



# CapitaLand Commercial Trust

## Singapore's First Commercial REIT

### 7th Annual dbAccess Asia Conference

24 May 2016



# Important Notice

**This presentation shall be read in conjunction with CCT's 1Q 2016 Unaudited Financial Statement Announcement.**

The past performance of CCT is not indicative of the future performance of CCT. Similarly, the past performance of CapitaLand Commercial Trust Management Limited, the manager of CCT is not indicative of the future performance of the Manager.

The value of units in CCT (CCT Units) and the income derived from them may fall as well as rise. The CCT Units are not obligations of, deposits in, or guaranteed by, the CCT Manager. An investment in the CCT Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the CCT Manager redeem or purchase their CCT Units while the CCT Units are listed. It is intended that holders of the CCT Units may only deal in their CCT Units through trading on Singapore Exchange Securities Trading Limited (SGX-ST). Listing of the CCT Units on the SGX-ST does not guarantee a liquid market for the CCT Units.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 the current view of the CCT Manager on future events.



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\*Any discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding.

# 1. Proposed Acquisition of 60.0% units in MSO Trust which holds CapitaGreen



# Overview



CapitaGreen, Singapore



- CCT presently owns 40.0% interest in MSO Trust which holds CapitaGreen
- Holds call option to acquire remaining 60.0% interest from joint venture partners:
  - CapitaLand (50.0%); and
  - Mitsubishi Estate Asia (10.0%)
- Two key conditions to be met in order to exercise call option to acquire 60.0% of units in MSO Trust:
  - ✓ Market valuation must be equal to or above hurdle price
  - ✓ Proposed acquisition of 50.0% interest from CapitaLand is subject to CCT Unitholders' approval <sup>(1)</sup>

**Note:**

**(1) Given that the proposed acquisition involves a transaction with an associate of CapitaLand, CapitaLand has to abstain from voting on the proposed resolution.**



# Transformation of Market Street Car Park into CapitaGreen, a premium Grade A office tower

July 2011

- ✓ Regulatory 10.0% development limit capped CCT's ownership to 40.0%; formed JV with CapitaLand and MEA
- ✓ S\$56 mil Market Street Car Park redeveloped under MSO Trust



Dec 2014

CapitaGreen developed at total cost of S\$1.3 bil<sup>(1)</sup> and obtained temporary occupation permit on 18 Dec 2014



May 2016

- ✓ Proposed acquisition of remaining 60.0% interest in MSO Trust by exercising call option
- ✓ Acquisition price to be at market valuation



**Note:**

(1) Total development cost included a differential premium and other land related costs of S\$651.5 million paid to the government authorities.

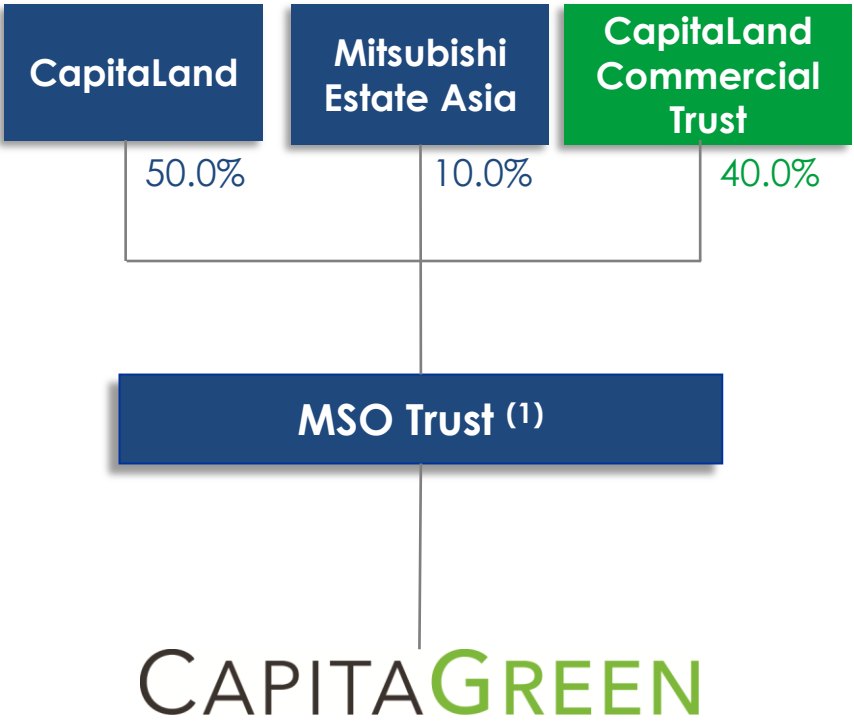
Proposed acquisition of CapitaGreen May 2016





# Ownership structure

Existing holding structure



New holding structure after acquisition of 60.0% interest



**Note:**

(1) MSO Trust is a special purpose approved sub-trust that has been accorded tax transparency treatment by the Inland Revenue Authority of Singapore.





# Highlights of CapitaGreen

CapitaGreen, Singapore



# Property details



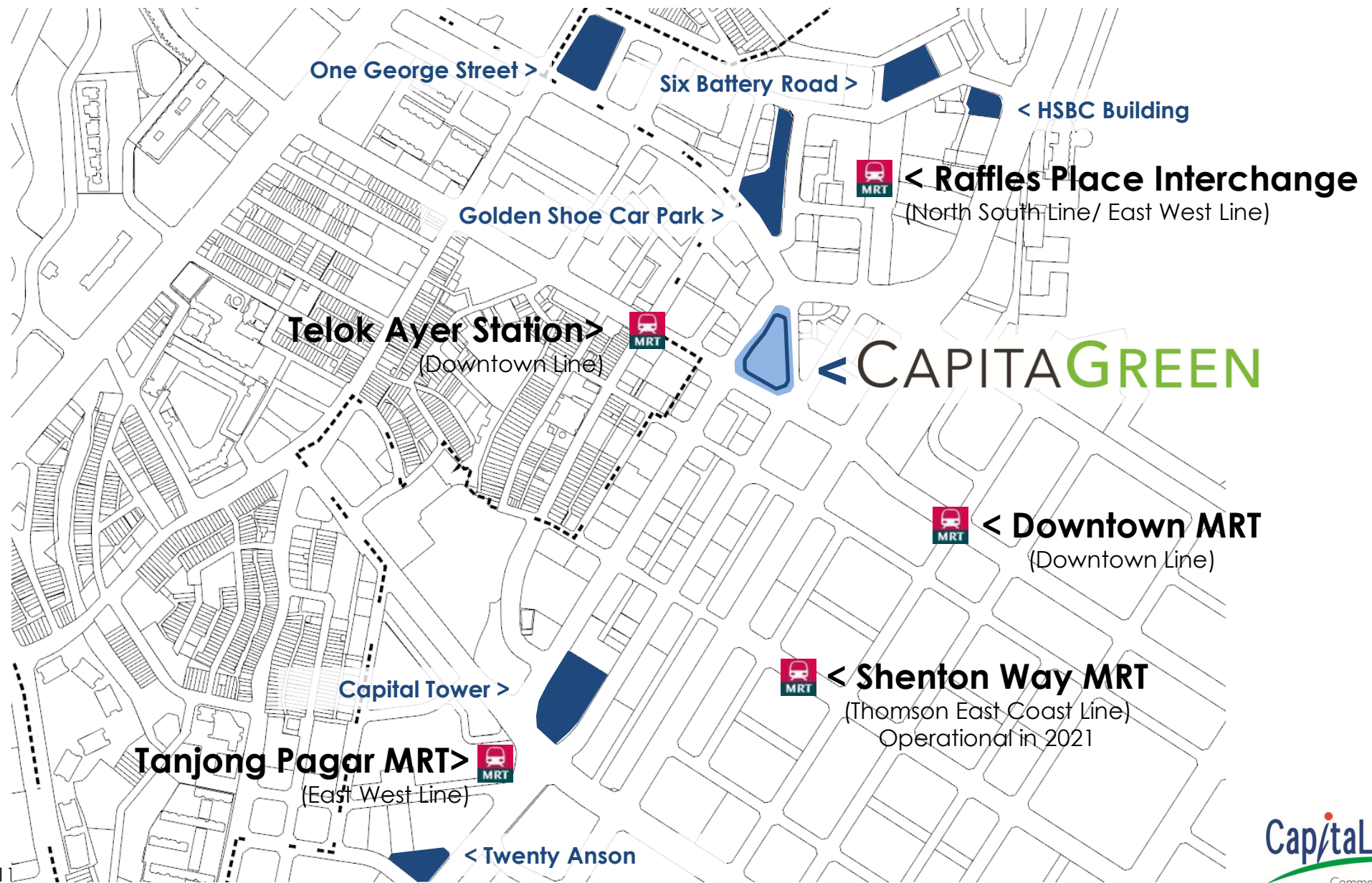
<b>Description</b>	40-storey Grade A office tower with ancillary retail units
<b>Site Area</b>	58,971 sq ft
<b>Gross Floor Area</b>	882,681 sq ft
<b>Net Lettable Area</b>	703,122 sq ft
<b>Committed Occupancy</b>	92.8% as at 31 Mar 2016
<b>Land Tenure</b>	Leasehold with balance term of 57 years expiring 31 Mar 2073
<b>Car Park Lots</b>	180
<b>NPI Yield <sup>(1)</sup></b>	3.2%

**Note:**

(1) Based on CapitaGreen's annualised 1Q 2016 NPI, revenue occupancy of 77.7% and valuation as at 6 Apr 2016.



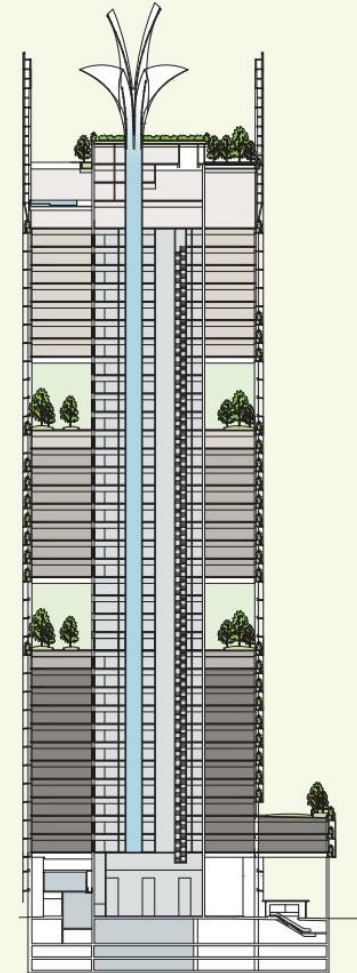
# Centrally located in Singapore's CBD





# Environmentally sustainable design and high quality specifications

- ✓ Column-free floor plate of approx 22,000 sq ft
- ✓ Floor to ceiling height: 3.2m
- ✓ Core to window depth: ~10m to 16m
- ✓ Wind scoop/Cool Void
  - Draws in cooler air from higher altitudes and directs cool fresh air to office floors via the Cool Void
- ✓ Double skin facade
  - Reduces heat gain by up to 26%





# Accolades



**Best Tall Building in Asia and Australasia**  
 Council on Tall Buildings and Urban Habitat



**Best Office and Business Development category**  
**Bronze**  
 MIPIM Asia



**BCA GREEN MARK**

**Green Mark Platinum**  
 Building and Construction Authority, Singapore



**BCA UD MARK (DESIGN)**

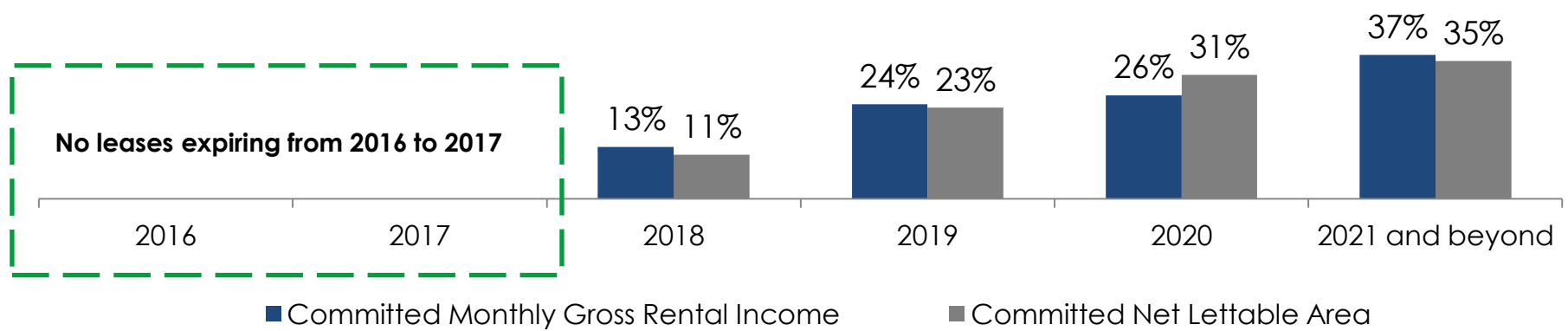
**Universal Design Mark Platinum**  
 Building and Construction Authority, Singapore



**Building Information Modelling Award (Project Category)**  
**Platinum**  
 Building and Construction Authority, Singapore

# Well spread lease expiry profile with no leases due prior to 2018

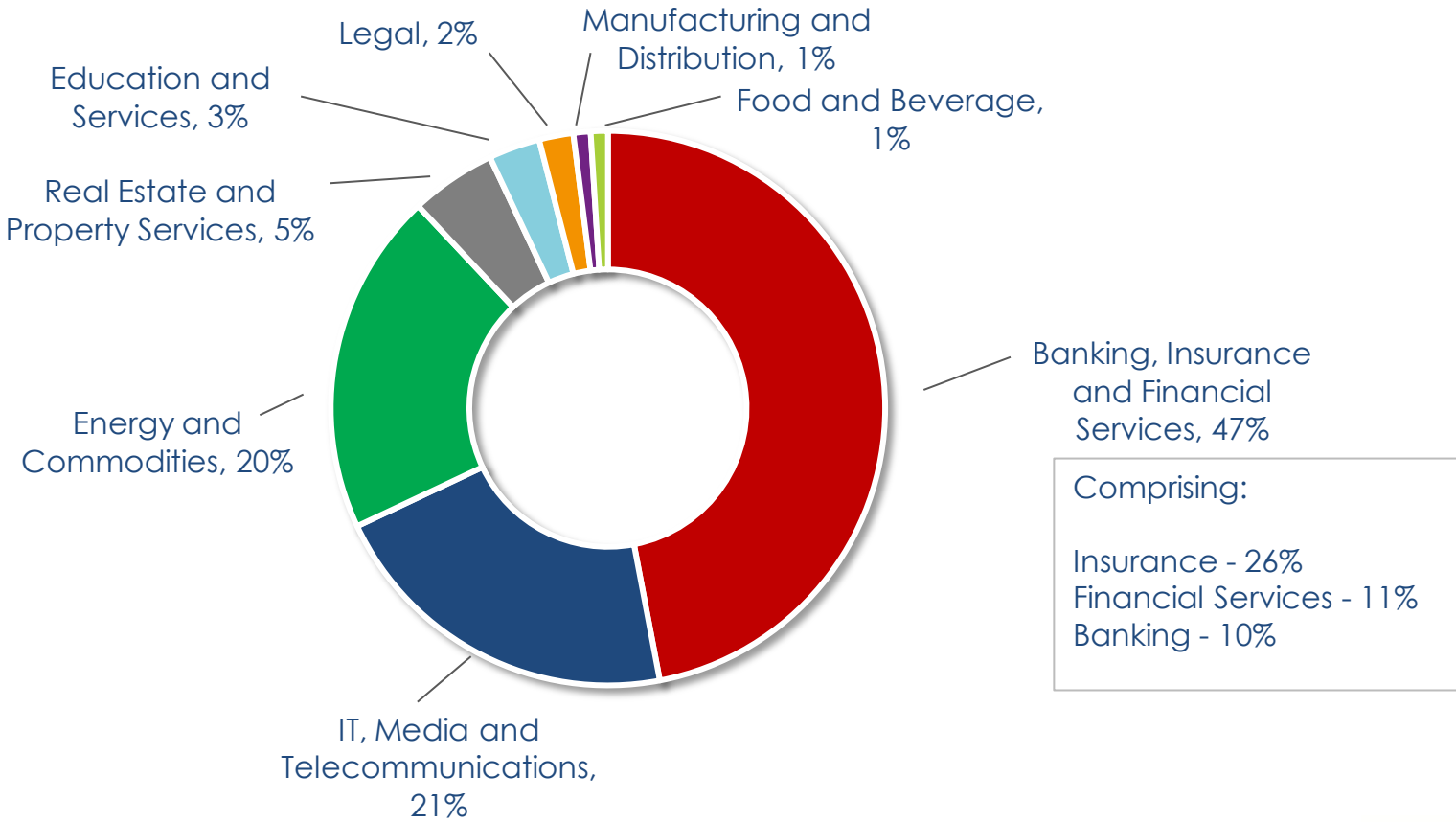
Avoids the large, new supply in the Singapore office market completing in 2016 and 2017





# Diverse tenant business mix<sup>(1)</sup> at CapitaGreen

Majority of tenants from the Insurance, IT, Energy and Commodities, and Banking and Financial sectors



**Note:**  
**(1) Based on net lettable area of leases committed at CapitaGreen as at 31 Mar 2016.**



# Call Option Conditions and Proposed Funding

CapitaGreen, Singapore





# Key conditions in call option agreement

<b>Total development cost</b>	S\$1.3 bil (lower than budget of S\$1.4 bil)
<b>Hurdle Price</b>	Based on actual costs incurred since commencement of development in 2011 less net income received and compounded at 6.3% p.a. The hurdle price was computed as S\$1,585.8 mil as at 6 Apr 2016 <sup>(1)</sup> .
<b>Agreed value based on market valuation <sup>(2)</sup> as at 6 Apr 2016</b>	S\$1,600.5 mil (S\$2,276 psf)  Based on average of: CBRE S\$1,599.0 mil (S\$2,274 psf) Knight Frank S\$1,602.0 mil (S\$2,278 psf)
<b>To exercise call option</b>	Market valuation must be equal to or exceed hurdle price of S\$1,585.8 mil as at 6 Apr 2016 <sup>(1)</sup>

**Notes:**

(1) Notice was issued to JV partners on 6 Apr 2016 to start the process of exercising the call option.

