



# CapitaLand Commercial Trust Singapore's First and Largest Commercial REIT

Presentation for investor meetings

Maybank-Kim Eng Invest ASEAN 2017 Singapore

22 March 2017



# Important Notice

**This presentation shall be read in conjunction with CCT's FY 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.

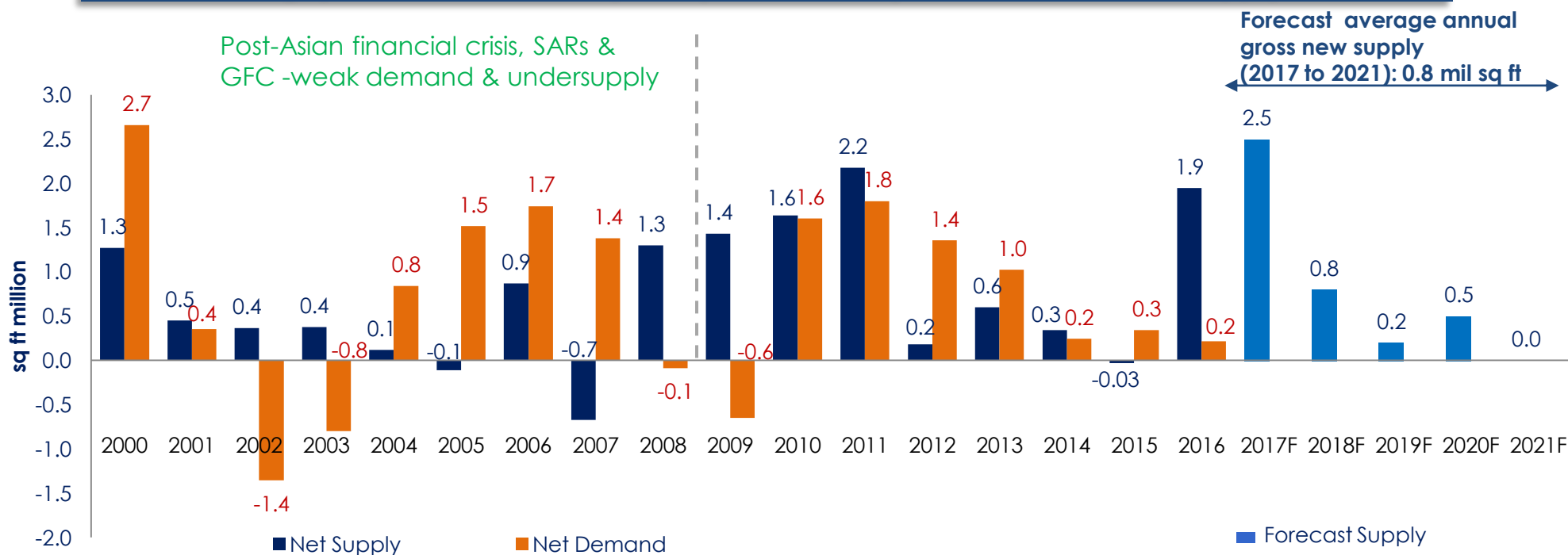
A low-angle photograph of the Capital Tower in Singapore, a tall skyscraper with a blue glass facade and a distinctive top section. The building is set against a bright blue sky with scattered white clouds. The text '1. Singapore Office Market' is overlaid on the right side of the image.

# 1. Singapore Office Market

Capital Tower, Singapore

# Annual new supply to average ~1 mil sq ft over 4 years; CBD Core occupancy at 95.8% as at end Dec 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
2007 – 2016 (through 10-year property market cycles)	0.9 mil sq ft	0.7 mil sq ft
2012 – 2016 (five years period post GFC)	0.6 mil sq ft	0.6 mil sq ft
2017 – 2021 (forecast gross new supply)	0.8 mil 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) Source: Historical data from URA statistics as at 4Q 2016; Forecast supply from CBRE Pte. Ltd. as at 4Q 2016.



