investee at 31 December** | 1,200,790 | 114,305 | 1,158,713 | 17,166 |
| Group's share of joint ventures' capital commitment | 15,660 | – | 29,280 | 249,717 |

[a] Includes:
- depreciation of $114,000 (2013: $91,000) for RCS Trust;
- interest expense of $31,097,000 (2013: $30,781,000) and $906,000 (2013: Nil) for RCS Trust and MSO Trust respectively; and
- tax credit of $4,000 (2013: tax expense of $4,000) for MSO Trust.

[b] Includes cash and cash equivalents of $9,163,000 (2013: $6,447,000) and $21,089,000 (2013: $39,152,000) for RCS Trust and MSO Trust respectively.

[c] Includes current financial liabilities (excluding trade and other payables and provisions) of $816,996,000 (2013: Nil) for MSO Trust.

[d] Includes non-current financial liabilities (excluding trade and other payables and provisions) of $1,026,209,000 (2013: $1,000,730,000) and $282,240,000 (2013: $878,594,000) for RCS Trust and MSO Trust respectively.

[e] Increase in investment by way of issuance of units in RCS Trust.

The Trust is committed to incur capital commitment of $340.0 million (2013: $340.0 million) in MSO Trust, of which an amount up to $317.6 million (2013: $317.6 million) will be provided by unitholder's loan to be drawn down in multiple tranches progressively over time based on the needs of MSO Trust. As at 31 December 2014, the Trust had provided a total of $135.2 million (2013: $130.4 million) to MSO Trust comprising $22.4 million (2013: $22.4 million) as equity and $112.8 million (2013: $108.0 million) as unitholder's loan.

The Trust has also provided undertakings on cost overrun, interest shortfall, security margin and project completion, in respect of the $890.0 million (CCT's 40% interest is $356.0 million) bank facility granted to MSO Trust. As at 31 December 2014, the amount outstanding under the bank facility was $820.0 million (2013: $610.0 million) (CCT's 40% interest is $328.0 million (2013: $244.0 million).

## 9 Associate

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| Investment in associate | 63,899 | 65,002 | 58,850 | 58,850 |
| Accumulated impairment loss | – | – | (7,371) | (7,371) |
| | 63,899 | 65,002 | 51,479 | 51,479 |

Details of the associate are as follows:

| Name of associate | Place of constitution / business | Effective equity interest held by the Trust | |
|---|---|---|---|
| | | 2014 | 2013 |
| | | % | % |
| Quill Capita Trust ("QCT") [1] | Malaysia | 30 | 30 |

[1] Audited by Ernst & Young Malaysia.

QCT is a real estate investment trust constituted in Malaysia by a trust deed dated 9 October 2006 and has its place of business in Malaysia. The principal activity of QCT is to own and invest in commercial properties, primarily in Malaysia.

As the results of QCT are not expected to be announced in sufficient time to be included in the Group's results for the same calendar year end, the Group has equity accounted for the results of QCT based on a 3-month lag time. Consequently as at 31 December 2014 (2013: 31 December 2013), equity accounting was based on the results for the year ended 30 September 2014 (2013: 30 September 2013), adjusted for significant transactions and events occurring up to the reporting date of the Group.

The fair value of the Group's equity interest in QCT, based on the quoted market price at 31 December 2014 is $51,410,000 (RM136,937,000) (2013: $53,652,000 (RM138,107,000)).

During the year, the Trust assessed the recoverable amount of its investment in QCT. The carrying amount approximates the fair value and no adjustment was made to the carrying amount of the investment in QCT as at 31 December 2014.

The summary financial information of the associate, not adjusted for the percentage of ownership held by the Group, is as follows:

| | Associate | |
|---|---|---|
| | **2014** | **2013** |
| | **$'000** | **$'000** |
| **Results** | | |
| Gross revenue | 26,912 | 27,308 |
| Total return for the year | 15,815 | 14,517 |
| **Assets and liabilities** | | |
| Total assets | 320,278 | 328,225 |
| Total liabilities | 120,325 | 124,535 |
| **Group's interest in net assets of investee at 1 January** | 65,002 | 66,491 |
| Share of total return for the year | 4,745 | 4,355 |
| Foreign currency translation reserves | (2,013) | (2,000) |
| Distributions received during the year | (3,835) | (3,844) |
| **Carrying amount of interest in investee at 31 December** | 63,899 | 65,002 |

## 10 Available-for-sale unquoted investment

Available-for-sale unquoted investment represents the Group's and Trust's 7.4% interest in the Malaysia Commercial Development Fund Pte. Ltd. ("MCDF") as at 31 December 2013. MCDF had returned all its capital and distributed its surplus assets in cash to CCT in 2014. MCDF had been liquidated on 15 December 2014.

## 11 Trade and other receivables

| | Group | | Trust | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| | **$'000** | **$'000 (Restated)** | **$'000** | **$'000** |
| Trade receivables | 361 | 610 | 332 | 550 |
| Investment income receivable from joint venture | 21,896 | 21,329 | 21,896 | 21,329 |
| Interest receivable from joint venture | 10,672 | 7,155 | 10,672 | 7,155 |
| Interest receivable from subsidiary | – | – | 338 | 338 |
| Amount due from related parties (trade) | 4 | – | 4 | – |
| Deposits | 245 | 247 | 49 | 52 |
| Other receivables | 4,002 | 4,006 | 3,121 | 1,748 |
| Loans and receivables | 37,180 | 33,347 | 36,412 | 31,172 |
| Prepayments | 1,165 | 369 | 1,164 | 368 |
| | 38,345 | 33,716 | 37,576 | 31,540 |

There is no allowance for impairment arising from the amounts receivable from joint ventures.

The Group's most significant tenant accounts for $43,000 (2013 (restated): $102,000) of the trade receivables carrying amount at the reporting date.

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants. These tenants are engaged in diversified businesses and are of good quality and strong credit standing. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, the Manager believes that no additional credit risk, beyond amounts provided for collection losses, is inherent in the Group's trade receivables.

*Impairment losses*

The aging of trade receivables at the reporting date is as follows:

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | Gross $'000 | Impairment losses $'000 | Gross $'000 (Restated) | Impairment losses $'000 (Restated) |
| **Group** | | | | |
| Not past due | 353 | – | 605 | – |
| Past due 31 – 90 days | 8 | – | 4 | – |
| Past due more than 90 days | – | – | 1 | – |
| | 361 | – | 610 | – |
| **Trust** | | | | |
| Not past due | 324 | – | 546 | – |
| Past due 31 – 90 days | 8 | – | 3 | – |
| Past due more than 90 days | – | – | 1 | – |
| | 332 | – | 550 | – |

The Manager believes that no impairment allowance is necessary in respect of the trade receivables as these receivables relate mainly to tenants that have a good record with the Group or have sufficient security deposits as collateral.

## 12 Cash and cash equivalents

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 (Restated) | 2014 $'000 | 2013 $'000 |
| Cash at bank and in hand | 51,085 | 84,064 | 26,719 | 60,105 |
| Fixed deposits with financial institutions | 50,000 | – | 50,000 | – |
| Cash and cash equivalents in the statements of cash flows | 101,085 | 84,064 | 76,719 | 60,105 |

The weighted average effective interest rates relating to cash and cash equivalents at the reporting date for the Group and Trust were 0.58% (2013 (restated): 0.33%) and 0.65% (2013: 0.37%) per annum respectively.