(2) Valuation of CapitaGreen as at 31 December 2015 was S\$1,587.0 mil (S\$2,253 psf) by CBRE.



# Market valuation by independent valuers

as at 6 Apr 2016

**Based on Capitalisation Approach and Discounted Cash Flow Analysis**

	Based on leasehold of 57 years	
Valuer	Total Valuation (\$\$ m)	Capital values (\$\$ psf)
CBRE	1,599.0	2,274
Knight Frank	1,602.0	2,278
<b>Average</b>	<b>1,600.5</b>	<b>2,276 <sup>(1)</sup></b>

## Assumptions by independent valuers:

Capitalisation rate: 4.15%

Terminal yield: 25 bps above capitalisation rate

Discount rate: 7.25%

Average market rent growth: 3.85% p.a. (over a 10-year period)

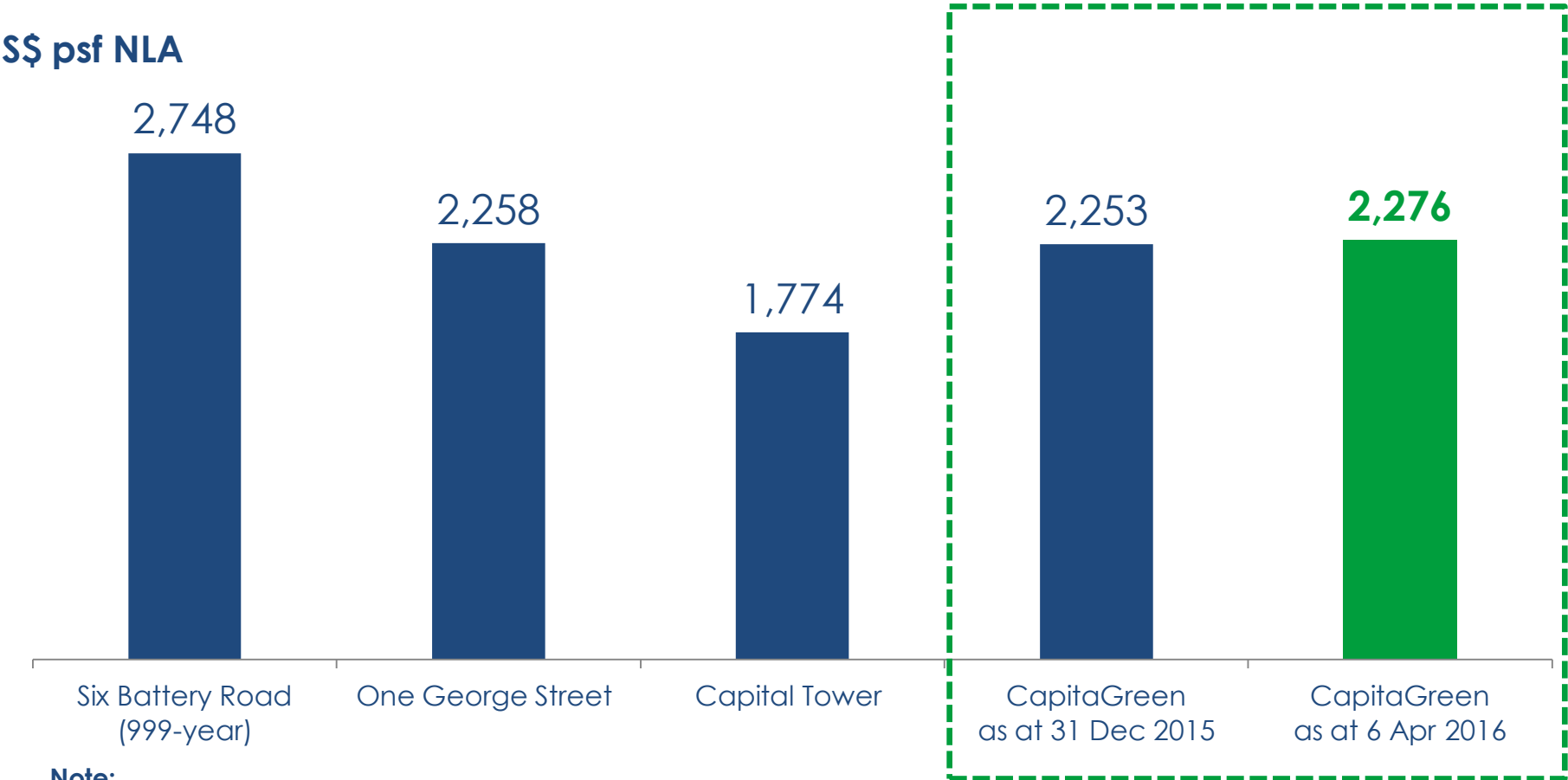
### Note:

(1) Assuming a 99-year leasehold land tenure, the value of CapitaGreen is estimated to be approximately \$2,700 psf by CBRE and Knight Frank.



# Valuation comparables

CapitaGreen's valuation is comparable to CCT Grade A buildings taking into account location, land tenure, age of building, etc



Note:  
(1) Valuation as at 31 Dec 2015 unless otherwise indicated.





# Total acquisition outlay of approximately S\$393 mil

**CCT will also assume the remaining 60.0% of MSO Trust's bank loan which amounts to S\$534.0 mil**

	S\$ million
<b>Agreed Value of CapitaGreen</b> (100.0% basis)	1,600.5
<b>Adjusted NTA</b> of MSO Trust Units (100.0% basis)	305.6
Purchase Consideration (60.0% of Adjusted NTA)	183.4
Repayment of MSO Trust's unitholders' loans and accrued interest to CapitaLand and Mitsubishi Estate Asia	198.5
Acquisition Fee <sup>(1)</sup>	9.6
Acquisition Related Expenses	1.5
<b>Total Acquisition Outlay</b>	<b>393.0</b>

Note:

(1) Acquisition fee is computed based on 1.0% of the property value. As the acquisition constitutes an interested party transaction, the acquisition fee for CapitaLand's 50.0% interest will be payable to CCTML in the form of units in CCT and shall not be sold within one year from their date of issuance. The fee for MEA's 10.0% interest will be payable in cash.





# Pro forma aggregate leverage below 40.0% after acquisition assuming funding by bank borrowings

Pro forma aggregate leverage of 37.7%:

- ✓ Below regulatory limit of 45.0%
- ✓ Aligned with CCT's capital management strategy to keep aggregate leverage below 40.0%



**Notes:**

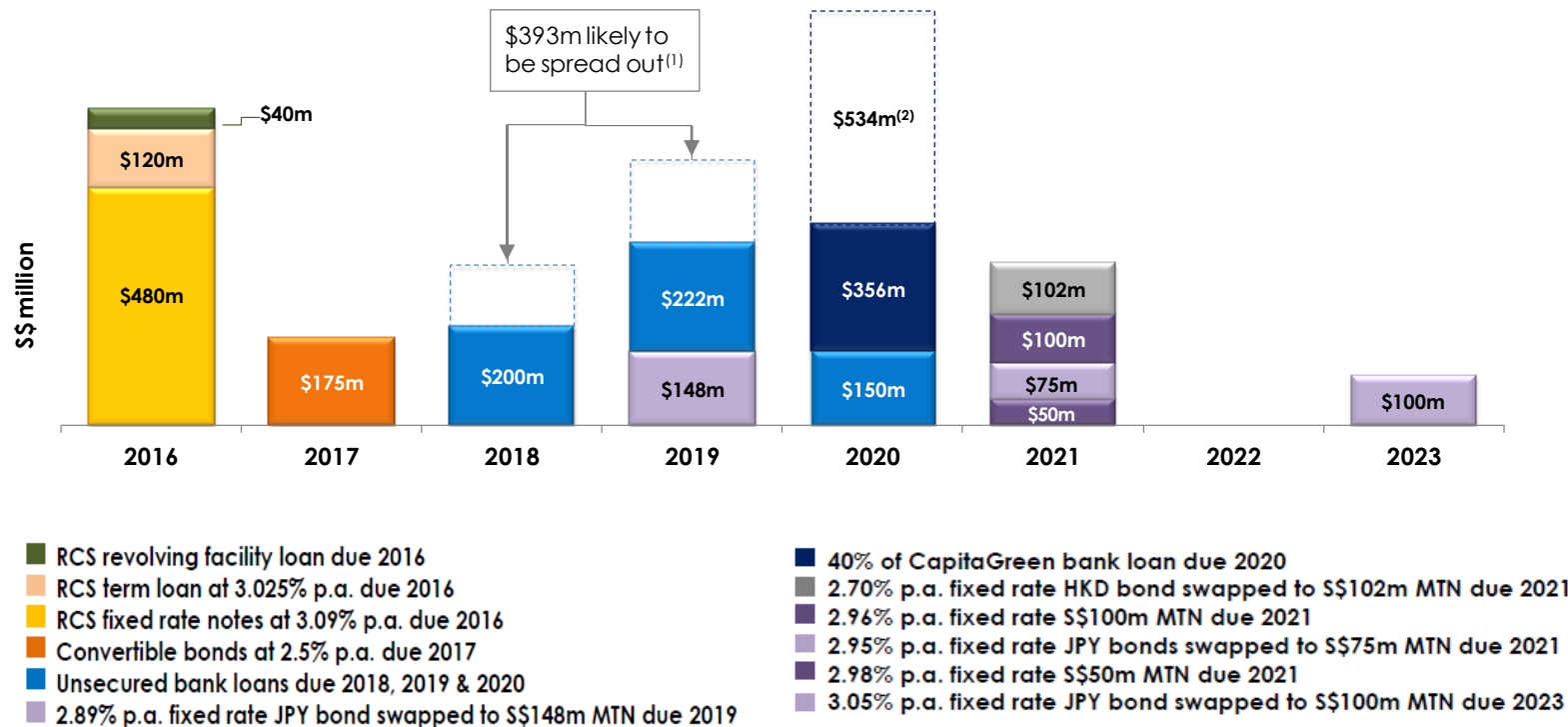
- (1) Total gross debt includes CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust.
- (2) Pro forma total gross debt includes estimated total acquisition outlay of approximately S\$393 million and S\$534.0 million, the latter representing 60.0% interest in MSO Trust's gross borrowings to be assumed by CCT upon the completion of the acquisition.



# Pro forma debt maturity profile

as at 31 March 2016

**Assumption of \$534.0 mil debt from CapitaGreen's existing borrowings and additional borrowings of approximately \$393 mil to fund proposed acquisition**

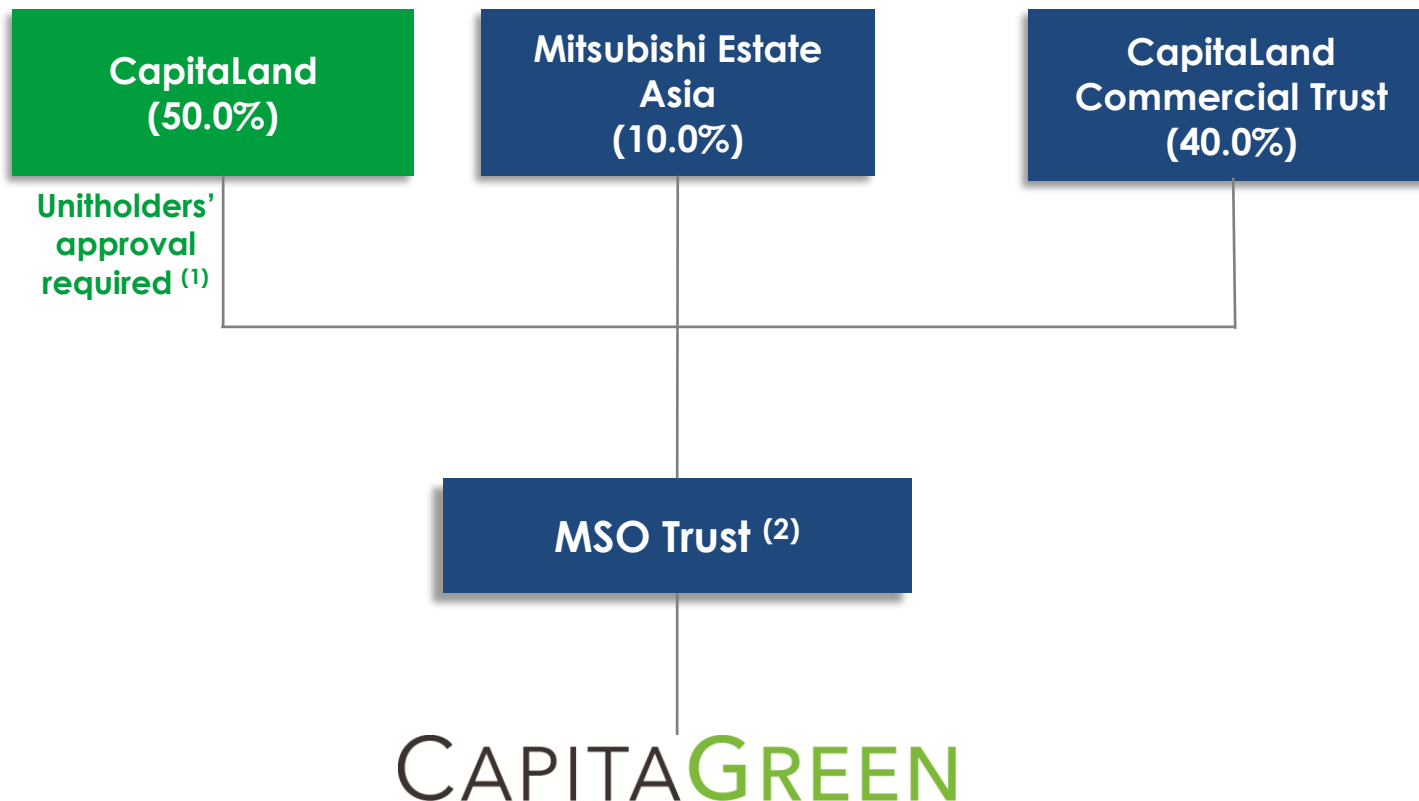


## Notes:

- (1) Approximately \$393 million of committed bank borrowings to fund proposed acquisition of 60.0% interest in CapitaGreen expected to be in smaller amounts with different maturity periods.
- (2) Existing 60.0% of CapitaGreen bank borrowings



# Unitholders' approval<sup>(1)</sup> required for acquisition of CapitaLand's 50.0% interest in MSO Trust



## Notes:

- (1) Given that the proposed acquisition involves a transaction with an associate of CapitaLand, CapitaLand has to abstain from voting on the proposed resolution.
- (2) MSO Trust is a special purpose approved sub-trust that has been accorded tax transparency treatment by the Inland Revenue Authority of Singapore.