# Known Future Office Supply in Central Area (2017 – 2020 and beyond)

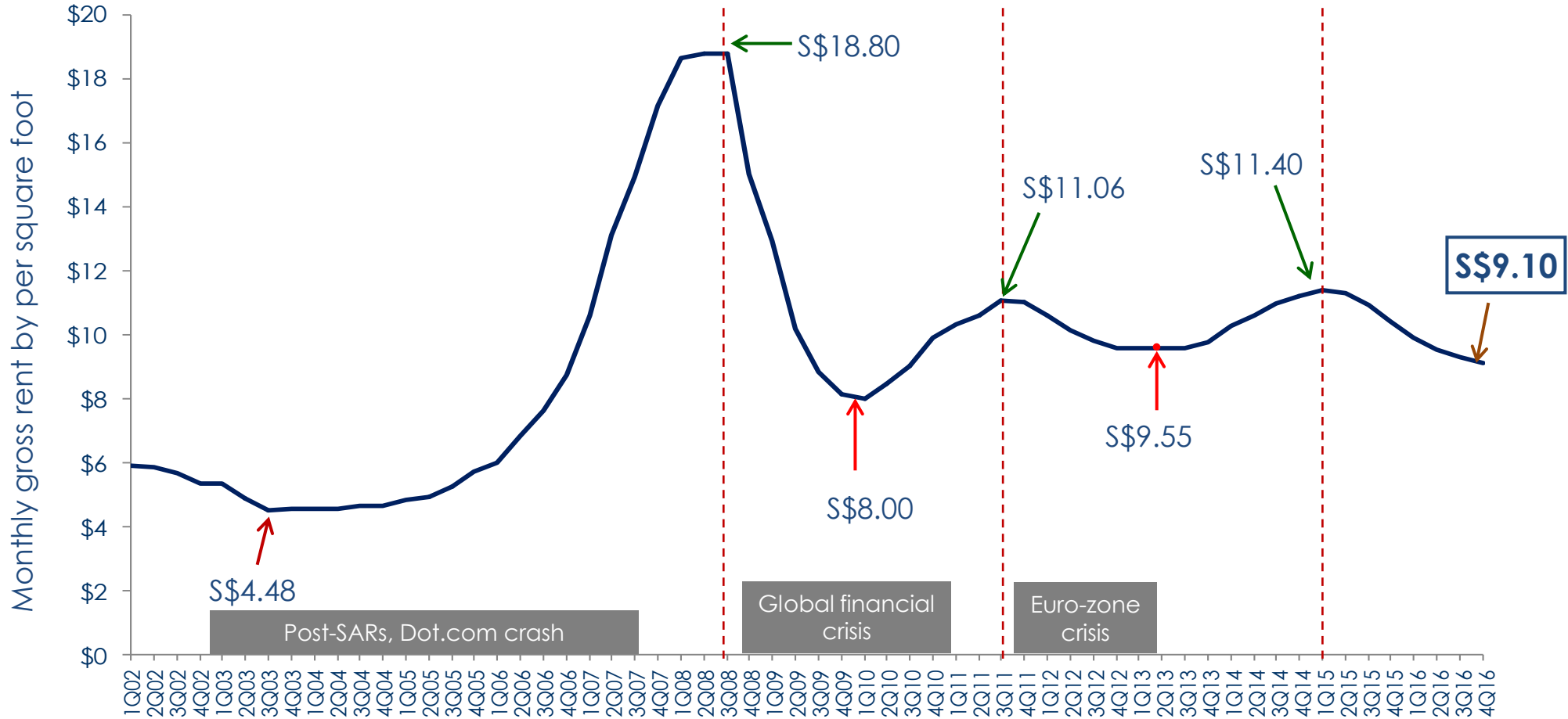
Expected completion	Proposed Office Projects	Location	NLA (sq ft)
1Q 2017	Marina One (about 60% <sup>(1)</sup> pre-committed)	Marina Bay	1,876,000
1Q 2017	UIC Building	Shenton Way	278,000
2017	GSH Plaza (Strata Office)	Raffles Place	282,000
2017	EON Shenton (Strata Office)	Shenton Way	101,000
		<b>Subtotal (2017):</b>	<b>2,536,000</b>
1Q 2018	Redevelopment of International Factors Building and Robinson Towers	Robinson Road	194,000
2Q 2018	Fraser's Tower <sup>(2)</sup> (20,000 sq ft pre-committed by The Executive Office)	Shenton Way	663,000
		<b>Subtotal (2018):</b>	<b>857,000</b>
2019	Redevelopment of Funan DigitalLife Mall	Beach Road/City Hall	204,000
		<b>Subtotal (2019):</b>	<b>204,000</b>
2020	Redevelopment of CPF Building <sup>(3)</sup>	Robinson Road	500,000
		<b>Subtotal (2020 and beyond):</b>	<b>500,000</b>
<b>TOTAL FORECAST SUPPLY (2017-2020 and beyond)</b>			<b>4,097,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>3,714,000</b>

**Notes:**

- (1) Pre-commitment at Marina One is more than one million sq ft according to The Straits Times report dated 7 Feb 2017. Leases have been signed by Swiss private bank Julius Baer, consultancy PwC Singapore, co-working space provider JustCo, agri-business Olam International, social media giant Facebook and Mitsubishi UFJ Financial Group (MUFG).
- (2) According to marketing agents CBRE and JLL, companies have committed to rent or have submitted leasing proposals for about 30 percent of Fraser's Tower's NLA. Reported in The Straits Times dated 8 Feb 2017.
- (3) Ascendas-Singbridge's redevelopment of CPF Building to feature over 500,000 sq ft of Grade A office space, according to Business Times & Today reports dated 5 Oct 2016.
- (4) Sources: CBRE Pte. Ltd. and respective media reports

# Grade A office market rent declined 12.5% YoY; and 20.2% since 1Q 2015

	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16
Mthly rent (S\$ / sq ft )	11.20	11.40	11.30	10.90	10.40	9.90	9.50	9.30	<b>9.10</b>
% change	+2.3%	+1.8%	-0.9%	-3.5%	- 4.6%	- 4.8%	- 4.0%	- 2.1%	<b>- 2.2%</b>