## 13 Trade and other payables

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 (Restated) | $'000 | $'000 |
| Trade payables and accrued operating expenses | 28,136 | 26,292 | 26,448 | 25,221 |
| Amounts due to related parties (trade) | 3,853 | 3,930 | 3,807 | 3,853 |
| Other deposits and advances | 10,720 | 15,852 | 4,514 | 4,814 |
| Interest payable | 4,646 | 4,825 | 4,646 | 4,825 |
| | 47,355 | 50,899 | 39,415 | 38,713 |

Included in trade payables and accrued operating expenses was an amount due to the Trustee of $159,000 (2013 (restated): $155,000) for the Group and $159,000 (2013: $155,000) for the Trust.

Included in the amounts due to related parties (trade) was an amount due to the Manager of $3,360,000 (2013 (restated): $3,178,000) for the Group and for the Trust and an amount due to the property manager of $465,000 (2013 (restated): $456,000) for the Group and $420,000 (2013: $411,000) for the Trust.

Included in interest payable of the Trust was an amount due to the subsidiary of $1,946,000 (2013: $1,322,000).

## 14 Interest-bearing liabilities

This note provides information about the contractual terms of the Group's and the Trust's interest-bearing liabilities.

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 (Restated) | $'000 | $'000 |
| **Current liabilities** | | | | |
| Medium term notes (unsecured) | 270,000 | – | 270,000 | – |
| **Non-current liabilities** | | | | |
| Term loans (unsecured) | 446,020 | 444,349 | 446,020 | 444,349 |
| Revolving credit facilities (unsecured) | 125,000 | 30,000 | 125,000 | 30,000 |
| Medium term notes (unsecured) | 229,952 | 392,700 | 229,952 | 392,700 |
| | 800,972 | 867,049 | 800,972 | 867,049 |
| **Total** | 1,070,972 | 867,049 | 1,070,972 | 867,049 |

**Terms and debt repayment schedule**

Terms and conditions of outstanding loans and borrowings are as follows:

| | Nominal interest rate | Year of maturity | 2014 Face value $'000 | 2014 Carrying amount $'000 | 2013 Face value $'000 (Restated) | 2013 Carrying amount $'000 (Restated) |
|---|---|---|---|---|---|---|
| **Group and Trust** | | | | | | |
| *Unsecured* | | | | | | |
| SGD floating rate term loans [2] and revolving credit facilities | SOR[1] + margin | 2018 to 2020 | 575,000 | 571,020 | 480,000 | 474,349 |
| SGD Medium Term Notes | 2.98% to 3.64% | 2015 to 2021 | 320,000 | 320,000 | 270,000 | 270,000 |
| JPY Medium Term Notes [3] | 2.8875% to 2.95% | 2019 to 2021 | 223,300 | 179,952 | 148,300 | 122,700 |
| | | | 1,118,300 | 1,070,972 | 898,300 | 867,049 |

[1] Swap Offer Rate.

[2] Included in the floating rate term loans is an amount of $360.0 million (2013: $130.0 million) which is hedged by interest rate swaps with notional contract amounts of $360.0 million (2013: $130.0 million).

[3] The Trust has entered into cross currency swaps to hedge the total of JPY16.3 billion medium term notes into notional principal amount of $223.3 million at fixed interest rates ranging from 2.8875% to 2.95% per annum.

The interest-bearing liabilities comprised the following:

**Unsecured medium term notes**

The Group has a $2.0 billion unsecured Multicurrency Medium Term Note Programme ("Programme") under CCT MTN. Under the CCT MTN Programme, CCT MTN may issue notes in any currency.

At 31 December 2014, notes issued by CCT MTN were as follows:

(i) $270.0 million (2013: $270.0 million) fixed rate notes maturing in 2015;
(ii) $50.0 million (2013: Nil) fixed rate notes maturity in 2021; and
(iii) JPY16.3 billion (2013: JPY10.0 billion) medium term notes, which comprises JPY10.0 billion and JPY6.3 billion maturing in 2019 and 2021 respectively. The Trust had entered into cross currency swaps to swap the JPY notes into Singapore dollars.

**Unsecured bank facilities, overdraft and guarantee facilities of the Trust**

As at 31 December 2014, CCT has an aggregate of $780.0 million (2013: $930.0 million) unsecured bank facilities, comprising a combination of $450.0 million (2013: $450.0 million) term loans and $330.0 million (2013: $480.0 million) revolving credit facilities with various maturities of up to 5.7 years from various banks. CCT has drawn down $575.0 million (2013: $480.0 million) of the unsecured bank facilities.

The Trust also has an omnibus line facility of up to $5.0 million. As at 31 December 2014, the Trust has utilised $3.0 million (2013: $3.0 million) from the omnibus line facility for letter of guarantees.

## 15 Financial derivatives

| | Group and Trust | |
|---|---|---|
| | **2014** | **2013** |
| | **$'000** | **$'000** |
| | | **(Restated)** |
| **Non-current assets** | | |
| Interest rate swaps | 1,160 | – |
| **Non-current liabilities** | | |
| Interest rate swaps | – | 72 |
| Cross currency swaps | 40,298 | 25,171 |
| | 40,298 | 25,243 |

*Interest rate swaps*

At 31 December 2014, the Group held interest rate swaps with a total notional contract amount of $360.0 million (2013: $130.0 million) to provide fixed rate funding for terms up to 2 years. The swaps are to hedge the exposure to varying cash flows due to changes in interest rates.

*Cross currency swaps*

At 31 December 2014, the Group held JPY/S$ cross currency swaps of notional contract amount totalling JPY16.3 billion (2013: JPY 10.0 billion) to hedge its foreign currency risk arising from its JPY borrowings. The Group has designated the cross currency swaps as a hedging instrument in a cash flow hedge. The swap matures on the same date as the JPY borrowings.

***Master netting or similar agreements***

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

| Group and Trust | Gross amounts of recognised financial instruments $'000 | Gross amounts of recognised financial instruments offset in the statement of financial position $'000 | Net amounts of financial instruments included in the statement of financial position $'000 | Related financial instruments that are not offset $'000 | Net amount $'000 |
|---|---|---|---|---|---|
| **31 December 2014** | | | | | |
| **Financial assets** | | | | | |
| Interest rate swaps | 1,160 | – | 1,160 | (581) | 579 |
| **Financial liabilities** | | | | | |
| Cross currency swaps | 40,298 | – | 40,298 | (581) | 39,717 |

At 31 December 2013, there were no derivative assets and liabilities which are offset in the statement of financial position or are subject to enforceable master netting or similar arrangements.

## 16 Convertible bonds

| | Group and Trust 2014 $'000 | Group and Trust 2013 $'000 |
|---|---|---|
| At 1 January | 351,276 | 377,071 |
| Repurchase and redemption of convertible bonds | (118,538) | – |
| Conversion of convertible bonds | (67,800) | (32,641) |
| Interest accretion, including transaction costs | 4,268 | 6,846 |
| At 31 December | 169,206 | 351,276 |

### (i) Convertible bonds due 2015

In April 2010, the Trust issued $225.0 million principal amount of convertible bonds due 2015 (the "CB 2015") with interest rate at 2.7% per annum.