CAPITA GREEN

# Benefits to Unitholders







# Benefits to Unitholders

1 Increase distribution per unit (DPU) to Unitholders

2 Augment portfolio quality for long-term growth

3 Reinforce CCT's commercial foothold in the CBD of Singapore

- ✓ Accessibility via major transport nodes
- ✓ Served by numerous amenities that will benefit its occupiers

4 Enhance CCT portfolio's resilience, diversity and quality

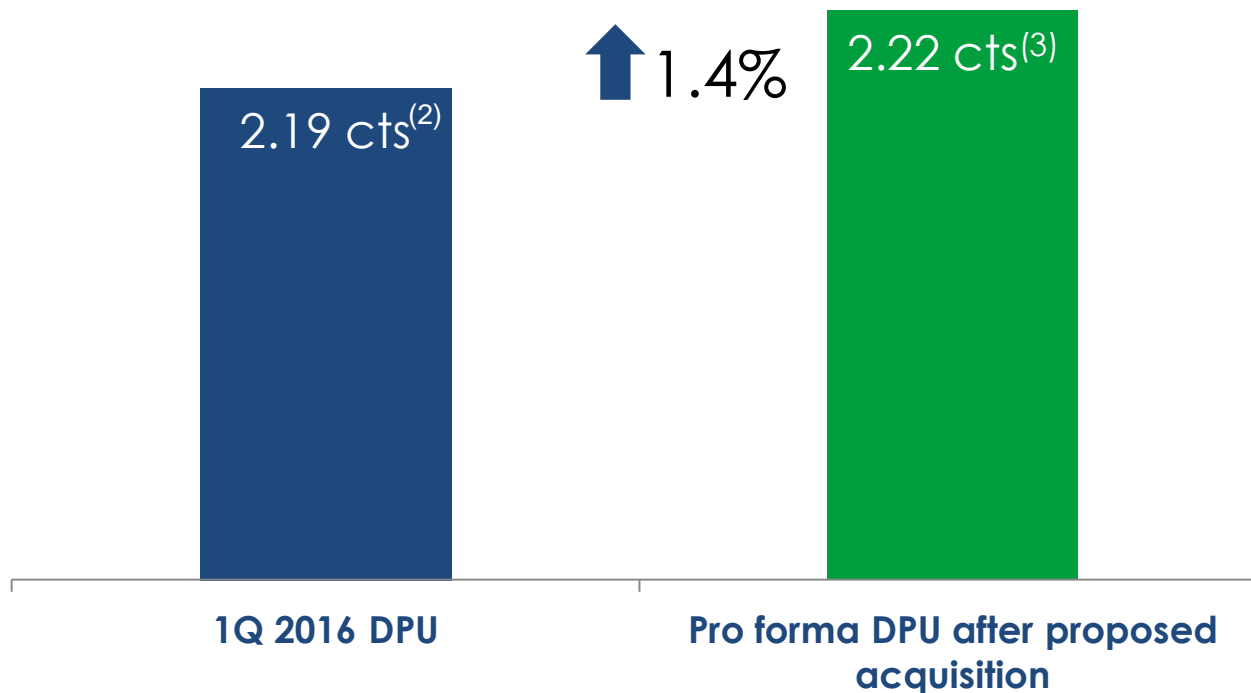
- ✓ Increase in NLA of Grade A assets
- ✓ Improvement of income diversification by property or tenant



1

# Increase DPU to Unitholders

For illustrative purpose: pro forma financial effects<sup>(1)</sup> of the proposed acquisition of 60.0% interest in CapitaGreen on CCT's DPU for 1Q 2016



## Notes:

- (1) Based on the assumption that the proposed acquisition of 60.0% interest in CapitaGreen was completed on 1 Jan 2016 and CCT held and operated the property through to 31 Mar 2016.
- (2) Extracted from CCT's 1Q 2016 financial results which already included contribution from CCT's 40.0% interest in CapitaGreen in the 1Q 2016 distributable income and DPU.
- (3) Took into account the acquisition fee paid in units based on certain assumptions



2

# Augment portfolio quality for long-term growth

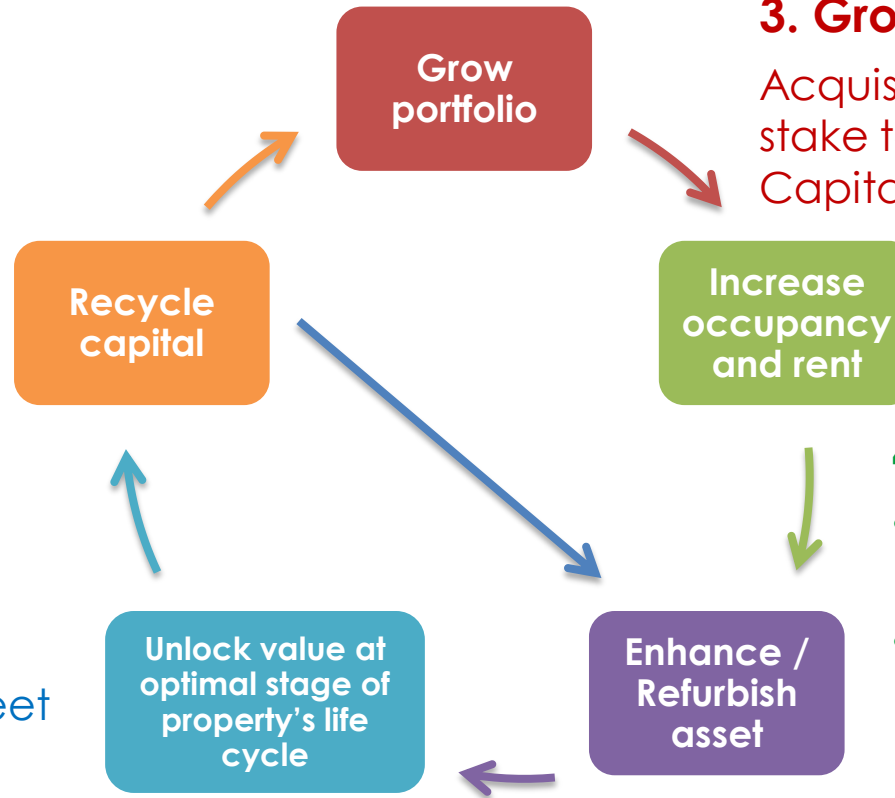
## In line with CCT's portfolio reconstitution strategy

### 2. Recycle capital:

- Recycled sale proceeds for redevelopment into CapitaGreen
- 40.0% stake as a JV partner in MSO Trust

### 1. Unlock value:

Sale of Market Street Car Park for redevelopment under MSO Trust



### 3. Grow portfolio:

Acquisition of balance stake to own 100.0% of CapitaGreen

### 4. Organic growth:

- Committed occupancy at 92.8%
- Income upside with higher occupancy

Value creation

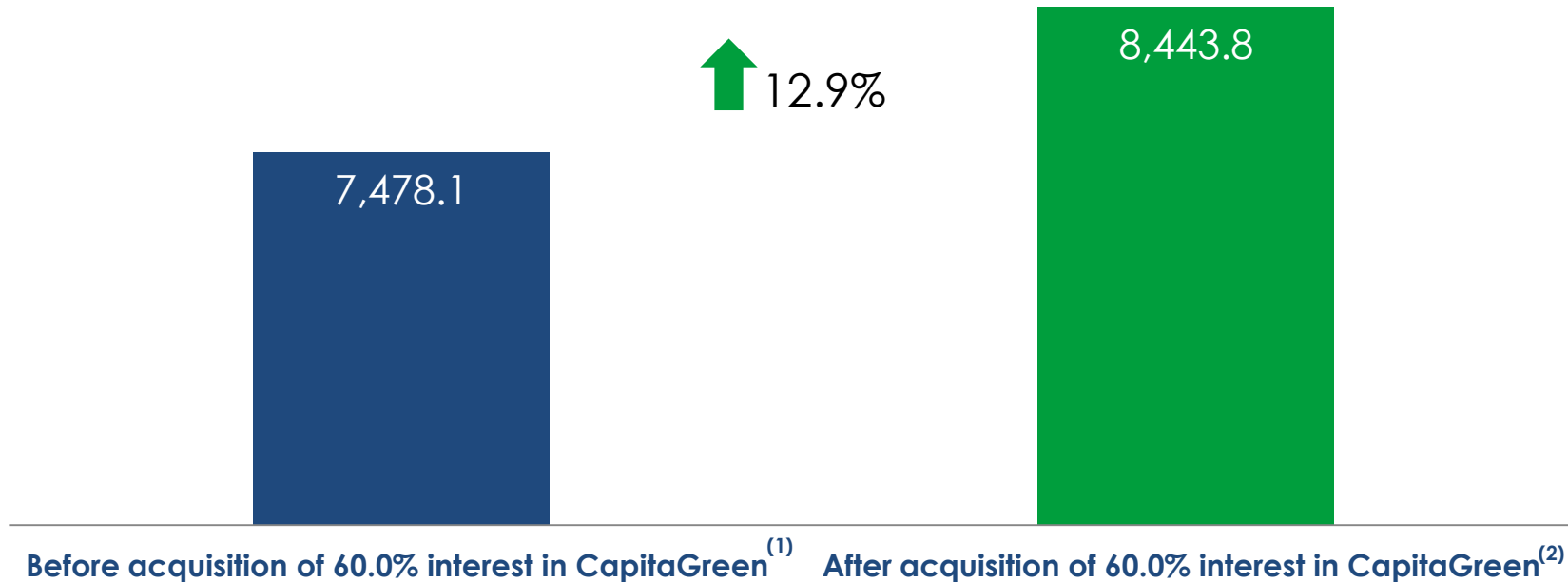


2

## Augment portfolio quality for long-term growth

Increase investment property value of CCT's portfolio to S\$8.4 bil

S\$ million



**Notes:**

(1) Based on CCT's existing portfolio valuation (including 40.0% interest in CapitaGreen) as at 31 Dec 2015.

(2) Based on CCT's existing portfolio valuation as at 31 Dec 2015 and CapitaGreen's valuation on 100.0% basis as at 6 Apr 2016.



3

# Reinforce CCT's commercial foothold in the CBD of Singapore

- **Accessibility via major transport nodes**
  - ✓ Close proximity to Raffles Place and Telok Ayer MRT stations
- **Served by numerous amenities that will benefit its occupiers**
  - ✓ Wide variety of food and beverage options, hotels, serviced residences, banks and convenience stores

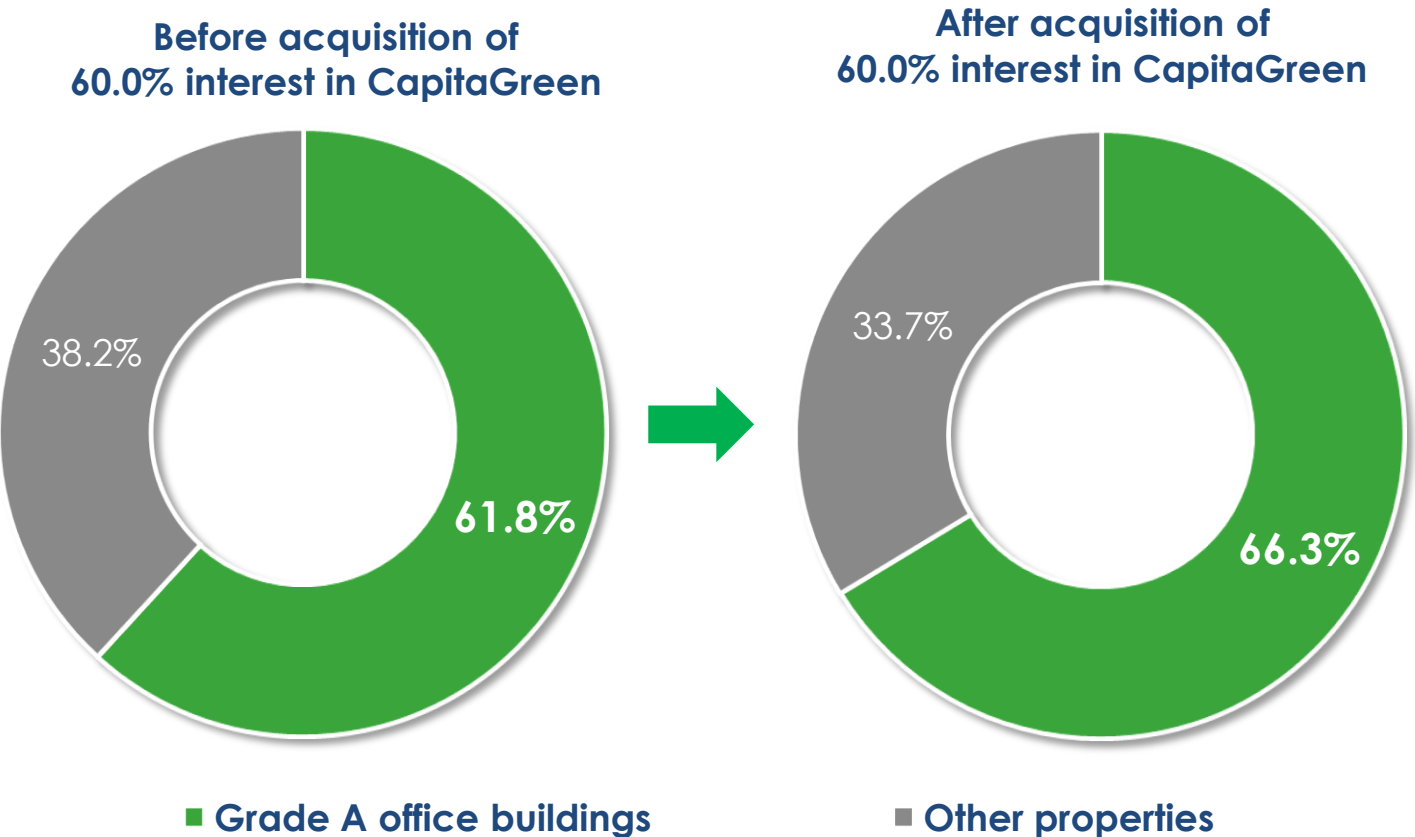




4

# Enhance CCT portfolio's resilience, diversity and quality: Increase in NLA of Grade A assets

CCT's portfolio NLA <sup>(1)</sup> increases to **3.6 mil sq ft** from 3.2 mil sq ft after including 60.0% of CapitaGreen



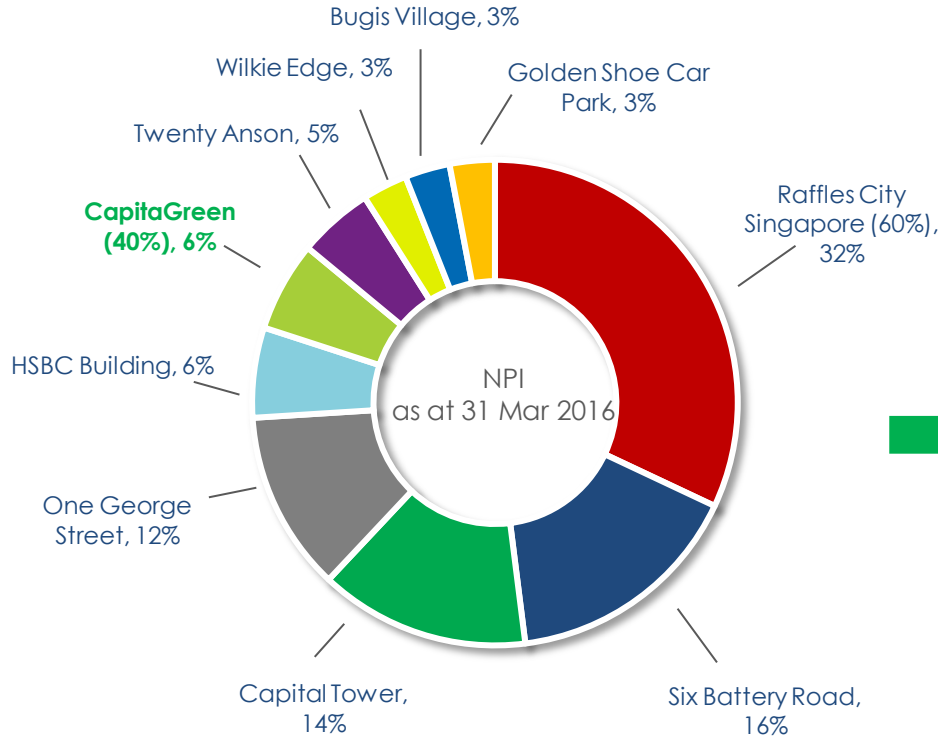
Note:  
(1) Based on respective proportionate stake in CapitaGreen and Raffles City Singapore.



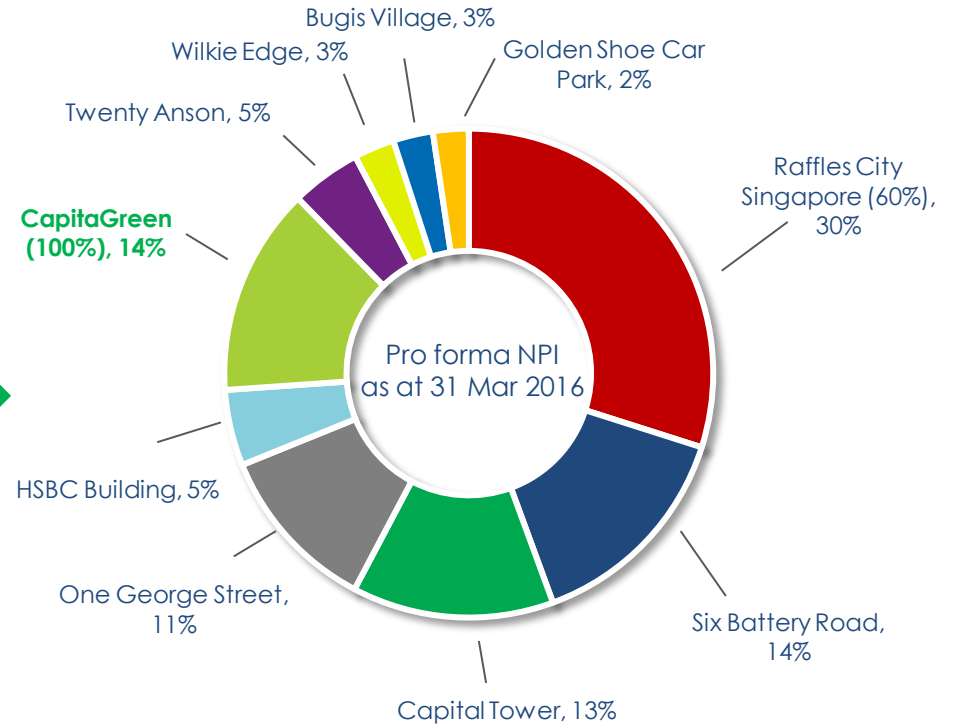
4

# Enhance CCT portfolio's resilience, diversity and quality: Reduce reliance on any single property

Before acquisition of 60.0% interest in CapitaGreen (1)



After acquisition of 60.0% interest in CapitaGreen (2)



**Notes:**

- (1) For reference only: based on respective properties' proportionate net property income (NPI) contribution in 1Q 2016. NPI from CCT's wholly owned properties was \$52.0 million, while NPI from 40.0% interest in CapitaGreen was \$5.0 million.
- (2) For reference only: based on respective properties' proportionate NPI contribution in 1Q 2016 and as if the proposed acquisition of 60.0% of interest in CapitaGreen was completed on 1 Jan 2016 and CCT held and operated the property through to 31 Mar 2016. NPI from 100.0% interest in CapitaGreen was \$12.6 million.