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

## 2. Portfolio Performance

Capita Commercial  
Capita Mall  
Raffles City





# Resilient portfolio committed occupancy

CCT portfolio  
committed  
occupancy  
as at 31 Dec 2016

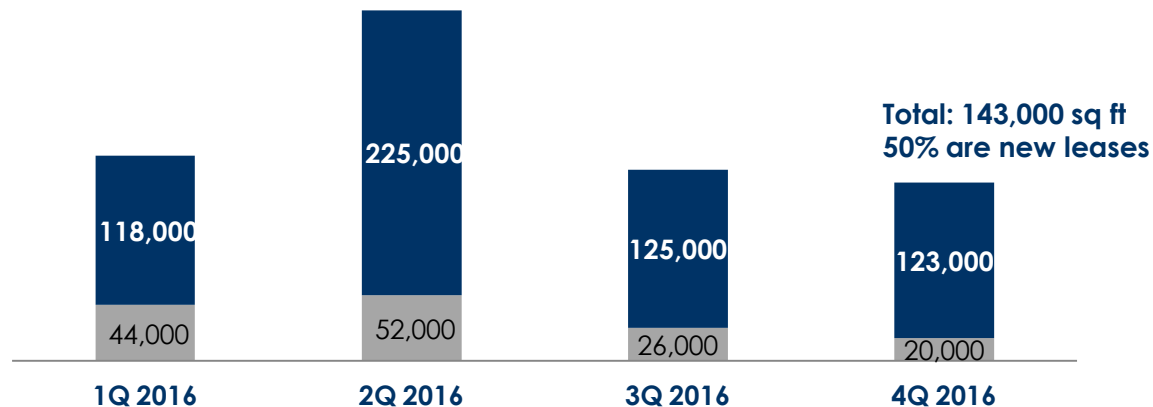
97.1%

Core CBD  
market  
occupancy<sup>(1)</sup>

95.8%

## New leases and renewals<sup>(2)</sup> (sq ft)

■ Retail leases ■ Office leases



	FY 2015	FY 2016
Total new and renewal leases	850,000 sq ft <sup>(3)</sup>	733,000 sq ft <sup>(3)</sup>
% of new leases	38%	43%
Portfolio occupancy as at 31 Dec	97.1%	97.1%
Tenant retention ratio <sup>(4)</sup>	83%	62%

### Notes:

(1) Source: CBRE MarketView 4Q 2016

(2) Includes forward renewal of leases due in 2017

(3) Based on net lettable area of new leases and renewals committed and using 100.0% basis for all leases

(4) Tenant retention rate =  $\frac{\text{Net lettable area renewed in the subject year}}{\text{Total net lettable area due for renewal in the subject year}}$



# Active portfolio leasing activities for CCT

	New and renewed leases signed in 2016				
Quarter	1Q	2Q	3Q	4Q	FY 2016
Area (sf)	162,000	277,000	151,000	143,000	733,000

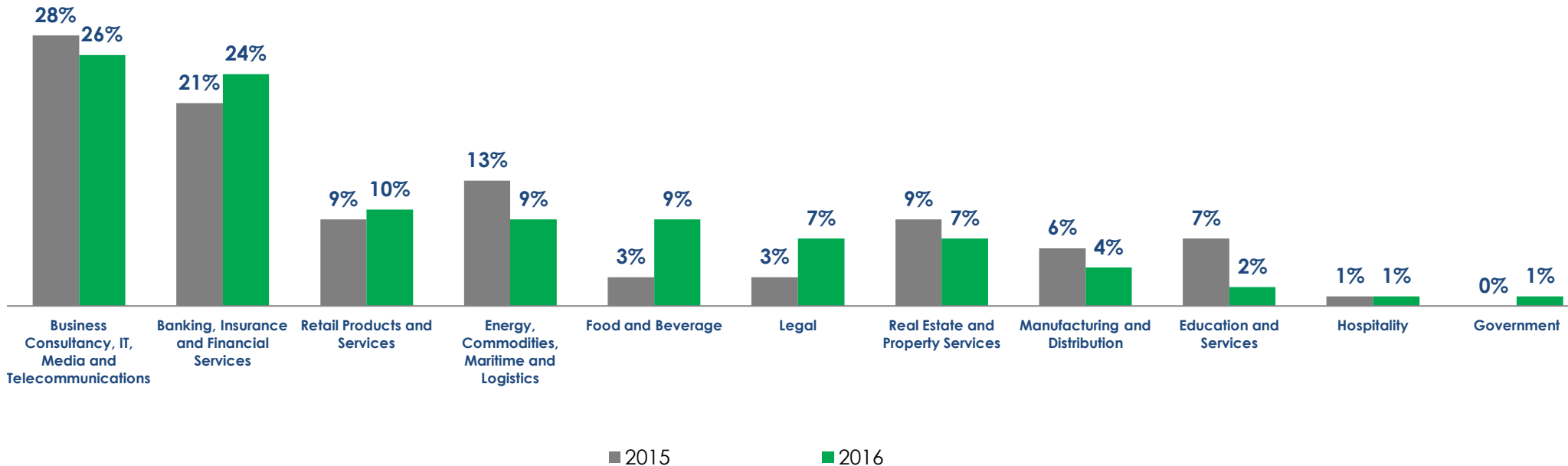
4Q 2016 new and renewed leases include:

Tenant	Trade Sector	Building
Ifchor Panamax Singapore Pte. Ltd.	Energy, Commodities, Maritime and Logistics	One George Street
The Northern Trust Company	Banking, Insurance and Financial Services	One George Street
Capgemini Singapore Pte. Ltd.	Business Consultancy, IT, Media and Telecommunications	Six Battery Road
CRH Asia Pacific Pte. Ltd.	Manufacturing and Distribution	Six Battery Road
Egon Zehnder International Pte Ltd	Business Consultancy, IT, Media and Telecommunications	Six Battery Road
Kawasaki Heavy Industries (Singapore) Pte. Ltd.	Manufacturing and Distribution	Six Battery Road
Waterstone Wealth Advisors Pte. Ltd.	Banking, Insurance and Financial Services	Six Battery Road



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

## Trade mix of new leases signed in 2016 compared to 2015<sup>(1)</sup>



Note:

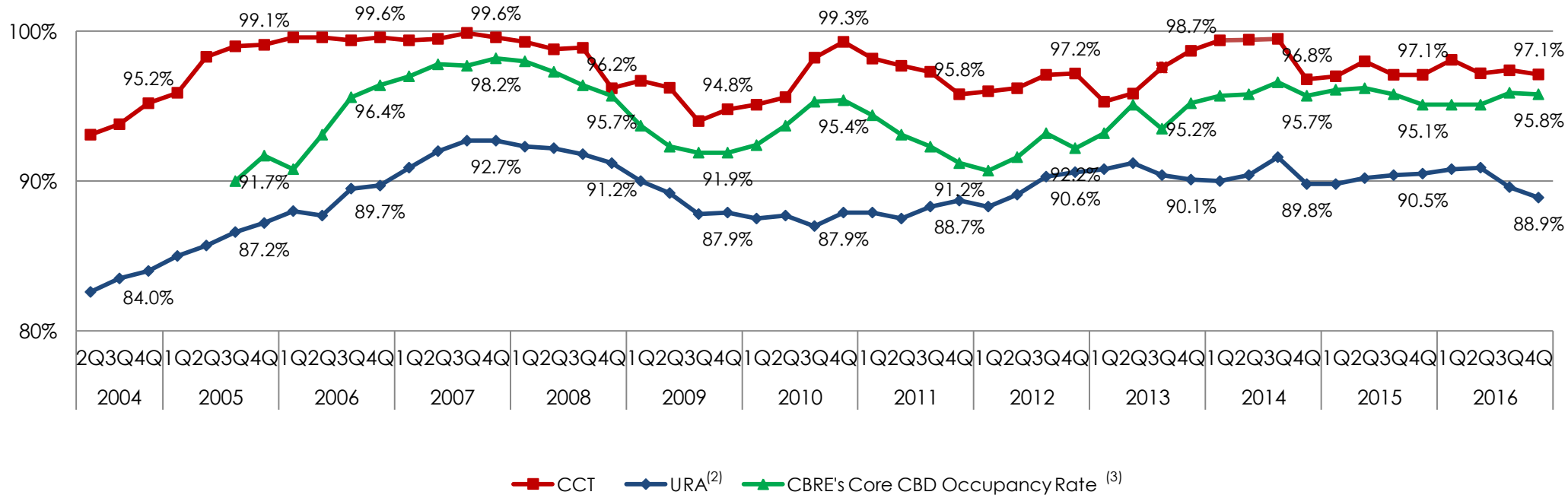
(1) Based on net lettable area of new leases committed and using 100% basis for Raffles City Singapore and CapitaGreen



# CCT's portfolio occupancy of 97.1% is above market occupancy of 95.8%

	CCT Committed Occupancy		Market Occupancy Level <sup>(1)</sup>	
	4Q 2016	3Q 2016	4Q 2016	3Q 2016
Grade A office	97.5%	96.9%	95.8%	95.9%
Portfolio	97.1%	97.4%	95.8%	95.9%