During the year, $69,250,000 (2013: $34,250,000) and $120,750,000 (2013: Nil) of the outstanding CB 2015 were converted into 58,066,405 Units (2013: 27,785,789) and repurchased respectively. Following the conversion and repurchase of the CB 2015, the outstanding balance of $250,000 was redeemed at 100% of its principal amount, plus unpaid accrued interest (calculated up to but excluding the redemption date). As a result, the CB 2015 has been cancelled in their entirety as at 31 December 2014.

**(ii) Convertible bonds due 2017**

In September 2012, the Trust issued $175.0 million principal amount of convertible bonds due 2017 (the "CB 2017") with interest rate at 2.5% per annum. The CB 2017 can be converted by bondholders into Units at the conversion price of $1.5865 (2013: $1.6394) up to the close of business on 2 September 2017, subject to adjustment to the conversion price in the event a distribution is paid or made to CCT unitholders.

The CB 2017 may be redeemed, in whole or in part, at the option of the Trustee at any time after 12 September 2015 but not less than seven business days prior to 12 September 2017 (subject to satisfaction of certain conditions).

Unless previously redeemed, converted or purchased and cancelled, the CB 2017 will be redeemed on 12 September 2017 at 100% of its principal amount together with accrued interest.

As at 31 December 2014, the aggregate principal amount of the CB 2017 was $175.0 million (2013: $175.0 million).

## 17 Units in issue

| | Group and Trust | |
|---|---|---|
| | **2014** | **2013** |
| | **'000** | **'000** |
| **Units in issue:** | | |
| At 1 January | 2,878,774 | 2,842,956 |
| Units created: | | |
| - asset management fees in relation to RCS Trust paid in Units | 5,637 | 5,443 |
| - asset management fees in relation to One George Street and Wilkie Edge paid in Units | 2,372 | 2,589 |
| - conversion of convertible bonds | 58,066 | 27,786 |
| At 31 December | 2,944,849 | 2,878,774 |
| | | |
| **Units to be issued:** | | |
| - asset management fees in relation to RCS Trust payable in Units | 1,300 | 1,511 |
| - asset management fees in relation to One George Street and Wilkie Edge payable in Units | 545 | 615 |
| | 1,845 | 2,126 |
| | | |
| Total issued and issuable Units at 31 December | 2,946,694 | 2,880,900 |

Units issued during the year are as follows:

(a) 5,636,310 (2013: 5,443,506) Units were issued at issue prices ranging from $1.423 to $1.667 (2013: $1.463 to $1.655) per Unit, amounting to $8,662,000 (2013: $8,378,000) as payment for the asset management fees in relation to RCS Trust for the period from 1 October 2013 to 30 September 2014 (2013: 1 October 2012 to 30 September 2013).

(b) 2,372,249 (2013: 2,588,767) Units were issued at issue prices ranging from $1.423 to $1.667 (2013: $1.463 to $1.655) per Unit, amounting to $3,650,000 (2013: $3,995,000) as payment for the asset management fees in relation to One George Street and Wilkie Edge for the period from 1 October 2013 to 30 September 2014 (2013: 1 October 2012 to 30 September 2013).

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per Unit.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

Under the Trust Deed, a Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

## 18 Gross revenue

| | Group | | Trust | |
|---|---|---|---|---|
| | **2014 $'000** | **2013 $'000 (Restated)** | **2014 $'000** | **2013 $'000** |
| Gross rental income | 234,042 | 215,238 | 216,208 | 198,937 |
| Car park income | 11,711 | 11,323 | 11,510 | 11,134 |
| Other income | 16,855 | 24,902 | 12,571 | 19,659 |
| | 262,608 | 251,463 | 240,289 | 229,730 |

Included in other income are the following:

(i) Yield stabilization income of $3,512,000 (2013: $4,579,000) accrued for Twenty Anson. Pursuant to the Deed of Yield Stabilization dated 22 March 2012 in relation to the acquisition of 100% equity interest in FOPL, a yield stabilization sum of $17.1 million was provided by the vendors to achieve a stabilized yield of up to 5.5% per annum of the property purchase value of $430.0 million, for a period of 3.5 years from 22 March 2012. For the period ended 31 December 2014, the yield stabilization sum was computed based on a yield of 4.0% (2013: 4.0%) per annum of the property purchase value of $430.0 million.

(ii) There was no yield protection income from CapitaLand Singapore Limited for the financial year ended 31 December 2014 (2013: $7,621,000 for the period 1 January 2013 to 10 July 2013) in relation to One George Street as the Deed of Yield Protection had expired on 10 July 2013.

## 19 Property operating expenses

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 (Restated) | 2014 $'000 | 2013 $'000 |
| Property tax | 19,615 | 15,410 | 17,952 | 13,993 |
| Utilities | 9,887 | 10,382 | 9,130 | 9,603 |
| Property management reimbursements | 7,606 | 7,122 | 7,000 | 6,558 |
| Property management fees | 5,770 | 5,519 | 5,238 | 4,987 |
| Marketing expenses | 2,578 | 4,515 | 1,978 | 4,283 |
| Maintenance and others | 11,903 | 11,394 | 10,942 | 10,385 |
| | 57,359 | 54,342 | 52,240 | 49,809 |

## 20 Investment income

| | Trust | |
|---|---|---|
| | 2014 $'000 | 2013 $'000 |
| Distribution income from joint ventures | 83,252 | 80,899 |
| Distribution income from associate | 3,835 | 3,844 |
| | 87,087 | 84,743 |

## 21 Asset management fees

Asset management fees comprise a base component and performance component. Asset management fees for One George Street and Wilkie Edge of $3,701,000 (2013: $3,813,000) are paid and payable in Units. Asset management fees are paid and payable in cash for the rest of the assets.

## 22 Finance costs

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 (Restated) | $'000 | $'000 |
| Interest expense | 29,410 | 32,833 | 29,410 | 32,833 |
| Transaction costs | 7,024 | 9,727 | 7,012 | 9,714 |
| | 36,434 | 42,560 | 36,422 | 42,547 |

## 23 Other expenses

Included in other expenses was non-audit fees paid and payable to auditors of the Group and the Trust of $13,000 (2013: $33,000).