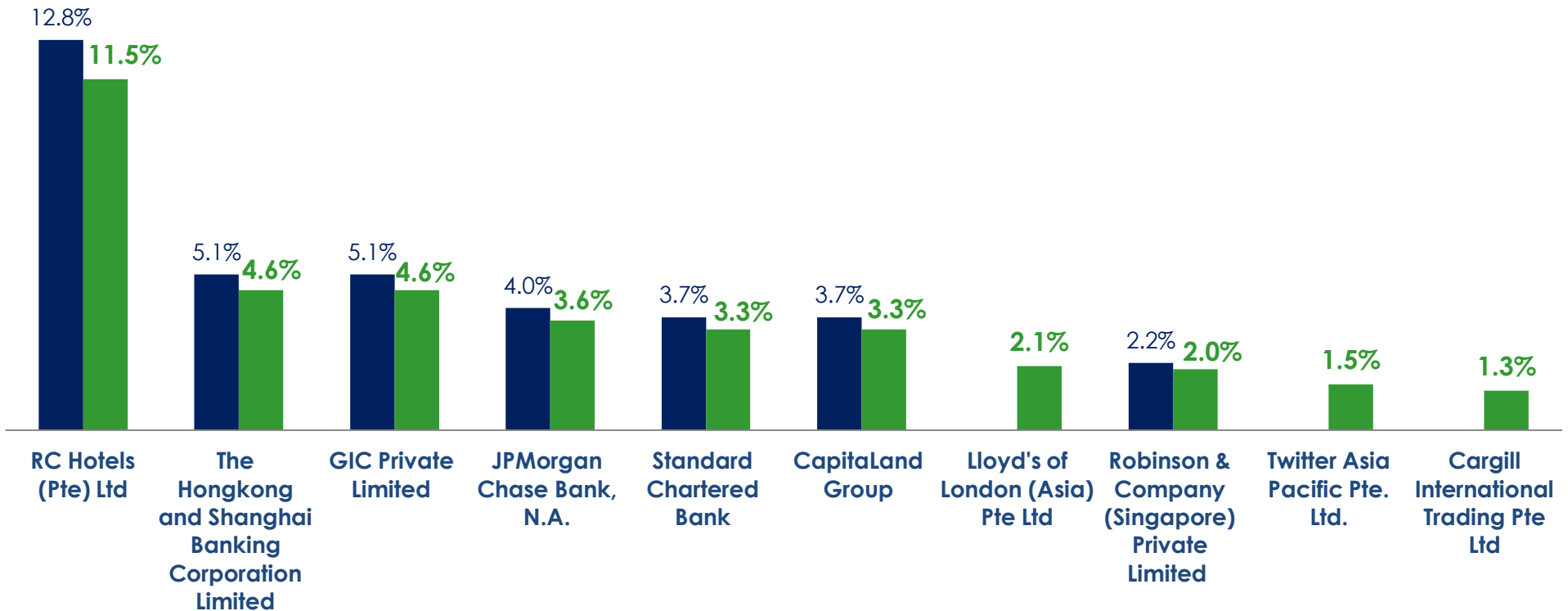


4

# Enhance CCT portfolio's resilience, diversity and quality: Reduce reliance on any single tenant

Top 10 tenants to contribute 38.0% of monthly gross rental income after proposed acquisition

■ Before acquisition of 60.0% interest in CapitaGreen<sup>(1)</sup> ■ After proposed acquisition of 60.0% interest



Note:

(1) Includes CCT's 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen.





# Next Steps



# Estimated timeline (1)

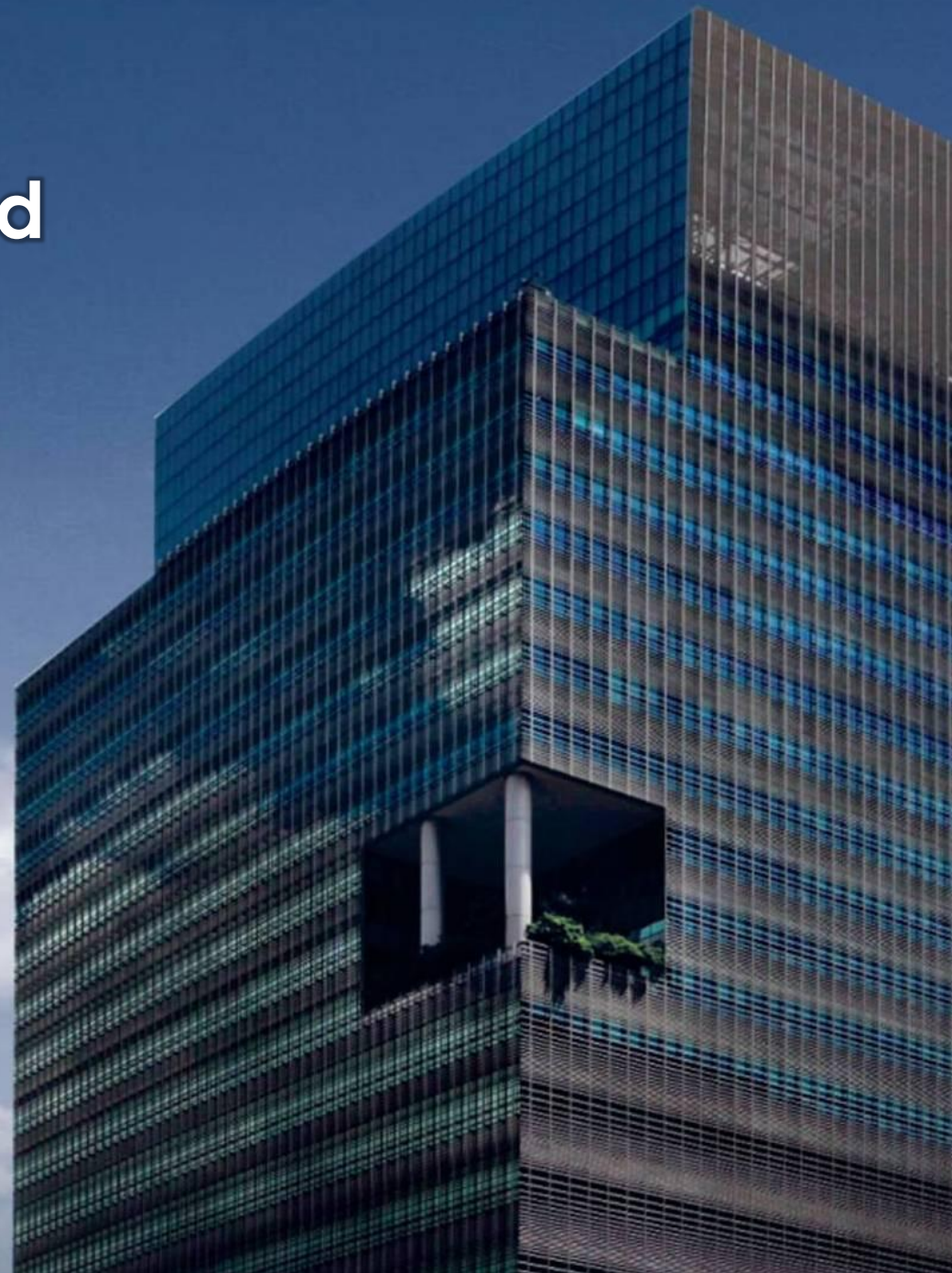
Milestones	Estimated timeline
Monday, 23 May 2016	Announce proposed acquisition of 60.0% interest in CapitaGreen
June/July 2016	Dispatch of circular to Unitholders
3Q 2016	Convene an Extraordinary General Meeting to seek Unitholders' approval to buy from CapitaLand - 50.0% interest in MSO Trust
4Q 2016	Completion of proposed acquisition (assuming Unitholders' approval obtained)

**Note:**

(1) Subject to changes by the Manager without prior notice

## 2. Financial Results and Proactive Capital Management

One George Street, Singapore





# 1Q 2016 distributable income rose 3.3% YoY

	1Q 2016	1Q 2015	Change (%)	Remarks
<b>Gross Revenue <sup>(1)</sup> (\$\$ million)</b>	<b>66.86</b>	68.16	(1.9)	Lower occupancies at Capital Tower and Golden Shoe Car Park
<b>Property Operating Expenses (\$\$ million)</b>	<b>(14.83)</b>	(14.19)	4.5	Mainly due to property tax
<b>Net Property Income <sup>(1)</sup> (\$\$ million)</b>	<b>52.03</b>	53.97	(3.6)	
<b>Distributable Income <sup>(2)</sup> (\$\$ million) comprising</b>	<b>64.85</b>	62.75	3.3	More distribution from RCS Trust and MSO Trust (owns CapitaGreen)
- Distribution from CCT's wholly owned assets	42.25	41.97	0.7	
- Distribution from joint ventures	22.60	20.78	8.7	
<b>DPU (cents)</b>	<b>2.19<sup>(3)</sup></b>	2.12	3.3	

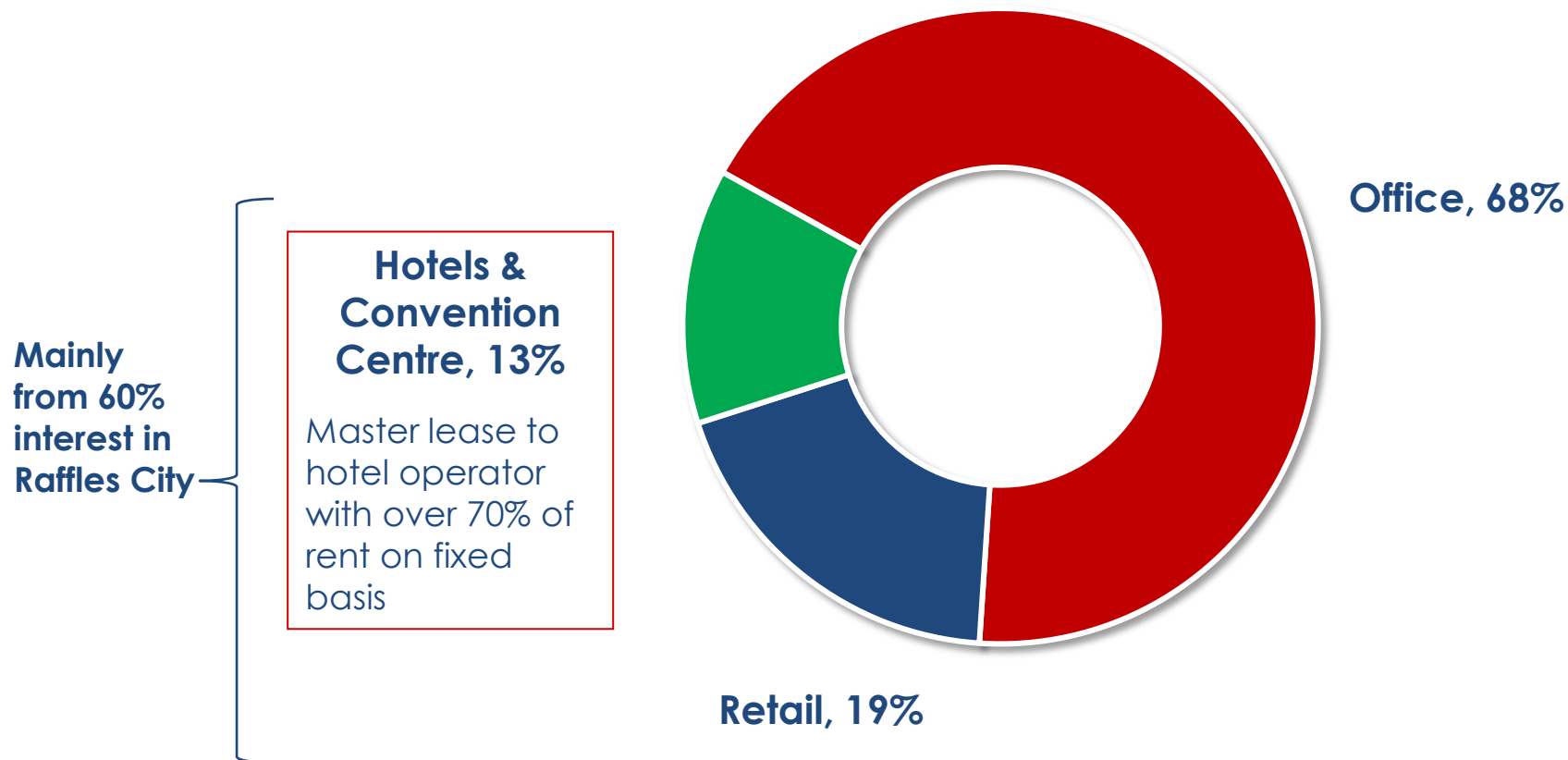
**Notes:**

- (1) Exclude joint ventures
- (2) Retained RCS Trust's distribution income of S\$0.9 million
- (3) Estimated DPU for 1Q 2016 was computed on the basis that none of the CB 2017 is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of CB 2017 is converted into CCT units. The current conversion price of CB 2017 is S\$1.4816.



# 68% of gross rental income<sup>(1)</sup> contributed by office and 32% by retail and hotel & convention centre

## CCT's income by sector



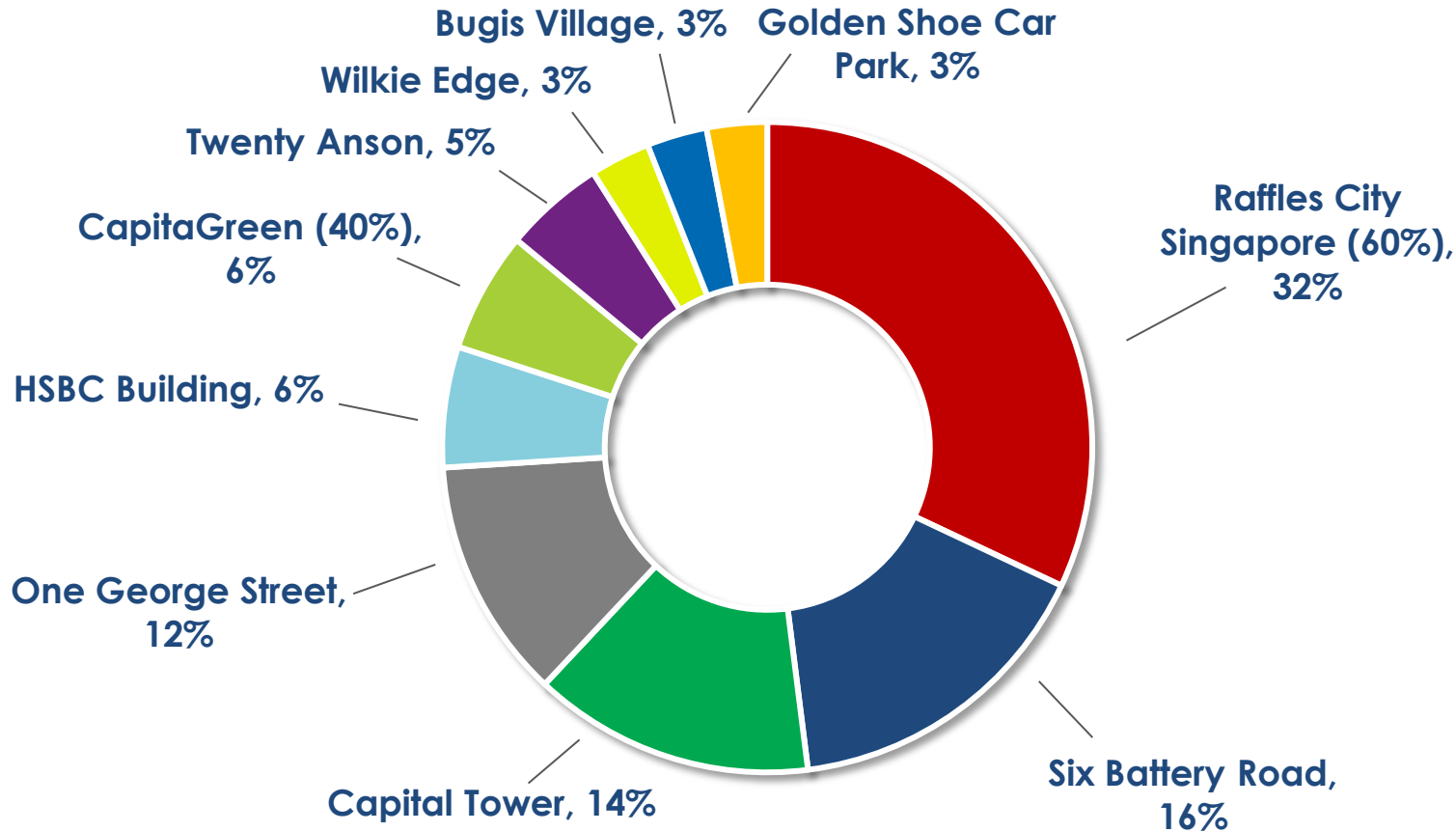
Note:

(1) Based on gross rental income 1 Jan 2016 to 31 Mar 2016, including gross rental income from CCT's 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen, and excluding retail turnover rent



# Portfolio diversification with income contribution from 10 properties<sup>(1)</sup>

40.0% interest in CapitaGreen contributed 6% in 1Q 2016



Note:

(1) For reference only: based on respective properties' proportionate net property income (NPI) contribution in 1Q 2016. NPI from CCT's wholly owned properties was \$52.0 million, while NPI from its 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen was \$27.4 million and \$5.0 million respectively.



# Performance of RCS Trust – 1Q 2016

	CCT's 60% Interest				RCS Trust 100%
	1Q 2016 S\$ million	1Q 2015 S\$ million	Variance		1Q 2016 S\$'000
			S\$ m	%	
<b>Gross Revenue</b>	<b>36.01</b>	<b>35.67</b>	<b>0.34</b>	<b>1.0</b>	<b>60.02</b>
- Office	5.67	5.79	(0.12) <sup>(1)</sup>	(2.1)	9.45
- Retail	15.66	15.58	0.08	0.5	26.09
- Hotel	13.23	13.01	0.22	1.7	22.06
- Others	1.45	1.29	0.16	13.1	2.42
<b>Net Property Income</b>	<b>27.38</b>	<b>26.33</b>	<b>1.05</b>	<b>4.0</b>	<b>45.63</b>

Note:

(1) Due mainly to lower office occupancy in 1Q 2016 compared to 1Q 2015



# Robust balance sheet

## Statement of Financial Position As at 31 March 2016

	S\$ million
Non-current Assets	6,458.22
Current Assets	91.41
<b>Total Assets</b>	<b>6,549.63</b>
Current Liabilities	55.05
Non-current Liabilities	1,359.93
<b>Total Liabilities</b>	<b>1,414.97</b>
<b>Net Assets</b>	<b>5,134.66</b>
<b>Unitholders' Funds</b>	<b>5,134.66</b>

**Units in issue ('000)** **2,955,322**

	S\$ million
<b>Deposited Properties<sup>(1)</sup></b>	<b>7,696.88</b>

<b>Net Asset Value Per Unit</b>	<b>\$1.74</b>
<b>Adjusted Net Asset Value Per Unit (excluding distributable income)</b>	<b>\$1.72</b>

**Credit Rating**  
**A-** by **S&P**  
**A3** by **Moody's**  
 Outlook Stable

**Note:**

(1) Deposited properties for CCT Group includes CCT's 60.0% interest in RCS Trust (S\$1.9 billion) and 40.0% interest in MSO Trust (S\$0.65 billion).