CCT's Committed Occupancy Since Inception

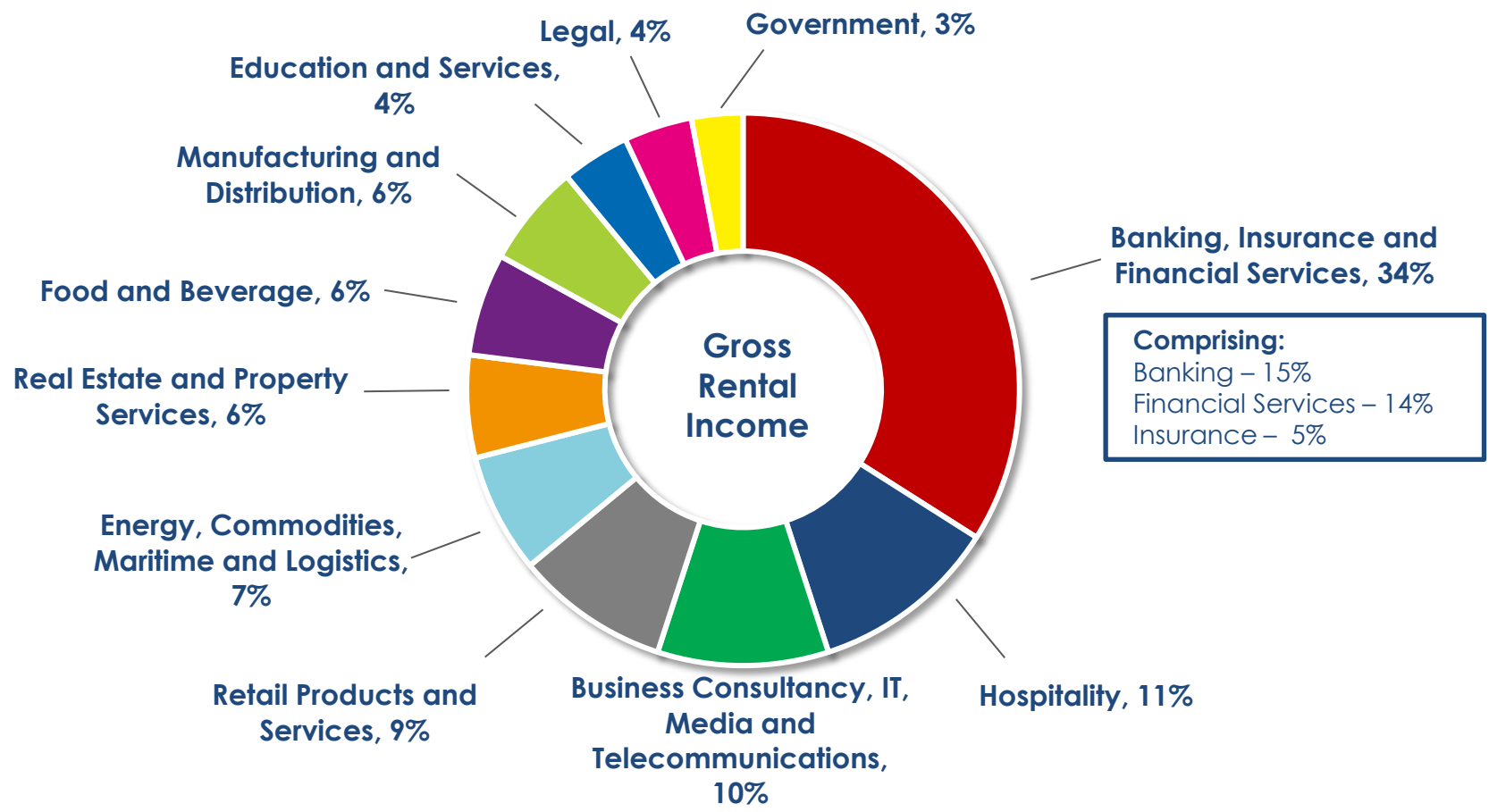


- Notes:**
- (1) Source: CBRE Pte. Ltd.
  - (2) Source: URA.
  - (3) Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q 2005 onwards
  - (4) CCT's interest in CapitaGreen was 40% from 1 Jan 2016 to 31 Aug 2016 and 100% with effect from 1 Sep 2016



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

## Tenant mix in CCT portfolio

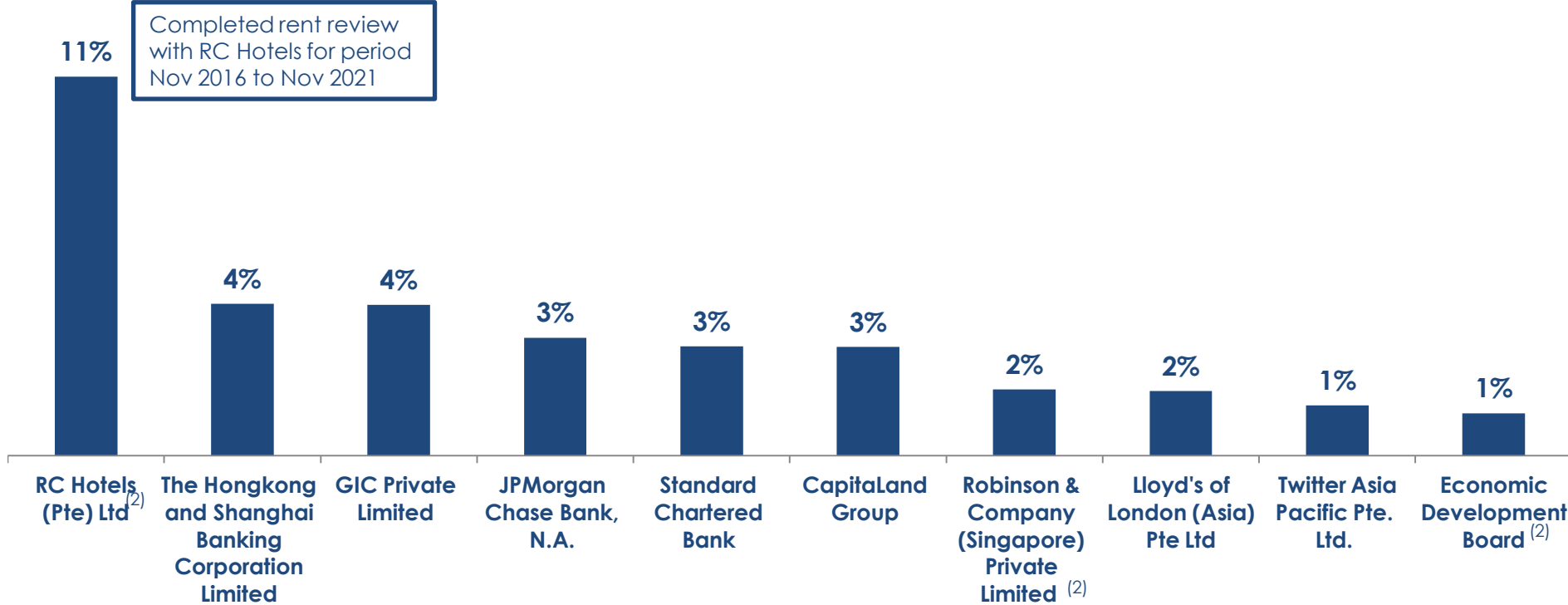


Note:

(1) Based on committed monthly gross rental income of tenants as at 31 Dec 2016, including CCT's 100% interest in CapitaGreen and 60.0% interest in Raffles City Singapore; and excluding retail turnover rent.