## 24 Tax expense

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $'000 | $'000 (Restated) | $'000 | $'000 |
| **Current tax expense** | | | | |
| Current year | 3 | 16 | – | – |
| **Reconciliation of effective tax rate** | | | | |
| Total return for the year before tax | 448,885 | 374,606 | 315,758 | 327,226 |
| Tax calculated using Singapore tax rate of 17% (2013: 17%) | 76,310 | 63,683 | 53,679 | 55,628 |
| Non-deductible expenses | 2,018 | 2,258 | 2,839 | 3,066 |
| Non-taxable income | (13,846) | (18,476) | (14,838) | (19,157) |
| Effects of profit of associate and joint ventures (net of tax) | (22,799) | (7,912) | – | – |
| Tax transparency | (41,680) | (39,537) | (41,680) | (39,537) |
| | 3 | 16 | – | – |

## 25 Earnings per Unit

### (a) Basic Earnings per Unit

The calculation of basic earnings per Unit is based on the total return for the year and weighted average number of Units during the year, calculated as follows:

| | Group 2014 $'000 | Group 2013 $'000 | Trust 2014 $'000 | Trust 2013 $'000 |
|---|---|---|---|---|
| Total return for the year | 448,882 | 374,590 | 315,758 | 327,226 |

| **Weighted average number of units** | Group and Trust 2014 '000 | Group and Trust 2013 '000 |
|---|---|---|
| Issued Units at 1 January | 2,878,774 | 2,842,956 |
| Effect of creation of new Units: | | |
| - issued as payment of RCS Trust's asset management fees | 3,108 | 2,875 |
| - issued as payment of asset management fees of One George Street and Wilkie Edge | 1,297 | 1,421 |
| - issued as conversion of convertible bonds | 30,397 | 17,045 |
| Weighted average number of Units in issue at 31 December | 2,913,576 | 2,864,297 |

| | Group 2014 cents | Group 2013 cents | Trust 2014 cents | Trust 2013 cents |
|---|---|---|---|---|
| Basic earnings per Unit | 15.41 | 13.08 | 10.84 | 11.42 |

### (b) Diluted Earnings per Unit

In calculating diluted earnings per Unit, the total return for the year and weighted average number of Units during the year are adjusted for the effects of all dilutive potential Units, calculated as follows:

| | Group 2014 $'000 | Group 2013 $'000 | Trust 2014 $'000 | Trust 2013 $'000 |
|---|---|---|---|---|
| Total return for the year | 448,882 | 374,590 | 315,758 | 327,226 |
| Interest expense on convertible bonds | 6,383 | 16,617 | 6,383 | 16,617 |
| | 455,265 | 391,207 | 322,141 | 343,843 |

| **Number of units** | **Group and Trust 2014 '000** | **Group and Trust 2013 '000** |
|---|---|---|
| Weighted average number of Units used in calculation of basic earnings per share | 2,913,576 | 2,864,297 |
| Effect of conversion of convertible bonds | 110,306 | 271,861 |
| Weighted average number of Units in issue (diluted) | 3,023,882 | 3,136,158 |

| | **Group** | | **Trust** | |
|---|---|---|---|---|
| | **2014 cents** | **2013 cents** | **2014 cents** | **2013 cents** |
| Diluted earnings per Unit | 15.06 | 12.47 | 10.65 | 10.96 |

## 26 Capital reserves

Capital reserves relate to the value of the options granted to bondholders to convert their convertible bonds into Units, net of transaction cost incurred which has been accounted for as a deduction against equity.

## 27 Hedging reserves

Hedging reserves comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

## 28 Financial risk management

***Capital management***

The Board of Directors of the Manager (the "Board") reviews the Group's and the Trust's capital management policy regularly so as to optimise the Group's and the Trust's funding structure. Capital consists of unitholders' funds. The Board also monitors the Group's and the Trust's exposures to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Trust and its subsidiaries are subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35% of its deposited property except that the Aggregate Leverage of a property fund may exceed 35% of its deposited property (up to a maximum of 60%) if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds 35% of its deposited property.

During the year, Standard and Poor's upgraded CCT's long-term corporate rating to "A-" from "BBB+" and outlook is stable. The Group and the Trust have complied with the Aggregate Leverage limit during the financial year. There were no changes in the Group's approach to capital management during the financial year.

***Overview of risk management***

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how the Manager monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations to the Group.

*Exposure to credit risk*

The carrying amounts of financial assets in the statements of financial position represent the Group and the Trust's maximum exposure to credit risk, before taking into account security deposits held as collateral.

Prior to signing lease agreements, credit assessments of prospective tenants are carried out. Security deposits are collected from tenants when the lease agreements are signed. On an ongoing basis, the Manager monitors the outstanding balances of the tenants continuously to minimise exposure to credit risk of the tenants.

The Manager establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to the individually significant exposure.

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by investing only in liquid securities and only with counterparties that have sound credit ratings. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At 31 December 2014 and 31 December 2013, there were no significant concentrations of credit risk other than the amounts due from joint ventures.

### *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Manager monitors its liquidity risk, maintains a level of cash and cash equivalents and refinances borrowings to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the CIS Code issued by MAS concerning limits on total borrowings.

As at 31 December 2014, the Group and the Trust have undrawn bank facilities available for operating activities of $205.0 million (2013: $450.0 million) (see note 14). In addition, the Group may issue up to $1,456.7 million (2013: $1,581.7 million) notes under its $2.0 billion unsecured Multicurrency Medium Term Note Programme (see note 14).

*Exposure to liquidity risk*

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments/components and excluding the impact of netting agreements:

| | | | Cash flows | | |
|---|---|---|---|---|---|
| **Group** | **Carrying amount $'000** | **Contractual cash flows $'000** | **Within 1 year $'000** | **Within 2 to 5 years $'000** | **More than 5 years $'000** |
| **31 December 2014** | | | | | |
| **Non-derivative financial liabilities** | | | | | |
| Medium Term Notes | 499,952 | 568,871 | 279,902 | 161,644 | 127,325 |
| SGD floating rate term loans and revolving credit facilities | 571,020 | 618,164 | 8,792 | 331,016 | 278,356 |
| Convertible bonds | 169,206 | 186,807 | 4,375 | 182,432 | – |
| Trade and other payables | 47,355 | 47,355 | 47,355 | – | – |
| Security deposits | 39,737 | 39,737 | 11,437 | 28,264 | 36 |
| | 1,327,270 | 1,460,934 | 351,861 | 703,356 | 405,717 |
| **Derivative financial instruments** | | | | | |
| Interest rate swaps (net-settled) | (1,160) | (1,367) | (329) | (1,038) | – |
| Cross currency swaps (gross-settled) | 40,298 | – | – | – | – |
| - Outflow | – | 259,667 | 6,495 | 174,116 | 79,056 |
| - (Inflow) | – | (233,190) | (1,855) | (155,684) | (75,651) |
| | 39,138 | 25,110 | 4,311 | 17,394 | 3,405 |
| | 1,366,408 | 1,486,044 | 356,172 | 720,750 | 409,122 |

| Group | Carrying amount $'000 | Contractual cash flows $'000 | Cash flows: Within 1 year $'000 | Within 2 to 5 years $'000 | More than 5 years $'000 |
|---|---|---|---|---|---|
| **31 December 2013 (Restated)** | | | | | |
| **Non-derivative financial liabilities** | | | | | |
| Medium Term Notes | 392,700 | 443,867 | 10,715 | 283,226 | 149,926 |
| SGD floating rate term loans and revolving credit facilities | 474,349 | 516,111 | 6,358 | 224,787 | 284,966 |
| Convertible bonds | 351,276 | 388,117 | 9,512 | 378,605 | – |
| Trade and other payables | 50,899 | 50,899 | 50,899 | – | – |
| Security deposits | 38,297 | 38,297 | 11,964 | 24,825 | 1,508 |
| | 1,307,521 | 1,437,291 | 89,448 | 911,443 | 436,400 |
| **Derivative financial instruments** | | | | | |
| Interest rate swaps (net-settled) | 72 | 2,160 | 756 | 1,404 | – |
| Cross currency swaps (gross-settled) | 25,171 | – | – | – | – |
| - Outflow | – | 173,816 | 4,282 | 17,128 | 152,406 |
| - (Inflow) | – | (158,262) | (1,667) | (6,669) | (149,926) |
| | 25,243 | 17,714 | 3,371 | 11,863 | 2,480 |
| | 1,332,764 | 1,455,005 | 92,819 | 923,306 | 438,880 |