# Strong financial ratios

	4Q 2015	1Q 2016	Remarks
<b>Total Gross Debt<sup>(1)</sup></b>	S\$2,280.7 m	<b>S\$2,318.1 m</b>	<b>Increased</b> (More borrowings)
<b>Aggregate Leverage<sup>(2)</sup></b>	29.5%	<b>30.1%</b>	<b>Increased</b> (More borrowings)
<b>Net Debt / EBITDA<sup>(3)</sup></b>	4.9 times	<b>4.7 times</b>	<b>Lower</b> (Higher EBITDA)
<b>Unencumbered Assets as % of Total Assets<sup>(4)</sup></b>	100.0%	<b>100.0%</b>	<b>Stable</b>
<b>Average Term to Maturity<sup>(5)</sup></b>	4.2 years	<b>3.8 years</b>	<b>Lower</b> (Passing of time)
<b>Average Cost of Debt (p.a.)<sup>(6)</sup></b>	2.5%	<b>2.5%</b>	<b>Stable</b>
<b>Interest Coverage<sup>(7)</sup></b>	7.4 times	<b>7.4 times</b>	<b>Stable</b>

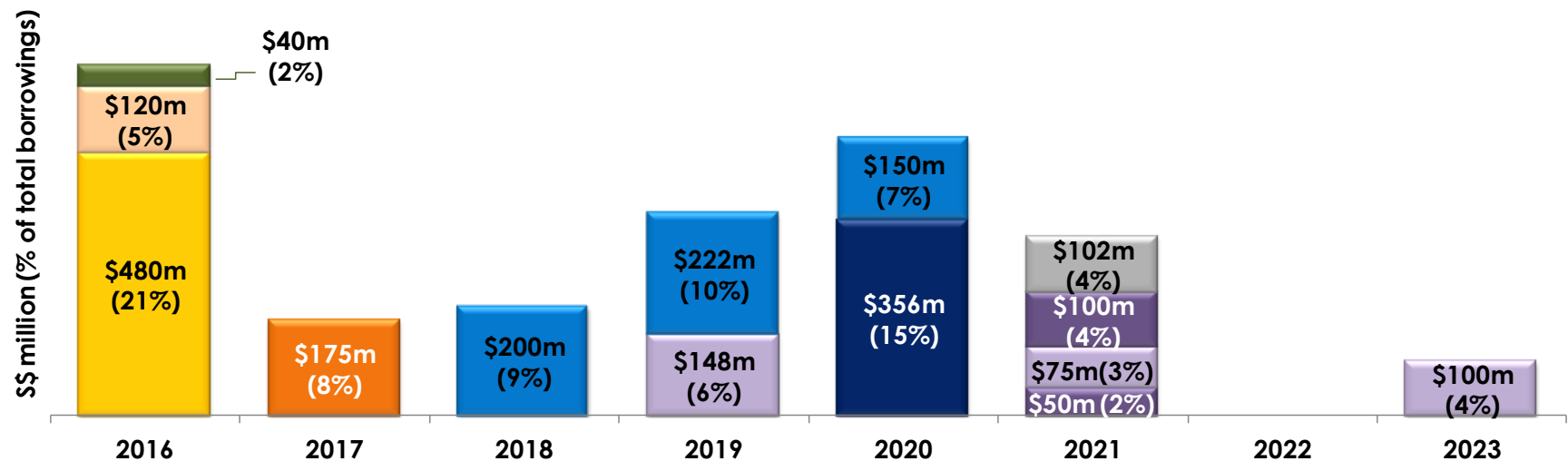
**Notes:**

- (1) Total gross debt includes CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust.
- (2) In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures borrowings and deposited property values are included when computing the gearing ratio.
- (3) Net debt excludes borrowings of RCS Trust and MSO Trust. EBITDA refers to earnings before interest, tax, depreciation and amortisation but after share of profit of associate and joint ventures.
- (4) Investment properties at CCT Trust are all unencumbered.
- (5) Excludes borrowings of RCS Trust and MSO Trust.
- (6) Ratio of interest expense over weighted average borrowings (excludes borrowings of RCS Trust and MSO Trust).
- (7) Ratio of EBITDA over finance costs includes amortisation and transaction costs (excludes borrowings of RCS Trust and MSO Trust).

# Proactive capital management

Unsecured bank facilities in place for RCS Trust refinancing due June 2016

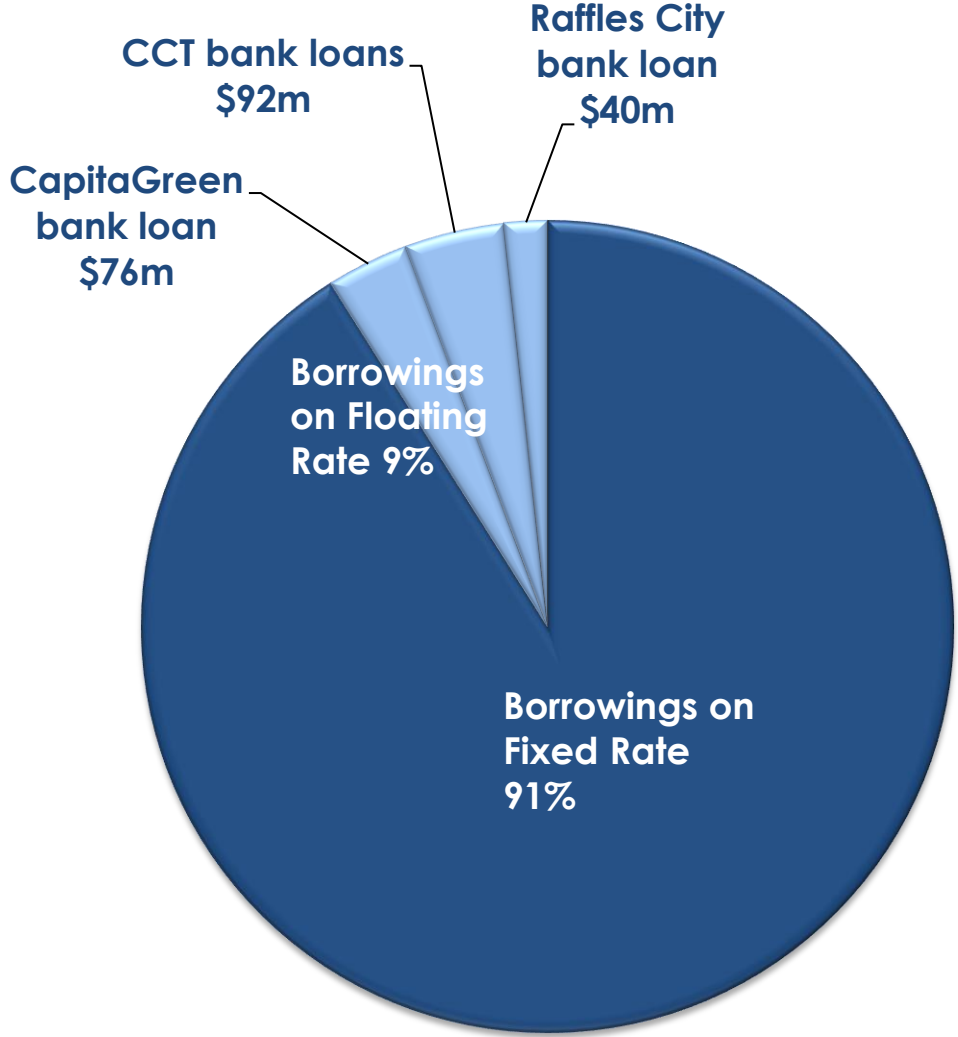
Debt Maturity Profile as at 31 Mar 2016



- RCS revolving facility loan due 2016
- RCS term loan at 3.025% p.a. due 2016
- RCS fixed rate notes at 3.09% p.a. due 2016
- Convertible bonds at 2.5% p.a. due 2017
- Unsecured bank loans due 2018, 2019 & 2020
- 2.89% p.a. fixed rate JPY bond swapped to S\$148m MTN due 2019
- CapitaGreen bank loan due 2020
- 2.70% p.a. fixed rate HKD bond swapped to S\$102m MTN due 2021
- 2.96% p.a. fixed rate S\$100m MTN due 2021
- 2.95% p.a. fixed rate JPY bonds swapped to S\$75m MTN due 2021
- 2.98% p.a. fixed rate S\$50m MTN due 2021
- 3.05% p.a. fixed rate JPY bond swapped to S\$100m MTN due 2023



# 91% of borrowings on fixed rate provides certainty of interest expense



### 3. Portfolio Value Creation

Capita Commercial  
Capita Mall  
Raffles City



# CCT's strategies for portfolio and asset management

## Building a resilient portfolio

- Portfolio occupancy at 98.1%
- Well spread portfolio lease profile with major leases expiring in 2019 and beyond
- Minimised leases due in 2016 and 2017 and focusing on tenant retention and attraction

## Maintaining high portfolio occupancy

- 93% - 99% since 2004

## Generating economic value

- Achieved ROIs of 8.2% to 9.3% through asset enhancement initiatives (AEIs)
- Development of CapitaGreen enhanced asset value from public car park to Grade A office building



Acquisition pipeline: Call option to buy 60.0% interest in CapitaGreen within 3 years after completion



Capital Tower: Achieved AEI ROI of 8.2% p.a. in 2015



Raffles City Tower: Achieved AEI ROI of 9.3% p.a. in 2014



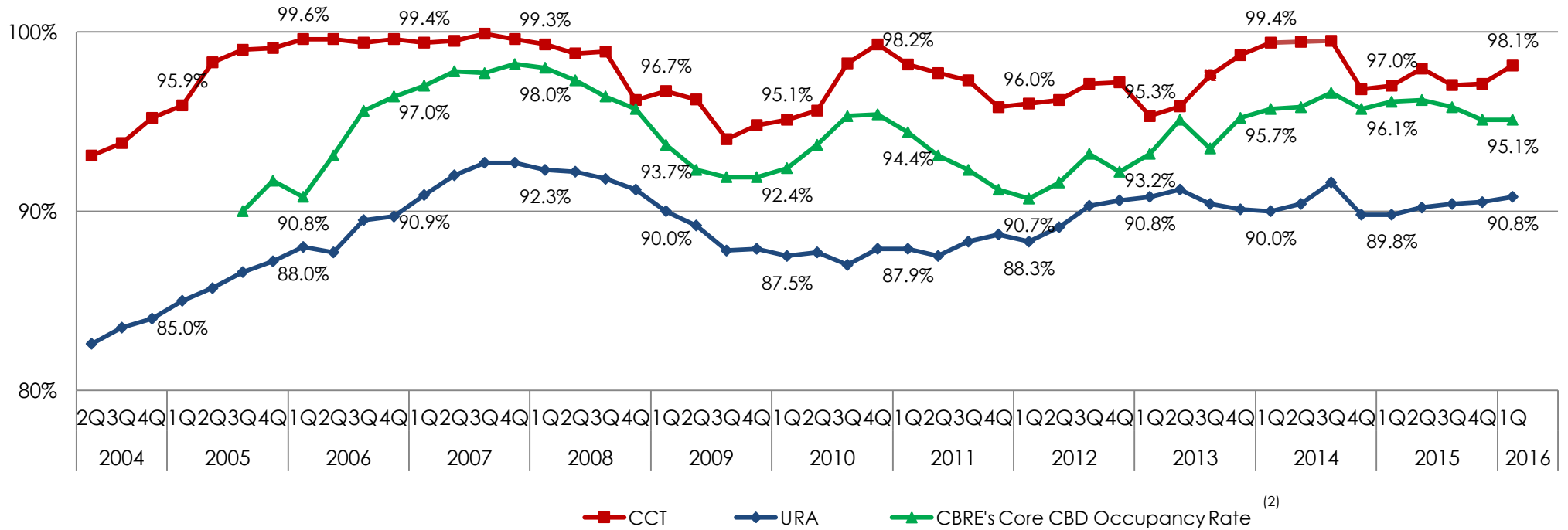
Six Battery Road: Achieved AEI ROI of 8.6% p.a. in 2012



# CCT's portfolio occupancy of 98.1% is above market occupancy of 95.1%

	CCT Committed Occupancy		Market Occupancy Level <sup>(1)</sup>	
	1Q 2016	4Q 2015	1Q 2016	4Q 2015
Grade A office	98.0%	95.8%	95.0%	94.8%
Portfolio	98.1%	97.1%	95.1%	95.1%

CCT's Committed Occupancy Since Inception



**Notes:**  
 (1) Source: CBRE Pte. Ltd.  
 (2) Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q 2005 onwards





# Positive portfolio leasing activities for CCT

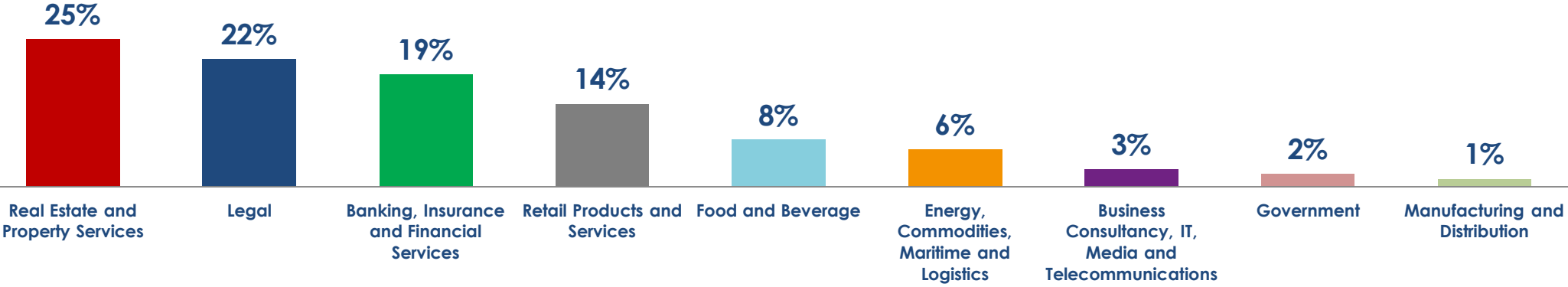
- In 1Q 2016, CCT signed approximately 1 62,000 square feet of new leases and renewals, of which 54% are new leases.
- The above includes retail space of approximately 44,000 square feet.
- For 1Q 2016, new and renewed tenants include:

Tenant	Trade Sector	Building
IINO Shipping Asia Pte. Ltd.	Maritime and Logistics	Capital Tower
Urbanco One Pte. Ltd.	Real Estate and Property Services	Capital Tower
CRH Asia Pacific Pte. Ltd.	Manufacturing and Distribution	Six Battery Road
Skadden, Arps, Slate, Meagher & Flom	Legal	Six Battery Road
Watson Farley & Williams Asia Practice LLP	Legal	Six Battery Road
Vulpes Investment Management Private Limited	Banking, Insurance and Financial Services	One George Street
Dechert (Singapore) Pte. Ltd.	Legal	One George Street



# New demand in CCT's portfolio from diverse trade sectors

Trade mix of new leases are largely from Real Estate and Property Services, Legal, and Banking, Insurance and Financial Services sectors