# Top 10 tenants contribute 36% of monthly gross rental income<sup>(1)</sup>



**Notes:**

- (1) Based on monthly gross rental income of top ten tenants as at 31 Dec 2016, excluding retail turnover rent. Total percentage may not add up due to rounding
- (2) Based on CCT's 60.0% interest in Raffles City Singapore



# Committed above market office rents in 4Q 2016; pressure on achieving positive reversions

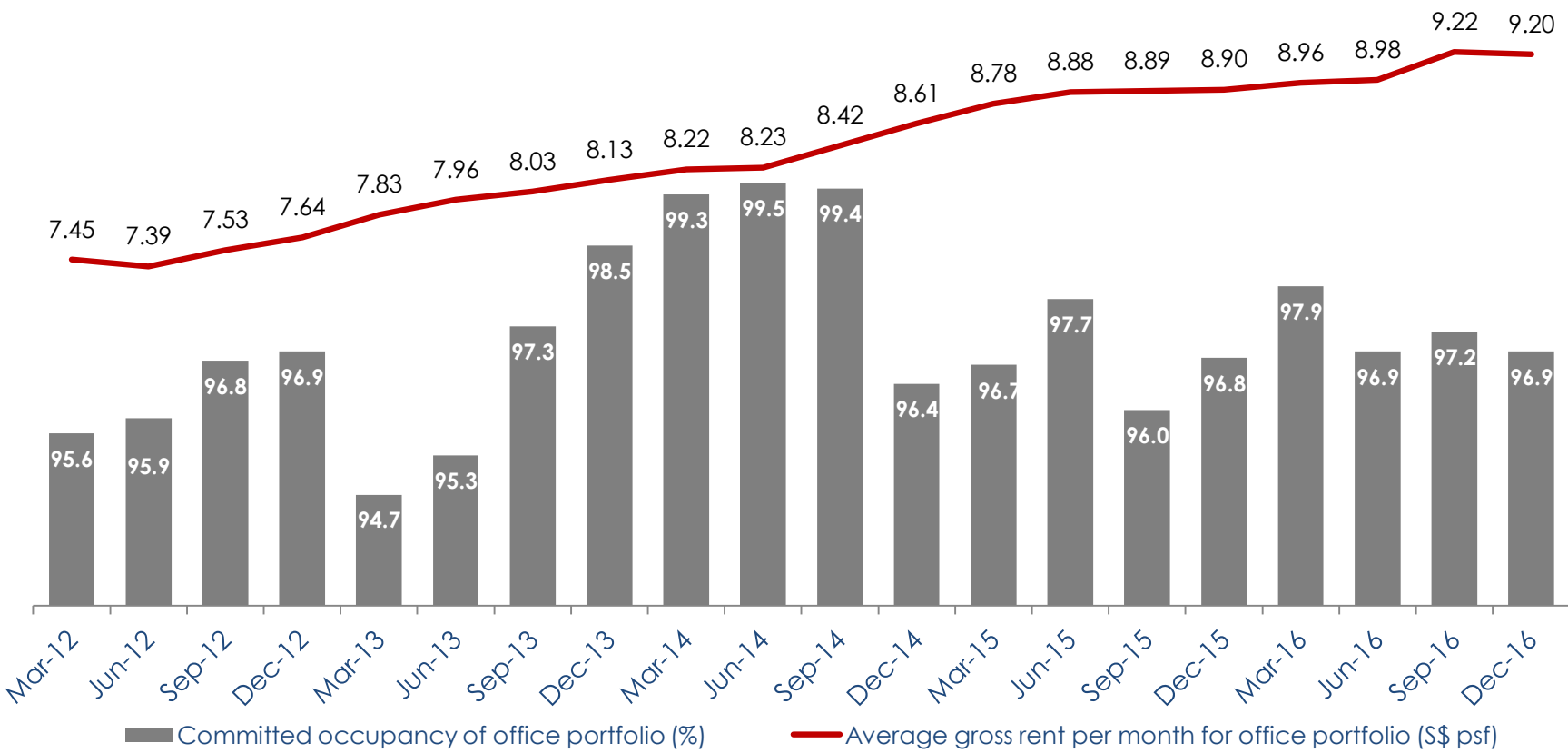
Building	Average Expired Rents (\$\$)	Committed Rents <sup>(1)</sup> (\$\$)	Sub-Market	Market Rents of Comparative Sub-Market (\$\$)	
				Cushman & Wakefield <sup>(2)</sup>	Knight Frank <sup>(3)</sup>
CapitaGreen	-	10.50 – 10.80	Premium Grade Raffles Place	-	9.20 – 9.70
Six Battery Road	11.92	10.21 – 13.00	Grade A Raffles Place	8.72	8.10 – 8.60
One George Street	8.91	8.15 – 10.00	Grade A Raffles Place	8.72	8.10 – 8.60