| Trust | Carrying amount $'000 | Contractual cash flows $'000 | Cash flows: Within 1 year $'000 | Within 2 to 5 years $'000 | More than 5 years $'000 |
|---|---|---|---|---|---|
| **31 December 2014** | | | | | |
| **Non-derivative financial liabilities** | | | | | |
| Medium Term Notes | 499,952 | 568,871 | 279,902 | 161,644 | 127,325 |
| SGD floating rate term loans and revolving credit facilities | 571,020 | 618,164 | 8,792 | 331,016 | 278,356 |
| Convertible bonds | 169,206 | 186,807 | 4,375 | 182,432 | – |
| Trade and other payables | 39,415 | 39,415 | 39,415 | – | – |
| Security deposits | 34,386 | 34,386 | 10,876 | 23,474 | 36 |
| | 1,313,979 | 1,447,643 | 343,360 | 698,566 | 405,717 |
| **Derivative financial instruments** | | | | | |
| Interest rate swaps (net-settled) | (1,160) | (1,367) | (329) | (1,038) | – |
| Cross currency swaps (gross-settled) | 40,298 | – | – | – | – |
| - Outflow | – | 259,667 | 6,495 | 174,116 | 79,056 |
| - (Inflow) | – | (233,190) | (1,855) | (155,684) | (75,651) |
| | 39,138 | 25,110 | 4,311 | 17,394 | 3,405 |
| | 1,353,117 | 1,472,753 | 347,671 | 715,960 | 409,122 |

| Trust | Carrying amount $'000 | Contractual cash flows $'000 | Cash flows Within 1 year $'000 | Cash flows Within 2 to 5 years $'000 | Cash flows More than 5 years $'000 |
|---|---|---|---|---|---|
| **31 December 2013** | | | | | |
| **Non-derivative financial liabilities** | | | | | |
| Medium Term Notes | 392,700 | 443,867 | 10,715 | 283,226 | 149,926 |
| SGD floating rate term loans and revolving credit facilities | 474,349 | 516,111 | 6,358 | 224,787 | 284,966 |
| Convertible bonds | 351,276 | 388,117 | 9,512 | 378,605 | – |
| Trade and other payables | 38,713 | 38,713 | 38,713 | – | – |
| Security deposits | 33,340 | 33,340 | 9,726 | 22,106 | 1,508 |
| | 1,290,378 | 1,420,148 | 75,024 | 908,724 | 436,400 |
| **Derivative financial instruments** | | | | | |
| Interest rate swaps (net-settled) | 72 | 2,160 | 756 | 1,404 | – |
| Cross currency swaps (gross-settled) | 25,171 | – | – | – | – |
| - Outflow | – | 173,816 | 4,282 | 17,128 | 152,406 |
| - (Inflow) | – | (158,262) | (1,667) | (6,669) | (149,926) |
| | 25,243 | 17,714 | 3,371 | 11,863 | 2,480 |
| | 1,315,621 | 1,437,862 | 78,395 | 920,587 | 438,880 |

***Market risk***

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices which will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

*Exposure to foreign currency risk*

The Group is exposed to foreign currency risk on interest-bearing borrowings that were denominated in a currency other than the functional currency of the Group. The currency giving rise to this risk is the Japanese Yen ("JPY"). The Group hedges this risk by entering into cross currency swaps with notional contract amounts totalling JPY16.3 billion. The cross currency swaps mature on the same date that the interest-bearing borrowings are due for repayment and are designated as a cash flow hedge.

The Group's and Trust's exposures to foreign currency based on notional amounts are as follows:

| | Japanese Yen | |
|---|---|---|
| | **2014** | **2013** |
| | **$'000** | **$'000** |
| **Group and Trust** | | |
| Non-derivative financial liabilities | 179,952 | 122,700 |

*Sensitivity analysis*

A 10% strengthening of Singapore dollar against Japanese Yen at the reporting date would decrease the Unitholders' Funds by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2013.

| | Unitholders' funds |
|---|---|
| | **$'000** |
| **Group and Trust** | |
| **31 December 2014** | |
| Japanese Yen (10% strengthening) | (1,488) |
| **31 December 2013** | |
| Japanese Yen (10% strengthening) | (797) |

A 10% weakening of Singapore dollar against Japanese Yen at 31 December would have had the equal but opposite effect on Japanese Yen to the amounts shown above, on the basis that all other variables remain constant.

***Interest rate risk***

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

Interest rate swaps with a total notional amount of $360.0 million (2013: $130.0 million) by the Trust have been entered into at the reporting date. The swaps are being used to hedge the exposure to varying cash flows due to changes in interest rates.

The fair value of interest rate swaps in total non-current asset as at 31 December 2014 for the Group and Trust was $1.2 million (2013: $0.1 million in non-current liabilities). Interest rate swaps represented 0.023% (2013 (restated): 0.001%) of the net assets of the Group and 0.025% (2013: 0.002%) for the Trust.

*Sensitivity analysis*

In managing the interest rate risk, the Manager aims to reduce the impact of short-term fluctuations on the Group's total return before income tax.

A change of 100 basis points ("bp") in interest rate at the reporting date would increase/(decrease) the Statement of Total Return and Unitholders' Funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

| | Statement of total return | | Unitholders' funds | |
|---|---|---|---|---|
| **Group and Trust** | **100 bp increase $'000** | **100 bp decrease $'000** | **100 bp increase $'000** | **100 bp decrease $'000** |
| **31 December 2014** | | | | |
| Variable rate instruments | (5,750) | 2,568 | – | – |
| Interest rate swaps | 3,600 | (1,399) | 892 | (346) |
| Cross currency swaps | 696 | (77) | 174 | (19) |
| | (1,454) | 1,092 | 1,066 | (365) |
| **31 December 2013 (Restated)** | | | | |
| Variable rate instruments | (4,800) | 978 | – | – |
| Interest rate swaps | 1,300 | (265) | 335 | (68) |
| | (3,500) | 713 | 335 | (68) |

### Accounting classification and fair values

The classification of financial assets and liabilities are as follows.