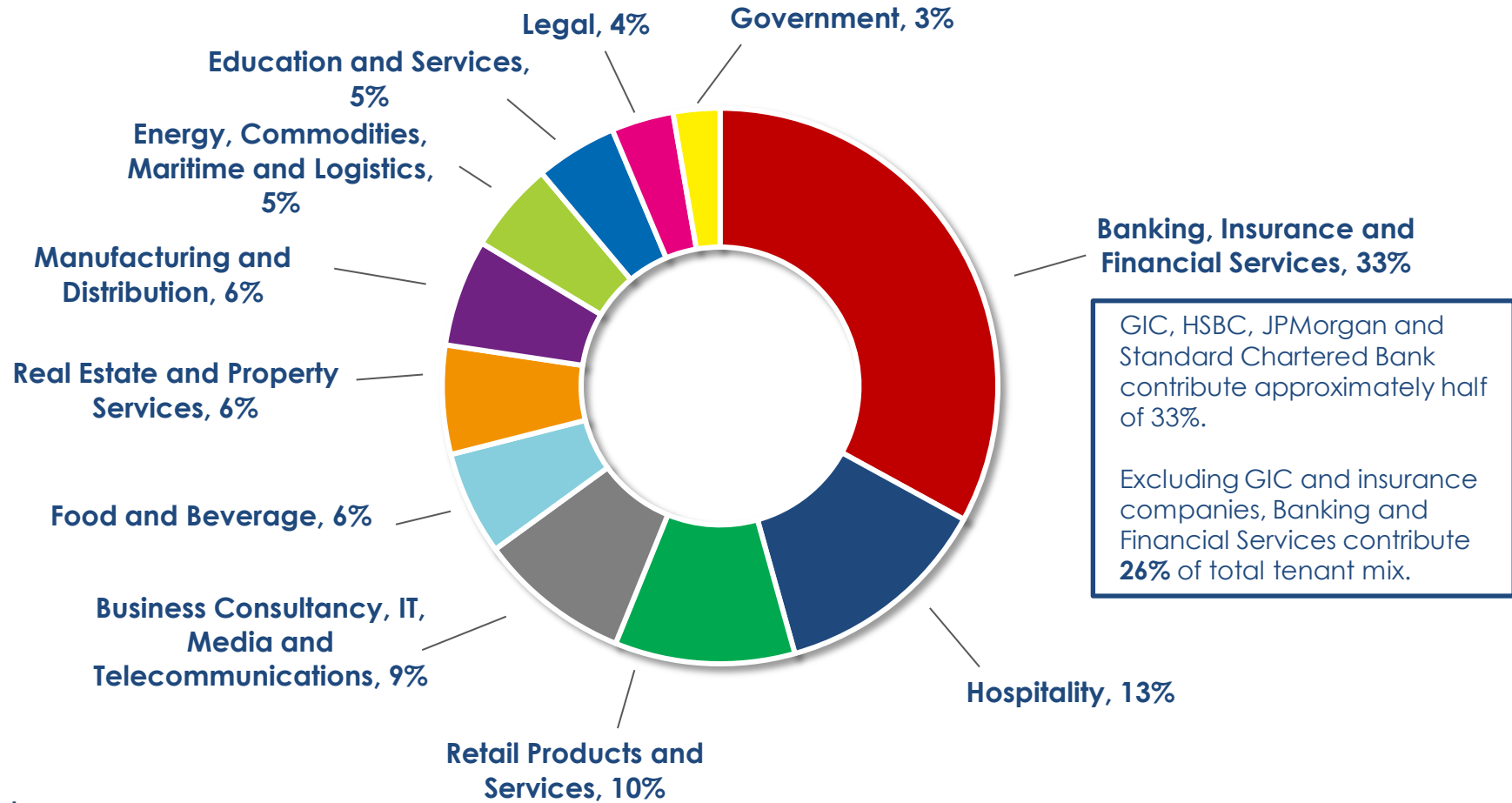
Note:  
(1) Based on net lettable area of new leases committed and using 100% basis for Raffles City Singapore and CapitaGreen





# Diverse tenant mix in CCT's portfolio<sup>(1)</sup>

## Tenant mix in CCT portfolio

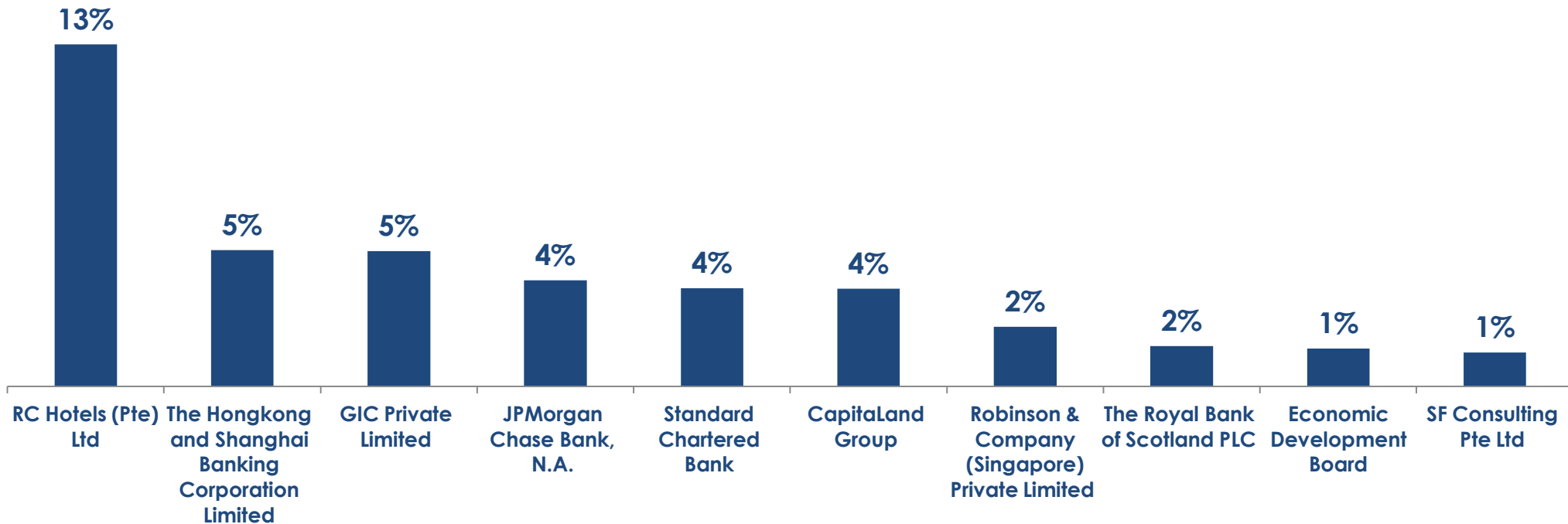


Note:

(1) Based on committed monthly gross rental income of tenants as at 31 Mar 2016, including CCT's 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen, and excluding retail turnover rent



# Top 10 tenants contribute 40% of monthly gross rental income<sup>(1)(2)</sup>



**Notes:**

(1) Based on monthly gross rental income of top ten tenants as at 31 Mar 2016, excluding retail turnover rent.

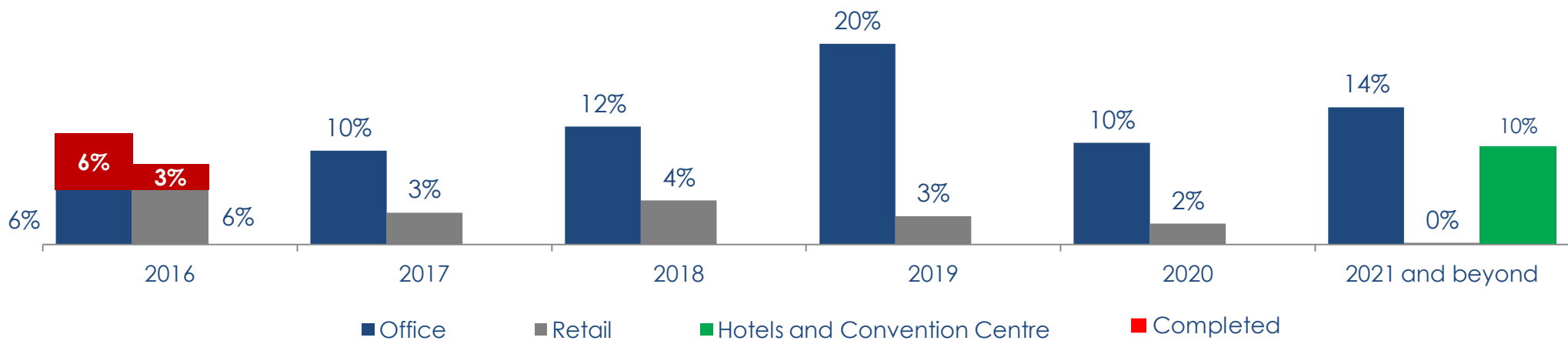
Total percentage may not add up due to rounding

(2) The Royal Bank of Scotland PLC's lease expired on 31 Mar 2016



# Well spread portfolio lease expiry profile

Lease expiry profile as a percentage of committed monthly gross rental income<sup>(1)</sup>



**Portfolio WALE<sup>(2)</sup> by NLA as at end Mar 2016 = 7.3 years**

**Notes:**

(1) Excludes retail and hotel turnover rent

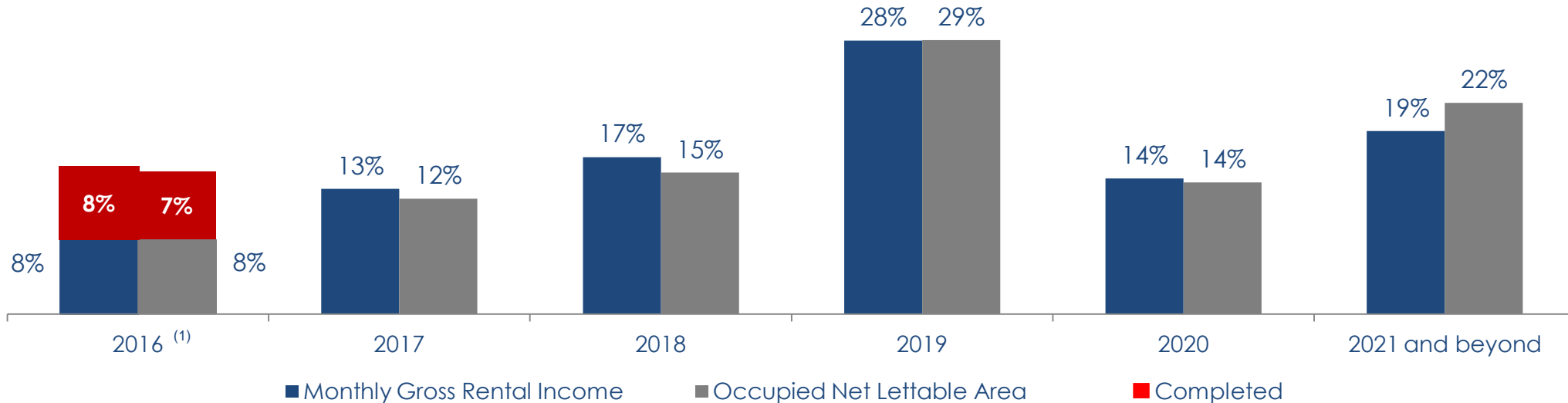
(2) WALE: Weighted Average Lease term to Expiry





# More than half of 2016 expiring leases renewed

## Office lease expiry profile



**Note:**

(1) The Royal Bank of Scotland PLC's lease expired on 31 Mar 2016. 25% of the space has been committed and accounted for in the red bar.



# Positive rental reversions for most of CCT's Grade A office leases committed in 1Q 2016

Building	Average Expired Rents (\$\$)	Committed Rents <sup>(1)</sup> (\$\$)	Sub-Market	Market Rents of Comparative Sub-Market (\$\$)	
				Cushman & Wakefield <sup>(2)</sup>	Knight Frank <sup>(3)</sup>
CapitaGreen	-	11.56 –12.15	Premium Grade Raffles Place	9.95	10.40
Six Battery Road	11.22	11.00 –13.00	Grade A Raffles Place	9.95	10.40
One George Street	9.95	9.90 –10.20	Grade A Raffles Place	9.95	10.40
Capital Tower	NM	7.70 –8.20	Tanjong Pagar	7.92	8.20

**Notes:**

(1) Renewal/new leases committed in 1Q 2016

(2) Source: Cushman & Wakefield 4Q 2015

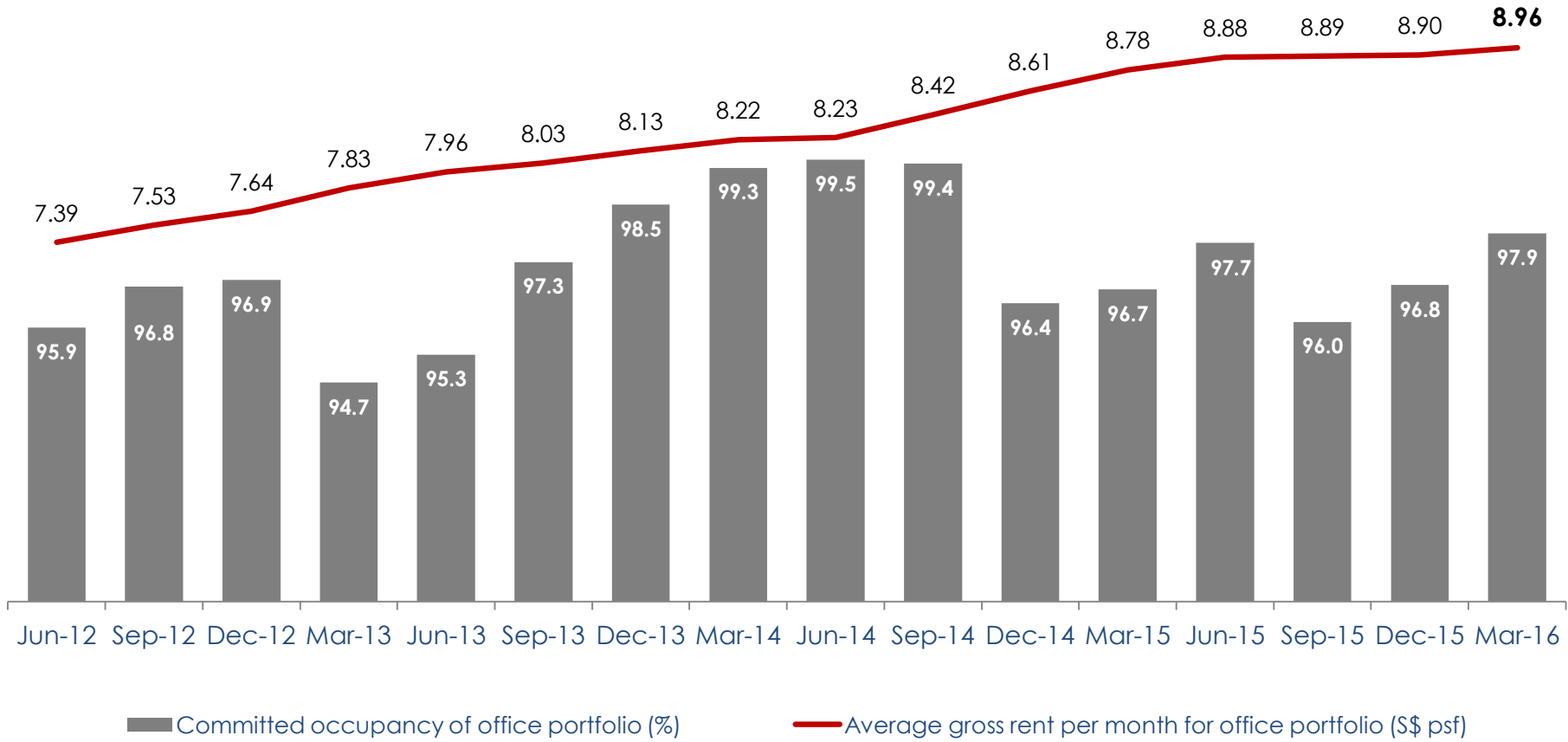
(3) Source: Knight Frank 4Q 2015; Average of rents published based on net lettable area of about 2,500sq ft to 5,000sq ft

(4) For reference only: CBRE Pte. Ltd.'s 1Q 2016 Grade A rent is \$9.90 psf per month and they do not publish sub-market rents





# Monthly average office rent of CCT's portfolio<sup>(1)</sup> up by 0.7% QoQ



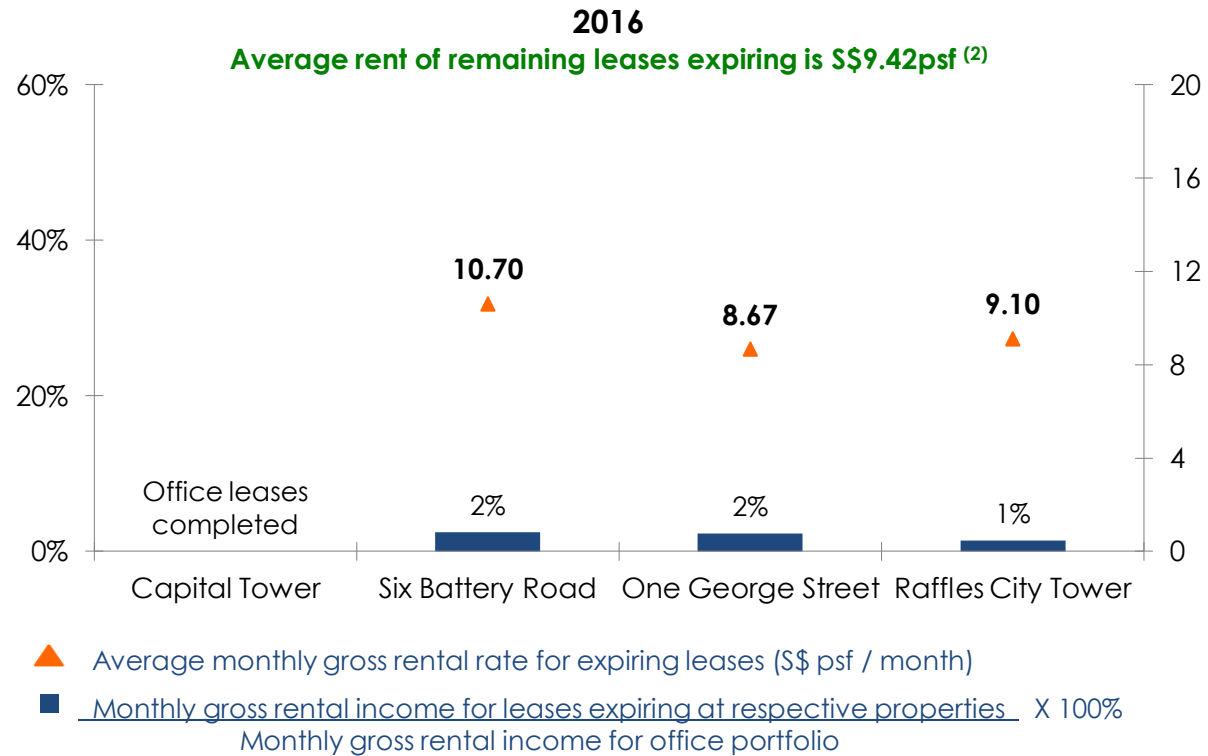
**Note:**

(1) Average gross rent per month for office portfolio (\$\$ psf) = 
$$\frac{\text{Total committed gross rent for office per month}}{\text{Committed area of office per month}}$$



# Limited remaining expiries in 2016

1Q 2016 Industry Statistics<sup>(1)</sup> –  
Grade A Office Average Market Rent: S\$9.90 psf per month