**Notes:**

- (1) Renewal/new leases committed in 4Q 2016
- (2) Source: Cushman & Wakefield 4Q 2016
- (3) Source: Knight Frank 4Q 2016; based on leases of a whole floor office space on the mid-floor levels of office properties, and taking into account rent free period and other concessions
- (4) For reference only: CBRE Pte. Ltd.'s 4Q 2016 Grade A rent is S\$9.10 psf per month and they do not publish sub-market rents



# Monthly average office rent of CCT's portfolio<sup>(1)</sup> up by 3.4% YoY; down 0.2% QoQ



**Notes:**

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

(2) CCT's interest in CapitaGreen was 40% from 1 Jan 2016 to 31 Aug 2016 and 100% with effect from 1 Sep 2016

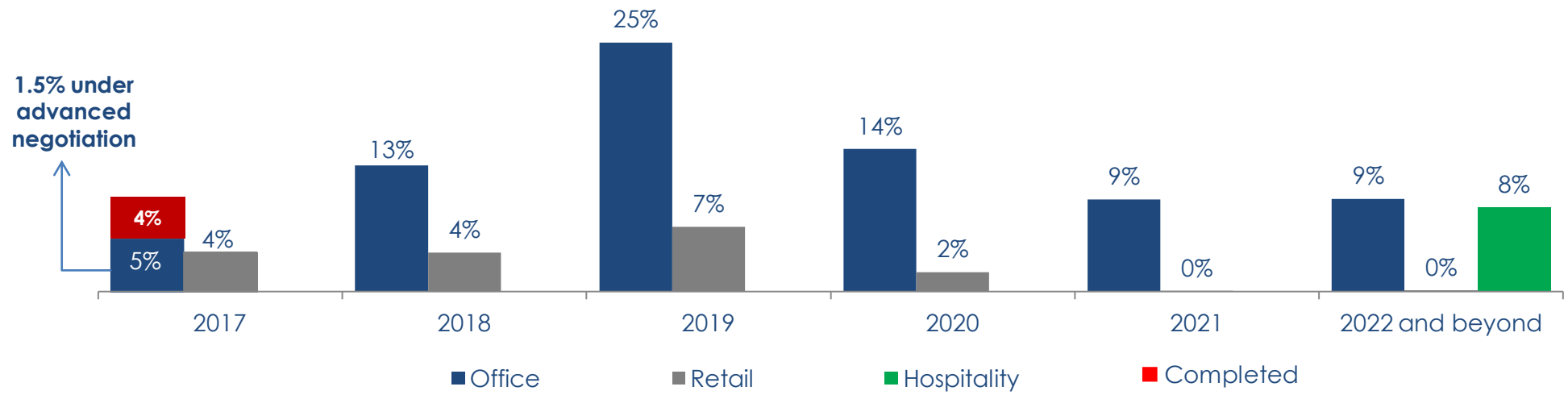






# Well spread portfolio lease expiry profile

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 Dec 2016 = 6.6 years

**Notes:**

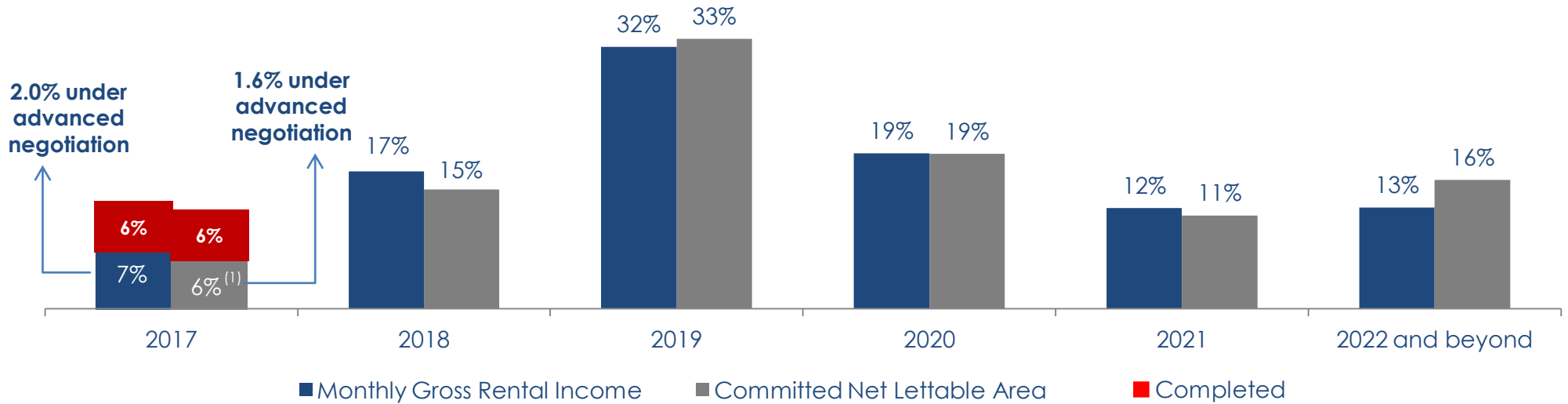
- (1) As at 31 Dec 2016 and excludes retail and hotel turnover rent
- (2) WALE: Weighted Average Lease term to Expiry