| **Group** | **Note** | **Fair value – hedging instruments $'000** | **Loans and receivables $'000** | **Available-for-sale $'000** | **Other financial liabilities $'000** | **Total carrying amount $'000** |
|---|---|---|---|---|---|---|
| **31 December 2014** | | | | | | |
| Trade and other receivables | 11 | – | 37,180 | – | – | 37,180 |
| Cash and cash equivalents | 12 | – | 101,085 | – | – | 101,085 |
| Financial derivatives | 15 | 1,160 | – | – | – | 1,160 |
| | | 1,160 | 138,265 | – | – | 139,425 |
| Trade and other payables | 13 | – | – | – | (47,355) | (47,355) |
| Security deposits | | – | – | – | (39,737) | (39,737) |
| Interest-bearing liabilities | 14 | – | – | – | (1,070,972) | (1,070,972) |
| Financial derivatives | 15 | (40,298) | – | – | – | (40,298) |
| Convertible bonds | 16 | – | – | – | (169,206) | (169,206) |
| | | (40,298) | – | – | (1,327,270) | (1,367,568) |
| **31 December 2013 (Restated)** | | | | | | |
| Available-for-sale unquoted investment | 10 | – | – | 6 | – | 6 |
| Trade and other receivables | 11 | – | 33,347 | – | – | 33,347 |
| Cash and cash equivalents | 12 | – | 84,064 | – | – | 84,064 |
| | | – | 117,411 | 6 | – | 117,417 |
| Trade and other payables | 13 | – | – | – | (50,899) | (50,899) |
| Security deposits | | – | – | – | (38,297) | (38,297) |
| Interest-bearing liabilities | 14 | – | – | – | (867,049) | (867,049) |
| Financial derivatives | 15 | (25,243) | – | – | – | (25,243) |
| Convertible bonds | 16 | – | – | – | (351,276) | (351,276) |
| | | (25,243) | – | – | (1,307,521) | (1,332,764) |

| Trust | Note | Fair value – hedging instruments $'000 | Loans and receivables $'000 | Available-for-sale $'000 | Other financial liabilities $'000 | Total carrying amount $'000 |
|---|---|---|---|---|---|---|
| **31 December 2014** | | | | | | |
| Trade and other receivables | 11 | – | 36,412 | – | – | 36,412 |
| Cash and cash equivalents | 12 | – | 76,719 | – | – | 76,719 |
| Financial derivatives | 15 | 1,160 | – | – | – | 1,160 |
| | | 1,160 | 113,131 | – | – | 114,291 |
| Trade and other payables | 13 | – | – | – | (39,415) | (39,415) |
| Security deposits | | – | – | – | (34,386) | (34,386) |
| Interest-bearing liabilities | 14 | – | – | – | (1,070,972) | (1,070,972) |
| Financial derivatives | 15 | (40,298) | – | – | – | (40,298) |
| Convertible bonds | 16 | – | – | – | (169,206) | (169,206) |
| | | (40,298) | – | – | (1,313,979) | (1,354,277) |
| **31 December 2013** | | | | | | |
| Available-for-sale unquoted investment | 10 | – | – | 6 | – | 6 |
| Trade and other receivables | 11 | – | 31,172 | – | – | 31,172 |
| Cash and cash equivalents | 12 | – | 60,105 | – | – | 60,105 |
| | | – | 91,277 | 6 | – | 91,283 |
| Trade and other payables | 13 | – | – | – | (38,713) | (38,713) |
| Security deposits | | – | – | – | (33,340) | (33,340) |
| Interest-bearing liabilities | 14 | – | – | – | (867,049) | (867,049) |
| Financial derivatives | 15 | (25,243) | – | – | – | (25,243) |
| Convertible bonds | 16 | – | – | – | (351,276) | (351,276) |
| | | (25,243) | – | – | (1,290,378) | (1,315,621) |

### *Measurement of fair values*

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Trust.

*Financial instruments measured at fair value*

*Derivatives*

The fair value of interest rate swaps is the estimated amount that would be received or paid to terminate the swaps at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

For interest rate swaps and cross currency swap, fair value is obtained based on quotes provided by the financial institution at the reporting date.

*Financial instruments not measured at fair value*

*Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of expected future principal and interest cash flows, where the discount rate is computed from the market interest rates at the reporting date.

***Interest rates used in determining fair values***

The interest rates used to discount estimated cash flows, where applicable, is computed from the market rates as follows:

| | Group and Trust | |
|---|---|---|
| | **2014** | **2013** |
| | **%** | **%** |
| | | **Restated** |
| Security deposits | 0.25 – 1.53 | 0.25 – 1.32 |
| Interest-bearing borrowings | 1.73 – 4.70 | 1.35 – 5.30 |

**Fair value hierarchy**

The table below analyses assets and liabilities carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

***Assets and liabilities carried at fair value***

| | **Level 1 \$'000** | **Level 2 \$'000** | **Level 3 \$'000** | **Total \$'000** |
|---|---|---|---|---|
| **Group** | | | | |
| **31 December 2014** | | | | |
| Investment properties | – | – | 4,882,400 | 4,882,400 |
| Interest rate swaps | – | 1,160 | – | 1,160 |
| Total assets | – | 1,160 | 4,882,400 | 4,883,560 |
| Cross currency swaps | – | 40,298 | – | 40,298 |
| **31 December 2013 (Restated)** | | | | |
| Investment properties | – | – | 4,769,000 | 4,769,000 |
| Interest rate swaps | – | 72 | – | 72 |
| Cross currency swap | – | 25,171 | – | 25,171 |
| Total liabilities | – | 25,243 | – | 25,243 |

| | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|
| **Trust** | | | | |
| **31 December 2014** | | | | |
| Investment properties | – | – | 4,451,400 | 4,451,400 |
| Interest rate swaps | – | 1,160 | – | 1,160 |
| Total assets | – | 1,160 | 4,451,400 | 4,452,560 |
| Cross currency swaps | – | 40,298 | – | 40,298 |
| **31 December 2013** | | | | |
| Investment properties | – | – | 4,338,000 | 4,338,000 |
| Interest rate swaps | – | 72 | – | 72 |
| Cross currency swap | – | 25,171 | – | 25,171 |
| Total liabilities | – | 25,243 | – | 25,243 |

***Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed****

| | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **31 December 2014** | | | | |
| Non-current portion of security deposits | – | – | 27,401 | 27,401 |
| Interest-bearing liabilities | – | 1,061,396 | – | 1,061,396 |
| Convertible bonds | 198,742 | – | – | 198,742 |
| | 198,742 | 1,061,396 | 27,401 | 1,287,539 |
| **31 December 2013 (Restated)** | | | | |
| Non-current portion of security deposits | – | – | 25,555 | 25,555 |
| Interest-bearing liabilities | – | 887,157 | – | 887,157 |
| Convertible bonds | 359,183 | – | – | 359,183 |
| | 359,183 | 887,157 | 25,555 | 1,271,895 |
| **Trust** | | | | |
| **31 December 2014** | | | | |
| Non-current portion of security deposits | – | – | 22,635 | 22,635 |
| Interest-bearing liabilities | – | 1,061,396 | – | 1,061,396 |
| Convertible bonds | 198,742 | – | – | 198,742 |
| | 198,742 | 1,061,396 | 22,635 | 1,282,773 |

| | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|
| **Trust** | | | | |
| **31 December 2013** | | | | |
| Non-current portion of security deposits | – | – | 22,850 | 22,850 |
| Interest-bearing liabilities | – | 887,157 | – | 887,157 |
| Convertible bonds | 359,183 | – | – | 359,183 |
| | 359,183 | 887,157 | 22,850 | 1,269,190 |

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

The entity's policy is to recognise transfers out of Level 3 as of the end of the reporting period during which the transfer has occurred. There were no transfers between levels during the year.