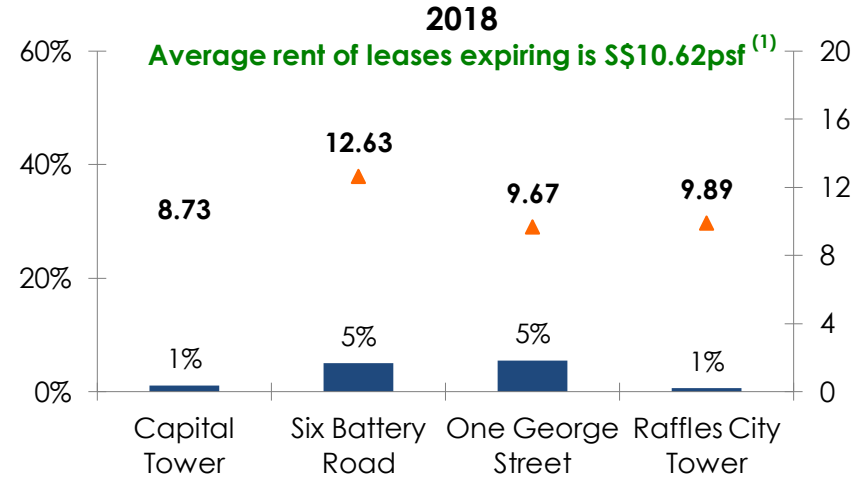
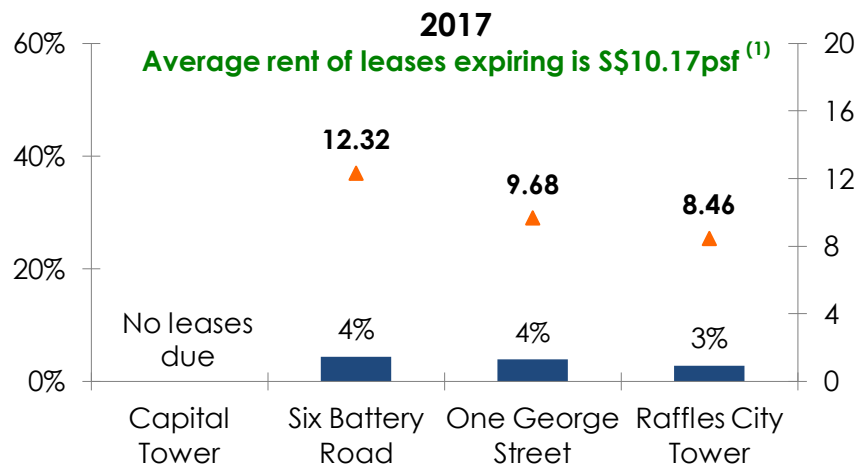


**Notes:**

- (1) Source: CBRE Pte. Ltd. as at 1Q 2016
- (2) Three Grade A buildings and Raffles City Tower only
- (3) Percentages may not add up due to rounding



# Low percentage of leases expiring in 2017 and 2018



- ▲ Average monthly gross rental rate for expiring leases (\$ psf/month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Note:**  
(1) Three Grade A buildings and Raffles City Tower only



## 4. Singapore office market



Wilkie Edge, Singapore

# Annual new supply to average 1.1m sq ft in 2016-2020; CBD Core occupancy at 95.1% as at end Mar 2016

## Singapore Private Office Space (Central Area) <sup>(1)</sup> – Net Demand & Supply



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2006 – 2015 (through 10-year property market cycles)	0.8m sq ft	0.9m sq ft
2011 – 2015 (five years period post GFC)	0.7m sq ft	1.0m sq ft
2016 – 2020 (forecast gross supply)	1.1m sq ft	N.A.

### Notes:

- (1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'
- (2) Supply is calculated as net change of stock over the quarter and may include office stock removed from market due to conversions or demolitions.
- (3) 2016 forecast new supply includes strata offices, namely, SBF Centre and EON Shenton and GSH Building
- (4) Source: Historical data from URA statistics as at 4Q 2015; Forecast supply from CBRE Pte. Ltd. as at 4Q 2015.



# Known Future Office Supply in Central Area (2016 – 2018 and beyond)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
3Q 2016	DUO <sup>(1)</sup>	Bugis	570,000
3Q 2016	Guoco Tower <sup>(2)</sup>	Tanjong Pagar	890,000
4Q 2016	Marina One	Marina Bay	1,876,000
4Q 2016	EON Shenton (Redevelopment of Marina House) (Strata Office)	Shenton Way	101,000
4Q 2016	SBF Centre (Strata Office)	Shenton Way	353,000
4Q 2016	GSH Building (Strata Office) (Remodeling of existing buildings)	Raffles Place	282,000
		<b>Subtotal (2016):</b>	<b>4,072,000</b>
2Q 2017	Crown @ Robinson	Robinson Road	70,000
2Q 2017	Oxley Tower (Strata Office)	Shenton Way	112,000
2017	V on Shenton (Former UIC Building at 5 Shenton Way)	Shenton Way	278,000
2017	Redevelopment of International Factors Building and Robinson Towers	Robinson Road	145,000
		<b>Subtotal (2017):</b>	<b>605,000</b>
2Q 2018	Fraser's Tower	Shenton Way	645,000
		<b>Subtotal (2018 and beyond):</b>	<b>645,000</b>
<b>TOTAL FORECAST SUPPLY (2016-2018 and beyond)</b>			<b>5,322,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>4,474,000</b>

**Notes:**

(1) DUO's pre-commitment is about 30%, according to a Credit Suisse report dated 15 Sep 2015.

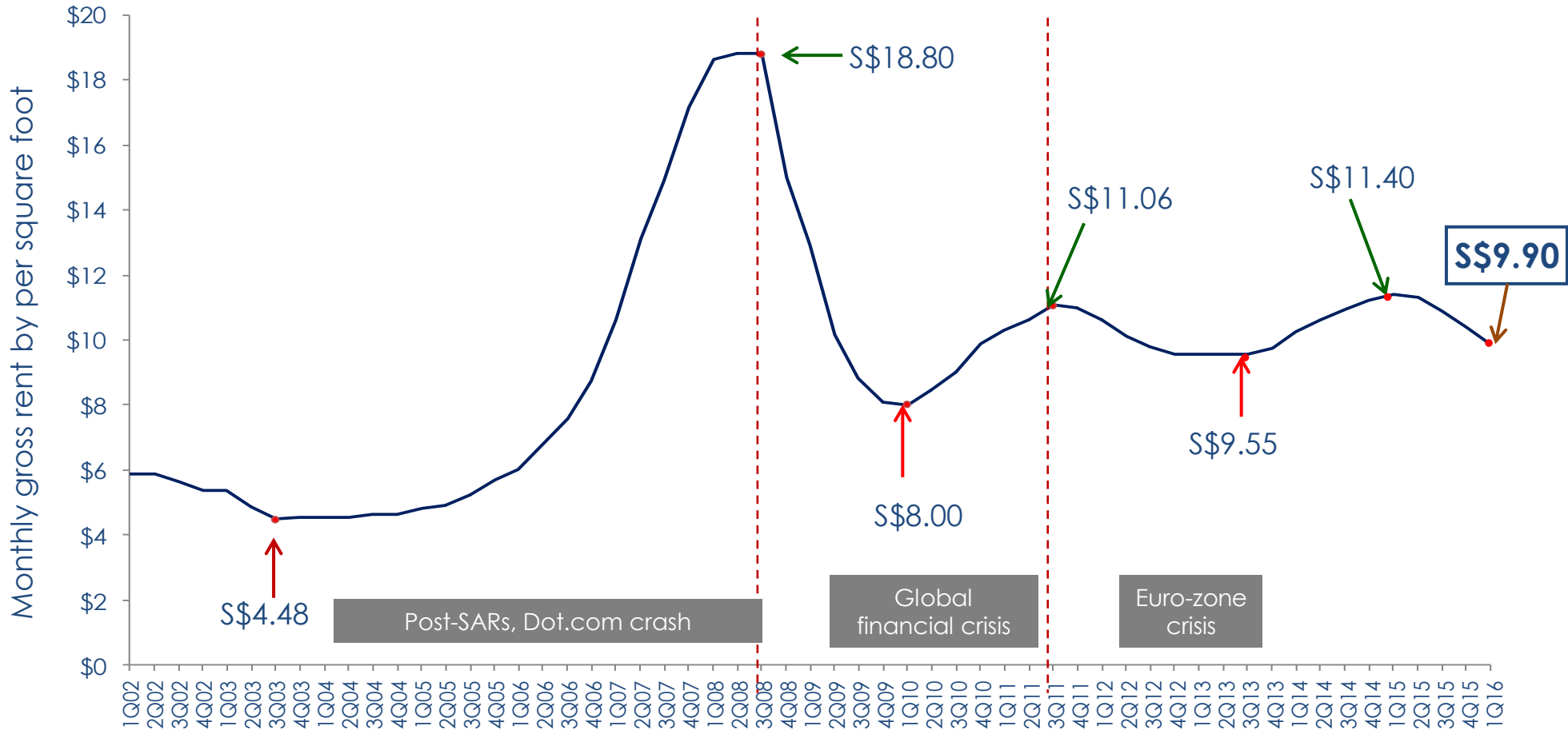
(2) Guoco Tower's pre-commitment is about 18%, according to a Business Times report dated 7 Apr 2016.

(3) Source: CBRE Pte. Ltd.



# Grade A office market rent eased by 4.8% QoQ

	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16
Mthly rent (S\$ / sq ft )	11.40	11.30	10.90	10.40	<b>9.90</b>
% change	+1.8%	-0.9%	-3.5%	- 4.6%	<b>- 4.8%</b>



Source of data: CBRE Pte. Ltd. (figures as at end of each quarter).

# 5. Summary

Raffles City

Raffles City Singapore



# Summary

## 2016 Drivers

- ✓ Office and retail leases signed and renewed in 2015 (full year contribution in 2016)
- ✓ 8% and 12% of office portfolio leases by occupied net lettable area due in 2016 and 2017 respectively

## External Growth

- ✓ Acquisition pipeline: Call option to buy 60.0% interest in CapitaGreen within 3 years (2015-2017) after completion

- ✓ Development capacity (10% of deposited property): Up to S\$770 million

## Retained tax-exempt income

- ✓ S\$15.3 million mainly from MRCB-Quill REIT

## Strong financial ratios

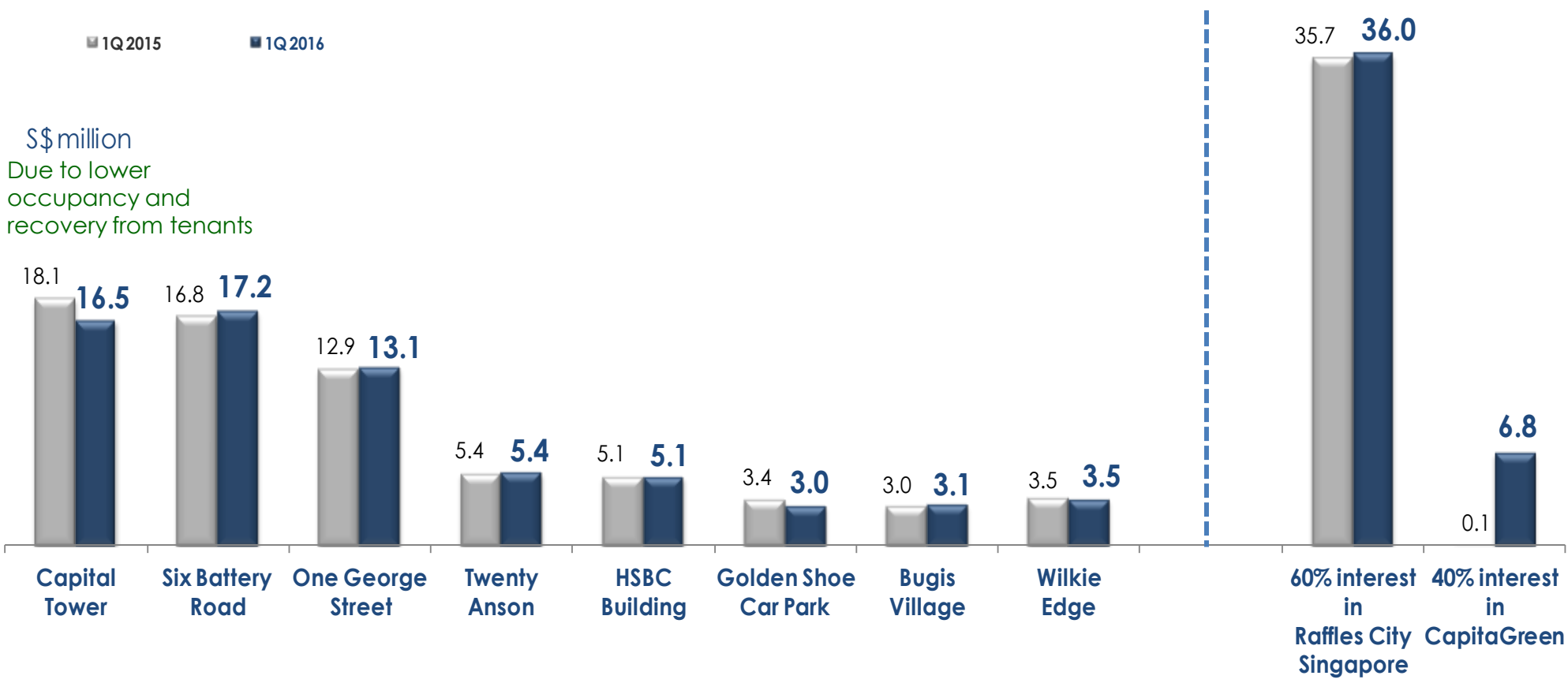
- ✓ Aggregate leverage of 30.1%
- ✓ 91% of gross borrowings on fixed interest rate

# 6. Supplementary Information

Raffles City Singapore

# 1Q 2016 Gross Revenue lower by 1.9% YoY<sup>(1)</sup>

Revenue for most properties higher except Capital Tower and Golden Shoe Car Park due to lower occupancies



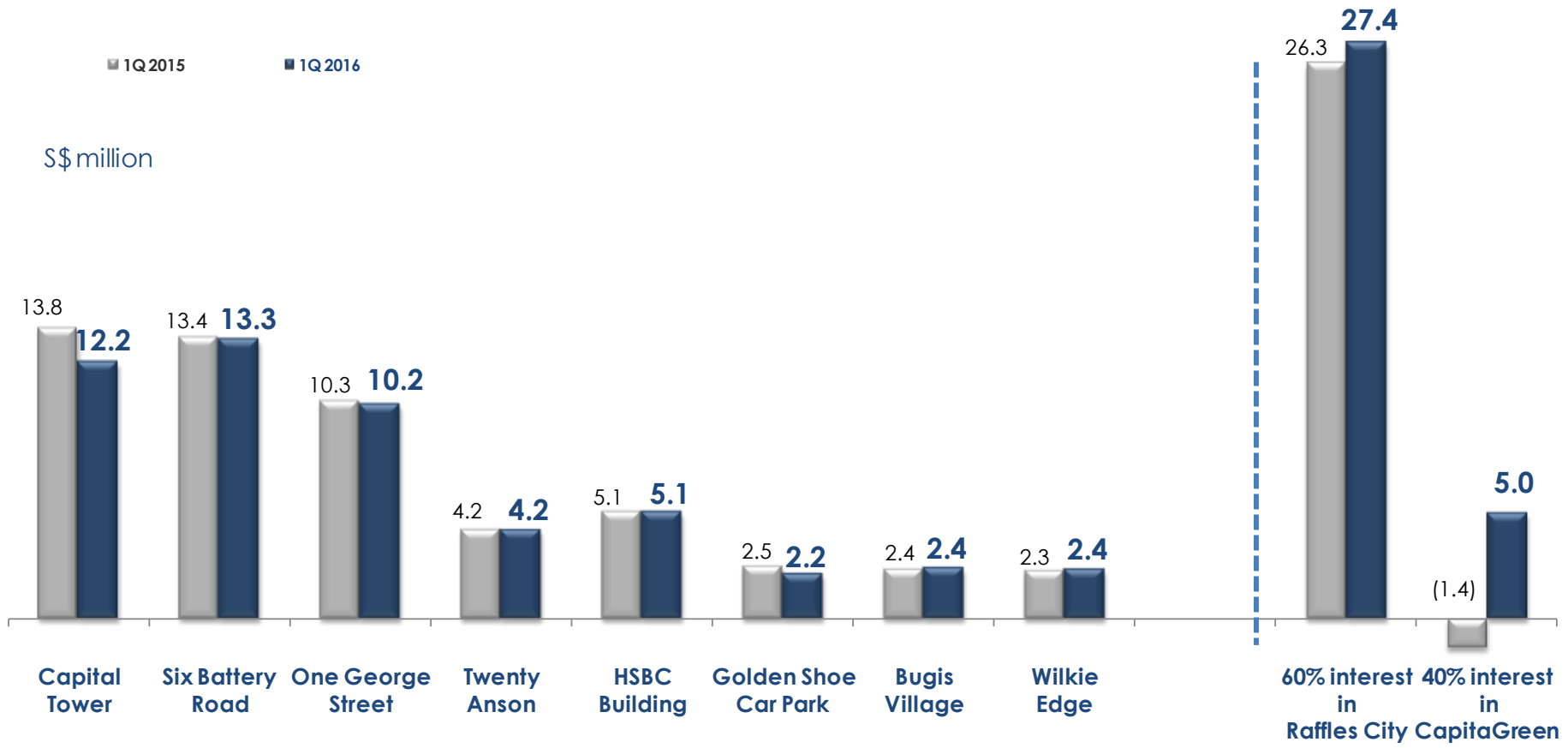
\$ million  
Due to lower occupancy and recovery from tenants