*Level 3 fair values*

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy for investment properties is set out in note 5.

The following table shows the significant unobservable inputs used in the measurement of fair value of investment properties:

| Valuation techniques | Significant unobservable inputs | Range | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|---|
| Discounted cash flow analysis | Discount rate | 7.50% [1] | The estimated fair value increases with a lower discount rate |
| Capitalisation of income approach | Capitalisation rate | 3.75% -4.25% [1] | The estimated fair value increases with a lower capitalisation rate |

[1] Excludes Bugis Village and Golden Shoe Car Park discount rate range of 9.00% to 13.00% and capitalisation rate range of 6.50% to 13.00%.

***Key unobservable inputs***

Key unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10-year bonds issued by the Singapore Government, adjusted for a risk premium to reflect the risk of investing in the asset class.
- Capitalisation rate, based on investment property yields derived from comparable sales transactions, taking into consideration the qualities of the respective properties.

## 29 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager (CapitaCommercial Trust Management Limited) and Property Manager (CapitaLand Commercial Management Pte. Ltd.) are indirect wholly-owned subsidiaries of a substantial Unitholder of the Trust.

In the normal course of the operations of the Group, the asset management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively.

During the financial year, other than those disclosed elsewhere in the financial statements, there were significant related party transactions, which were carried out in the normal course of business as follows:

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 (Restated) | 2014 $'000 | 2013 $'000 |
| Administrative fees and reimbursables paid to subsidiary | – | – | 40 | 41 |
| Asset management fees paid or payable to the Manager | 13,573 | 12,656 | 13,573 | 12,656 |
| Interest received or receivable from joint venture | 3,517 | 3,510 | 3,517 | 3,510 |
| Interest received or receivable from subsidiary | – | – | 12,324 | 12,324 |
| Interest paid or payable to subsidiary | – | – | 11,319 | 11,580 |
| Leasing commissions paid or payable to related companies of the Manager | 2,686 | 2,670 | 2,308 | 2,455 |
| Project management fees paid or payable to related company of the Manager | 328 | 504 | 289 | 472 |
| Property management fees and reimbursables paid or payable to related company of the Manager | 13,376 | 12,641 | 12,238 | 11,544 |
| Rental income and other related income from related companies of the Manager | 8,436 | 3,621 | 8,436 | 3,621 |
| Rental income and other related income from joint venture | 513 | 532 | 513 | 532 |
| Yield protection income from related company of the Manager | – | 7,621 | – | 7,621 |

## 30 Operating segments

For the purpose of the assessment of segment performance, the Group's CODMs have focused on main business segments: Capital Tower, Six Battery Road, One George Street, Other office buildings and Car park and other buildings. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

This primary format is based on the Group's management and internal reporting structure for the purpose of allocating resources and assessing performance by the Group's CODMs.

Segment property income represents income generated from its tenants. Segment property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the Group's CODMs for the purpose of assessment of segment performance.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Segment results, assets and liabilities include terms directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing borrowings and expenses, related assets and expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the Group's reportable segments is presented in the tables below. Amounts reported for the prior year have been represented to conform to the requirements of FRS 108.

***Reportable segments***

The Group invest in the following:

| | |
|---|---|
| Office buildings | Capital Tower, Six Battery Road, HSBC Building, One George Street, Twenty Anson |
| Car park and other buildings | Golden Shoe Car Park, Bugis Village and Wilkie Edge |

***Reportable segments***
**Group**

**31 December 2014**

| | Capital Tower S'000 | Six Battery Road S'000 | One George Street S'000 | Other office buildings S'000 | Total office buildings S'000 | Car park and other buildings S'000 | All segments S'000 |
|---|---|---|---|---|---|---|---|
| Gross rental income | 57,984 | 61,548 | 46,663 | 38,281 | 204,476 | 29,566 | 234,042 |
| Car park income | 1,895 | 1,173 | 923 | 202 | 4,193 | 7,518 | 11,711 |
| Others | 6,736 | 2,238 | 2,644 | 4,284 | 15,902 | 953 | 16,855 |
| Gross revenue | 66,615 | 64,959 | 50,230 | 42,767 | 224,571 | 38,037 | 262,608 |
| Segment net property income | 48,748 | 51,376 | 39,581 | 37,535 | 177,240 | 28,009 | 205,249 |
| Interest income | | | | | | | 3,732 |
| Finance costs | | | | | | | (36,434) |
| Unallocated expenses | | | | | | | (22,238) |
| Share of profit of associate (net of tax) | | | | | | | 4,745 |
| Share of profit of joint ventures (net of tax) | | | | | | | 212,612 |
| Other material non-cash item: | | | | | | | |
| - Net increase in fair value of investment properties | | | | | | | 81,219 |
| **Consolidated return for the year before tax** | | | | | | | 448,885 |
| **Tax expense** | | | | | | | (3) |
| **Consolidated return for the year after tax** | | | | | | | 448,882 |
| **Segment assets and liabilities** | | | | | | | |
| Reportable segment assets | 1,317,261 | 1,334,432 | 981,438 | 908,399 | 4,541,530 | 389,839 | 4,931,369 |
| Investment in associate | | | | | | | 63,899 |
| Investment in joint ventures | | | | | | | 1,427,895 |
| Unallocated assets | | | | | | | 97,896 |
| **Total assets** | | | | | | | 6,521,059 |
| Reportable segment liabilities | 14,753 | 23,538 | 15,659 | 281,901 | 335,851 | 10,429 | 346,280 |
| Unallocated liabilities | | | | | | | 1,021,291 |
| **Total liabilities** | | | | | | | 1,367,571 |
| **Other segmental information** | | | | | | | |
| Depreciation and amortisation | (1,174) | 275 | 580 | 183 | (136) | 136 | – |
| Capital expenditure | 24,578 | 4,625 | 208 | 2,003 | 31,414 | 767 | 32,181 |

***Reportable segments***
**Group**

**31 December 2013 (Restated)**

| | Capital Tower $'000 | Six Battery Road $'000 | One George Street $'000 | Other office buildings $'000 | Total office buildings $'000 | Car park and other buildings $'000 | All segments $'000 |
|---|---|---|---|---|---|---|---|
| Gross rental income | 53,683 | 53,908 | 42,143 | 36,748 | 186,482 | 28,756 | 215,238 |
| Car park income | 1,827 | 1,107 | 849 | 189 | 3,972 | 7,351 | 11,323 |
| Others | 5,687 | 2,553 | 10,327 | 5,244 | 23,811 | 1,091 | 24,902 |
| Gross revenue | 61,197 | 57,568 | 53,319 | 42,181 | 214,265 | 37,198 | 251,463 |
| Segment net property income | 43,134 | 46,622 | 42,024 | 37,536 | 169,316 | 27,805 | 197,121 |
| Interest income | | | | | | | 3,713 |
| Finance costs | | | | | | | (42,560) |
| Unallocated expenses | | | | | | | (17,272) |
| Share of profit of associate (net of tax) | | | | | | | 4,355 |
| Share of profit of joint ventures (net of tax) | | | | | | | 123,087 |
| Other material non-cash item: | | | | | | | |
| - Net increase in fair value of investment properties | | | | | | | 106,162 |
| **Consolidated return for the year before tax** | | | | | | | 374,606 |
| **Tax expense** | | | | | | | (16) |
| **Consolidated return for the year after tax** | | | | | | | 374,590 |
| **Segment assets and liabilities** | | | | | | | |
| Reportable segment assets | 1,287,482 | 1,289,475 | 963,949 | 888,921 | 4,429,827 | 386,529 | 4,816,356 |
| Investment in associate | | | | | | | 65,002 |
| Investment in joint ventures | | | | | | | 1,283,879 |
| Unallocated assets | | | | | | | 80,244 |
| **Total assets** | | | | | | | 6,245,481 |
| Reportable segment liabilities | 11,543 | 27,299 | 12,974 | 285,769 | 337,585 | 10,554 | 348,139 |
| Unallocated liabilities | | | | | | | 984,629 |
| **Total liabilities** | | | | | | | 1,332,768 |
| **Other segmental information** | | | | | | | |
| Depreciation and amortisation | 588 | (34) | 442 | 139 | 1,135 | 244 | 1,379 |
| Capital expenditure | 3,559 | 18,440 | 552 | 160 | 22,711 | 1,127 | 23,838 |

***Geographical segments***

The Group's operations are all in Singapore except for its associate, where the operations are in Malaysia.

In presenting information on the basis of geographical segments, segment revenue and assets of the Group is based on the geographical location of the properties.

| | Revenue $'000 | Non-current assets $'000 |
|---|---|---|
| **31 December 2014** | | |
| Singapore | 262,608 | 6,317,730 |
| Malaysia (Investment in associate) | – | 63,899 |
| **31 December 2013 (Restated)** | | |
| Singapore | 251,463 | 6,062,693 |
| Malaysia (Investment in associate) | – | 65,002 |

**Major customers**

Revenue from two major customers of the Group approximates $39,296,000 (2013 (restated): $37,852,000) and was attributable to tenants in HSBC Building and Capital Tower (2013 (restated): HSBC Building and Capital Tower).

## 31 Commitments

| | Group | | Trust | |
|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 (Restated) | 2014 $'000 | 2013 $'000 |
| Capital expenditure commitments: | | | | |
| - contracted but not provided for | 24,080 | 49,961 | 23,478 | 47,671 |

The Group and the Trust lease out their investment properties. Non-cancellable operating lease rentals are receivable as follows:

| | Group | | Trust | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| | | **(Restated)** | | |
| Within 1 year | 240,828 | 215,175 | 221,719 | 199,509 |
| After 1 year but within 5 years | 577,148 | 425,063 | 551,439 | 404,284 |
| After 5 years | 107,094 | 96,728 | 107,094 | 96,728 |
| | 925,070 | 736,966 | 880,252 | 700,521 |

## 32 Financial ratios

| | Note | Group | |
|---|---|---|---|
| | | **2014** | **2013** |
| | | **%** | **%** |
| | | | **(Restated)** |
| Expenses to weighted average net assets | A | | |
| - expenses ratio excluding performance related fees | | 0.15 | 0.15 |
| - expenses ratio including performance related fees | | 0.33 | 0.32 |
| Portfolio turnover rate | B | – | – |

Note A: The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property operating expenses, borrowing cost and income tax expense.

Note B: The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

## 33 Subsequent events

### (a) Distribution

On 21 January 2015, the Manager announced distribution for the period from 1 July to 31 December 2014 of 4.24 cents per Unit.

### (b) Issue of Medium Term Notes

On 17 February 2015, the Group issued JPY8.6 billion notes under the CCT MTN Programme. The Trust has entered into a cross currency swap to hedge the JPY8.6 billion medium term notes into notional principal amount of $100.0 million at a fixed interest rate of 3.05% per annum.

# UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CAPITALAND COMMERCIAL TRUST AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2015

*The information in this Appendix III has been reproduced from the unaudited financial statements of the Group for the quarter ended 31 March 2015 and has not been specifically prepared for inclusion in this Information Memorandum.*

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

### TABLE OF CONTENTS

**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.

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

| | | Group | | | Trust | | |
|---|---|---|---|---|---|---|---|
| **Statement of Total Return** | **Note** | **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** |
| **Distribution Statement** | | | | | | | |
| 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** |

*NM – Not Meaningful*

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 stablization 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** | **1Q 2014** | **Change** | **1Q 2015** | **1Q 2014** | **Change** |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Depreciation & amortisation of lease incentives | 384 | (416) | NM | 338 | (461) | NM |

(4) Interest income includes the following:

| | Group | | | Trust | | |
|---|---|---|---|---|---|---|
| | **1Q 2015** | **1Q 2014** | **Change** | **1Q 2015** | **1Q 2014** | **Change** |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| 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** | **1Q 2014** | **Change** | **1Q 2015** | **1Q 2014** | **Change** |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| 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 reclassfied 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.

*NM – Not Meaningful*

(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.

*NM – Not Meaningful*

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

| | | Group | | | Trust | | |
|---|---|---|---|---|---|---|---|
| | Note | 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)** |

*NM – Not Meaningful*

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.

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

| | Group | | | Trust | | |
|---|---|---|---|---|---|---|
| | **31 Mar 2015** | **31 Dec 2014** | **Change** | **31 Mar 2015** | **31 Dec 2014** | **Change** |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **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*** | ***31 Dec 2014*** | ***Change*** |
| | *S$'000* | *S$'000* | *%* |
| ***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.

*NM – Not Meaningful*

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

| | Note | Group | |
|---|---|---|---|
| | | 1Q 2015 | 1Q 2014 |
| | | 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 | 1 | (90,000) | - |
| Proceeds from interest-bearing liabilities | 2 | 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.

**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 |
|---|---|---|
| **CB 2017**<br>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).

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

| | Group and Trust | |
|---|---|---|
| | **1Q 2015** Units | **1Q 2014** Units |
| **Units in issue as at beginning of period** | **2,944,849,310** | **2,878,774,346** |
| Issue of new Units: | | |
| - in settlement of the asset management fee in relation to RCS Trust | 1,299,818 | 1,510,932 |
| - in settlement of the asset management fees in relation to Wilkie Edge and One George Street | 544,952 | 614,974 |
| **Units in issue as at end of period** | **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

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

**EPU (1Q 2015 vs 1Q 2014)**

| | | Group | | Trust | |
|---|---|---|---|---|---|
| | **Note** | **1Q 2015** | **1Q 2014** | **1Q 2015** | **1Q 2014** |
| **Basic EPU** | | | | | |
| 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¢ |
| **Diluted EPU** | | | | | |
| 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**

| | | Group | | Trust | |
|---|---|---|---|---|---|
| | **Note** | **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.

**8 Review of the performance**

| Statement of Total Return | Group | | |
|---|---|---|---|
| | 1Q 2015 S$'000 | 1Q 2014 S$'000 | Change % |
| 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) |
| **Distribution Statement** | | | |
| 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 |

*NM – Not Meaningful*

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

a) 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.

b) 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.

c) 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.

d) 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.

e) 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.

f) 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.

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 date 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.

**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

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**Manager of CapitaLand Commercial Trust**

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