Note:  
(1) Excludes joint ventures



# 1Q 2016 Net Property Income lower by 3.6% YoY<sup>(1)</sup>

Stable net property income for most buildings except Capital Tower and Golden Shoe Car Park

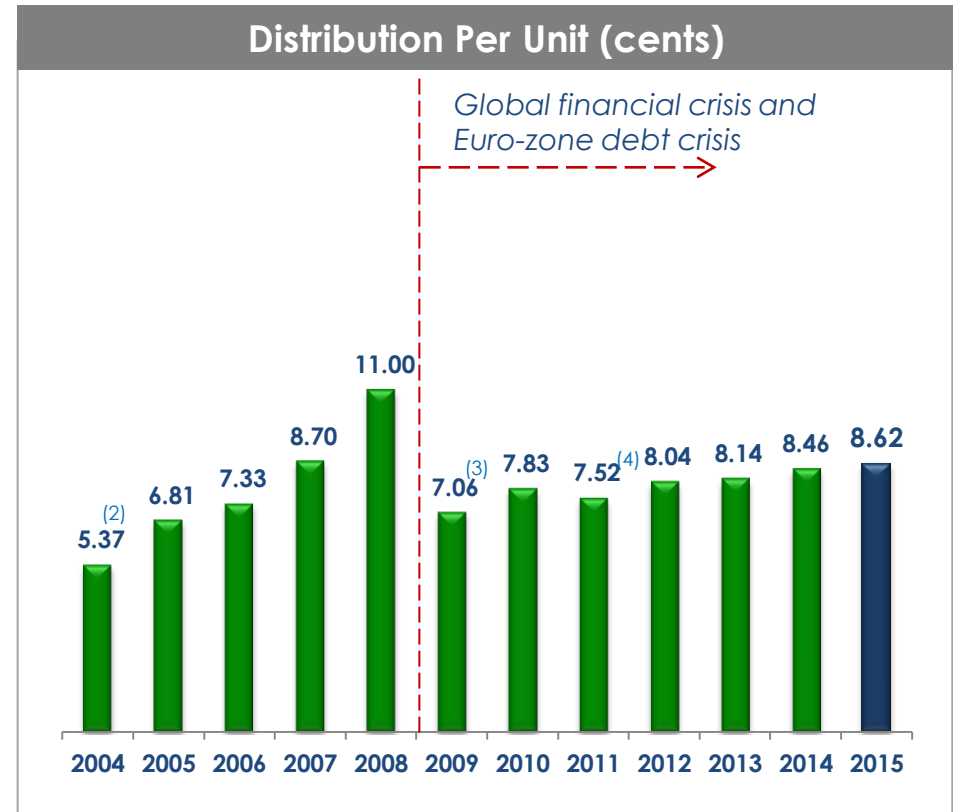
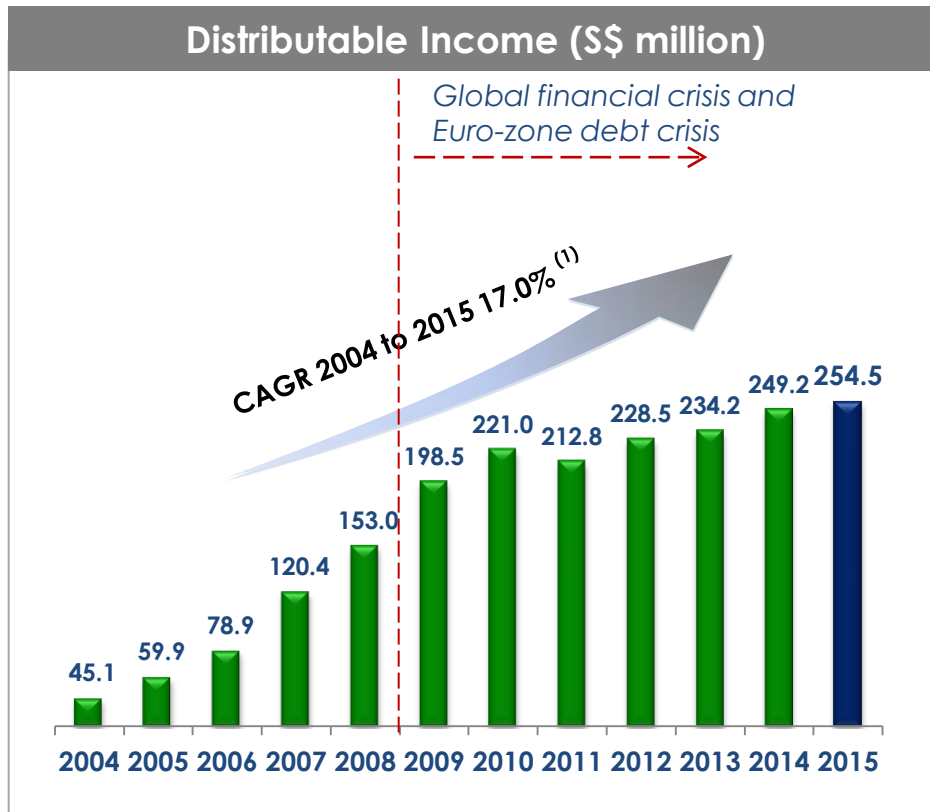


Note:  
 (1) Excludes joint ventures



# Established track record: CCT delivered higher returns YoY through property market cycles

Due to successful portfolio reconstitution strategy including recycling of capital, AEI, acquisition and development



**Notes:**

- (1) CAGR: Compounded Annual Growth Rate; After taking into consideration the issue of rights units in July 2009
- (2) Annualised
- (3) After taking into consideration the issue of rights units in July 2009
- (4) Decline in 2011 DPU compared to 2010 was due to divestment of two properties in 2010, Robinson Point and StarHub Centre



# Valuation of portfolio up 1.6% YoY mainly due to higher net property income

Investment Properties	31-Dec-14 \$m	30-Jun-15 \$m	31-Dec-15 \$m	31-Dec-15 \$ per sq foot	12-month Variance (Dec 2014 to Dec 2015) %	6-month Variance (Jun 2015 to Dec 2015) %
Capital Tower	1,309.0	1,310.0	<b>1,317.0</b>	1,774	0.6	0.5
Six Battery Road	1,330.0	1,345.0	<b>1,358.0</b>	2,748	2.1	1.0
One George Street	975.0	1,000.0	<b>1,010.0</b>	2,258	3.6	1.0
HSBC Building	450.0	452.0	<b>452.0</b>	2,255	0.4	0.0
Twenty Anson	431.0	431.0	<b>431.0</b>	2,094	0.0	0.0
Wilkie Edge	191.0	194.0	<b>199.0</b>	1,288	4.2	2.6
Golden Shoe Car Park	141.0	141.0	<b>141.0</b>	Nm <sup>(1)</sup>	0.0	0.0
Bugis Village <sup>(2)</sup>	55.4	55.2	<b>53.7</b>	443	-3.1	-2.7
<b>Sub- Total</b>	<b>4,882.4</b>	<b>4,928.2</b>	<b>4,961.7</b>		<b>1.6</b>	<b>0.7</b>
Raffles City (60%)	1,865.7	1,872.9	<b>1,881.6</b>	Nm <sup>(1)</sup>	0.9	0.5
CapitaGreen (40%)	610.4	626.4	<b>634.8</b>	2,253	4.0	1.3
<b>Total</b>	<b>7,358.5</b>	<b>7,427.5</b>	<b>7,478.1</b>		<b>1.6</b>	<b>0.7</b>

Notes:

- (1) Nm indicates "Not Meaningful"
- (2) The valuation of Bugis Village takes into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019 upon payment of S\$6,610,208.53 plus accrued interest.



# Valuation assumptions largely unchanged

- Office rent growth rates<sup>(1)</sup> assumed for discounted cashflow method averaged 3.8% per annum over 10 years, slight reduction from the 3.9% assumed in previous valuation.
- Terminal yields<sup>(2)</sup> are 0.25% higher than capitalisation rates for the portfolio except for Six Battery Road and HSBC Building where terminal yields are the same given their 999-year lease tenures.

	Capitalisation Rates					Discount Rates				
	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15 <sup>(3)</sup>	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15 <sup>(3)</sup>
Capital Tower	4.00	3.75	3.75	3.85	<b>3.85</b>	7.50	8.00	8.00	7.50	<b>7.25</b>
Six Battery Road	4.00	3.75	3.75	3.75	<b>3.75</b>	7.50	8.00	8.00	7.50	<b>7.25</b>
One George Street	4.00	3.75	3.75	3.85	<b>3.85</b>	7.50	8.00	8.00	7.50	<b>7.25</b>
HSBC Building	4.00	3.75	3.75	3.85	<b>3.85</b>	7.50	8.00	8.00	7.50	<b>7.25</b>
Twenty Anson	NA	3.75	3.75	3.85	<b>3.85</b>	NA	8.00	8.00	7.50	<b>7.25</b>
Wilkie Edge <sup>(4)</sup>	4.40	4.25	4.25	4.25	<b>4.25</b>	7.75	8.00	8.00	7.50	<b>7.25</b>
CapitaGreen	NA	NA	NA	4.00	<b>4.15</b>	NA	NA	NA	7.25	<b>7.25</b>
Raffles City SG										
Office	4.50	4.25	4.25	4.25	<b>4.25</b>	7.50	7.50	7.35	7.50	<b>7.25</b>
Retail	5.40	5.40	5.25	5.25	<b>5.25</b>	7.75	7.80	7.65	7.50	<b>7.50</b>
Hotel	5.75	5.75	5.55	5.25	<b>5.13</b>	7.75	8.00	7.75	7.75	<b>7.75</b>

## Notes:

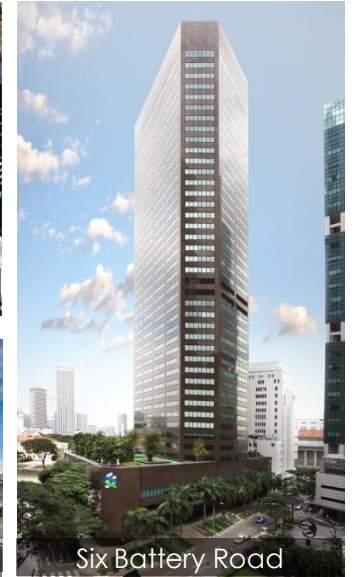
- Excludes Golden Shoe Car Park and Bugis Village, and calculated on a simple average basis
- Excludes Bugis Village due to the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019 upon payment of S\$6,610,208.53 plus accrued interest
- Capitalisation and discount rate assumed were the same as in the June 2015 valuation
- Refers to office capitalisation rate only



# CapitaLand Commercial Trust

First Commercial REIT in Singapore (since 11 May 2004)

<p><b>S\$4.1b<sup>#</sup></b> Market Capitalisation</p>	<p><b>10</b> Properties in Singapore's Central Area</p>	<p><b>S\$7.7b<sup>*</sup></b> Deposited Properties</p>	<p><b>About 4 million sq ft</b> NLA (100% basis)</p>	<p><b>32%</b> Owned by CapitaLand Group</p>
-------------------------------------------------------------	-------------------------------------------------------------	------------------------------------------------------------	------------------------------------------------------	-------------------------------------------------



<sup>#</sup> Market Capitalisation as at 20 May 2016  
<sup>\*</sup> Deposited Properties as at 31 Mar 2016

# Owns 10 centrally-located quality commercial properties



- 1. Capital Tower
- 2. Six Battery Road
- 3. One George Street
- 4. Raffles City Singapore (60.0% interest)
- 5. CapitaGreen (40.0% interest)
- 6. Twenty Anson
- 7. HSBC Building
- 8. Wilkie Edge
- 9. Bugis Village
- 10. Golden Shoe Car Park



# Portfolio committed occupancy rate<sup>(1)</sup> consistently above 90%

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	1Q 2016
Capital Tower	100.0	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	94.1	98.1
Six Battery Road	100.0	99.9	98.6	99.2	99.7	85.4 <sup>(2)</sup>	93.0 <sup>(2)</sup>	98.6 <sup>(2)</sup>	99.2	98.9	99.4
Bugis Village	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	94.8	100.0	100.0
Golden Shoe Car Park	98.0	96.4	100.0	100.0	95.2	100.0	100.0	94.6	100.0	97.3	97.7
HSBC Building	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Raffles City (60% interest)	99.5	99.3	99.9	99.3	99.1	98.9	100.0	100.0	100.0	99.2	98.6
Wilkie Edge			52.5	77.9	98.4	98.4	93.9	99.6	100.0	100.0	95.0
One George Street			100.0	96.3	100.0	93.3	92.5	95.5	100.0	98.2	99.4
Twenty Anson							100.0	98.1	97.8	97.9	97.9
CapitaGreen (40% interest) <sup>(3)</sup>									69.3	91.3	92.8
<b>Portfolio Occupancy</b>	<b>99.6</b>	<b>99.6</b>	<b>96.2</b>	<b>94.8</b>	<b>99.3</b>	<b>95.8</b>	<b>97.2</b>	<b>98.7</b>	<b>96.8</b>	<b>97.1</b>	<b>98.1</b>

**Notes:**

(1) For years 2004 to 2009, portfolio occupancy rate includes Starhub Centre and Robinson Point which were divested in 2010

(2) Six Battery Road's AEI was completed in Dec 2013

(3) CapitaGreen is a Grade A office tower on the former site of Market Street Car Park. It obtained TOP on 18 Dec 2014



# Value creation through AEs

Property	Six Battery Road	Raffles City Tower (100.0% interest)	Capital Tower
Occupancy rate (as at 31 Dec 2015)	98.9%	99.2% (RCS)	94.1%
Total AEI final / budget	Final: S\$85.8m Budget: S\$92.0m	Final: S\$32.3m Budget: S\$34.7m	Final: S\$35.0m Budget: S\$40.0m
Target return on investment	8.1%	8.6%	7.8%
Achieved return on investment	8.6%	9.3%	8.2%
Areas of work	Upgrading of main lobby and upper floors' lift lobbies, restrooms and technical specifications, chiller replacement, increasing ceiling height of lettable area and installation of variable air volume boxes	Upgrading of main lobby, driveway, canopy, upper floors' lift lobbies, restrooms, creation of pantries and turnstiles installation	Upgrading of main and mezzanine lobbies, restrooms and technical specifications, chiller replacement and turnstiles installation
AEI Period	<b>COMPLETED</b> 4Q 2010 to 4Q 2013	<b>COMPLETED</b> 4Q 2012 to 2Q 2014	<b>COMPLETED</b> 4Q 2013 to 4Q 2015



# Successful portfolio reconstitution strategy has re-positioned CCT for further growth



**2005:**  
Acquired  
HSBC  
Building



**2006:**  
Acquired  
60.0%  
interest in  
RCS Trust  
which owns  
Raffles City  
Singapore



**2008:**  
Acquired  
Wilkie Edge  
and One  
George  
Street



**2007 - 2010:**  
Raffles City  
Singapore AEs



**2010:**  
Sale of  
Robinson Point  
and StarHub  
Centre



**2010 - 2013:**  
Six Battery  
Road AEI



**2011:**  
Entered into  
joint venture for  
redevelopment  
of Market Street  
Car Park into a  
Grade A office  
Building called  
CapitaGreen

**CCT owns  
40.0% interest in  
CapitaGreen**



**2012:**  
Acquired  
Twenty  
Anson

**2012 - 2014:**  
Raffles City  
Tower AEI



**2013 - 2015:**  
Capital  
Tower AEI



**18 Dec 2014:**  
Completion of  
CapitaGreen



# Property details (1)



	Capital Tower	Six Battery Road	One George Street	Raffles City Singapore (100%)	Twenty Anson
<b>Address</b>	168 Robinson Road	6 Battery Road	1 George Street	250/252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road	20 Anson Road
<b>NLA (sq ft)</b>	742,000	494,000	447,000	804,000 (Office: 381,000, Retail: 423,000)	206,000
<b>Leasehold expiring</b>	31-Dec-2094	19-Apr-2825	21-Jan-2102	15-Jul-2078	22-Nov-2106
<b>Committed occupancy</b>	98.1%	99.4%	99.4%	98.6%	97.9%
<b>Valuation (31 Dec 2015)</b>	S\$1,317.0m	S\$1,358.0m	S\$1,010.0m	S\$3,136.0m (100.0%) S\$1,881.6m (60.0%)	S\$431.0 m
<b>Car park lots</b>	415	190	178	1,045	55



# Property details (2)



	HSBC Building	Wilkie Edge	Bugis Village <sup>(1)</sup>	Golden Shoe Car Park	CapitaGreen <sup>(2)</sup> (100%)
<b>Address</b>	21 Collyer Quay	8 Wilkie Road	62 to 67 Queen Street, 151 to 166 Rochor Road, 229 to 253 (odd nos only) Victoria Street	50 Market Street	138 Market Street
<b>NLA (sq ft)</b>	200,000	155,000	121,000	47,000	704,000
<b>Leasehold expiring</b>	18-Dec-2849	20-Feb-2105	30-Mar-2088	31-Jan-2081	31-Mar-2073
<b>Committed occupancy</b>	100.0%	95.0%	100.0%	97.7%	92.8%
<b>Valuation (31 Dec 2015)</b>	S\$452.0m	S\$199.0m	S\$53.7m	S\$141.0m	S\$1,587.0m (100.0%) S\$634.8m(40.0%)
<b>Car park lots</b>	55	215	NA	1,053	180

**Notes:**

- (1) The leasehold title and the valuation take into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the State Lease on 1 Apr 2019 upon payment of S\$6,610,208.53 plus accrued interest.
- (2) Figures shown are 100% interest. CCT owns 40.0% of CapitaGreen development with a call option to acquire balance 60.0% within 3 years upon receipt of temporary occupation permit. CapitaGreen obtained TOP on 18 Dec 2014.



**CapitaLand**  
Commercial Trust

# Thank you

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