# Half of 2017 expiring leases renewed

Mitigating office leasing risk by tenant retention and forward renewals



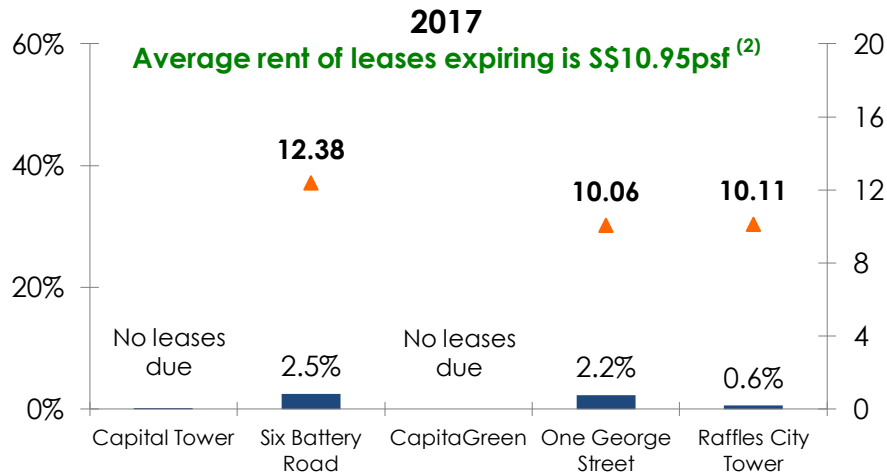
Note:

(1) Represents approximately 200,000 sq ft



# Limited number of leases remain to be renewed in 2017

4Q 2016 Industry Statistics<sup>(1)</sup> –  
Grade A Office Average Market Rent: S\$9.10 psf per month



Period	1H 2017		2H 2017	
	% of Expiring Leases	Rental Rates of Expiring Leases	% of Expiring Leases	Rental Rates of Expiring Leases
Six Battery Road	0.1%	S\$13.19	2.4%	S\$12.33
One George Street	0.4%	S\$11.01	1.8%	S\$9.88
Raffles City Tower	-	-	0.6%	S\$10.11
<b>Total / Weighted Average<sup>(3)</sup></b>	<b>0.5%</b>	<b>S\$11.54</b>	<b>4.8%</b>	<b>S\$10.99</b>

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

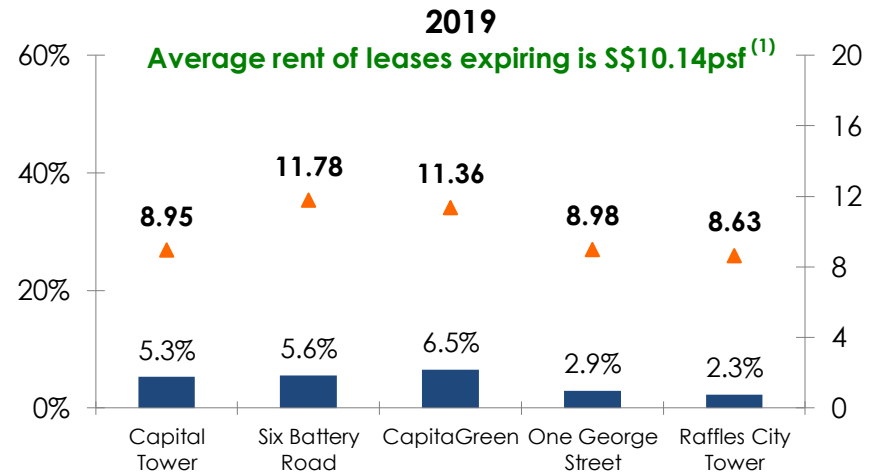
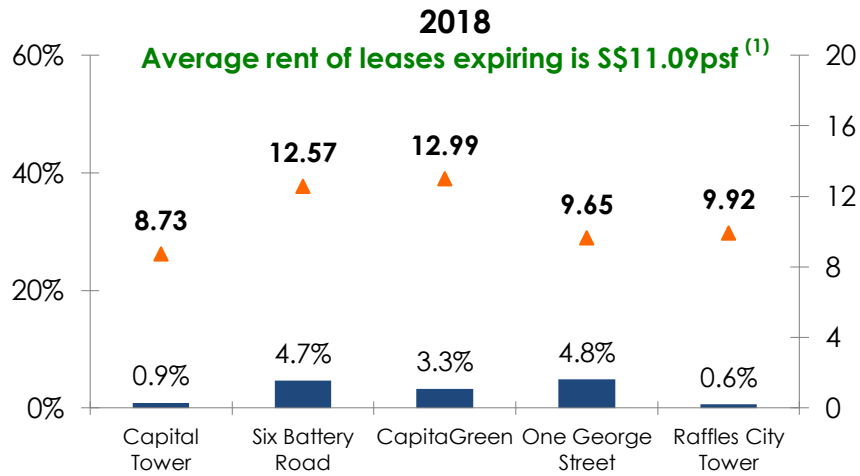
**Notes:**

- (1) Source: CBRE Pte. Ltd. as at 4Q 2016
- (2) Four Grade A buildings and Raffles City Tower only
- (3) Total percentage may not add up due to rounding





# No significant new supply in Central Area expected in 2019 and 2020



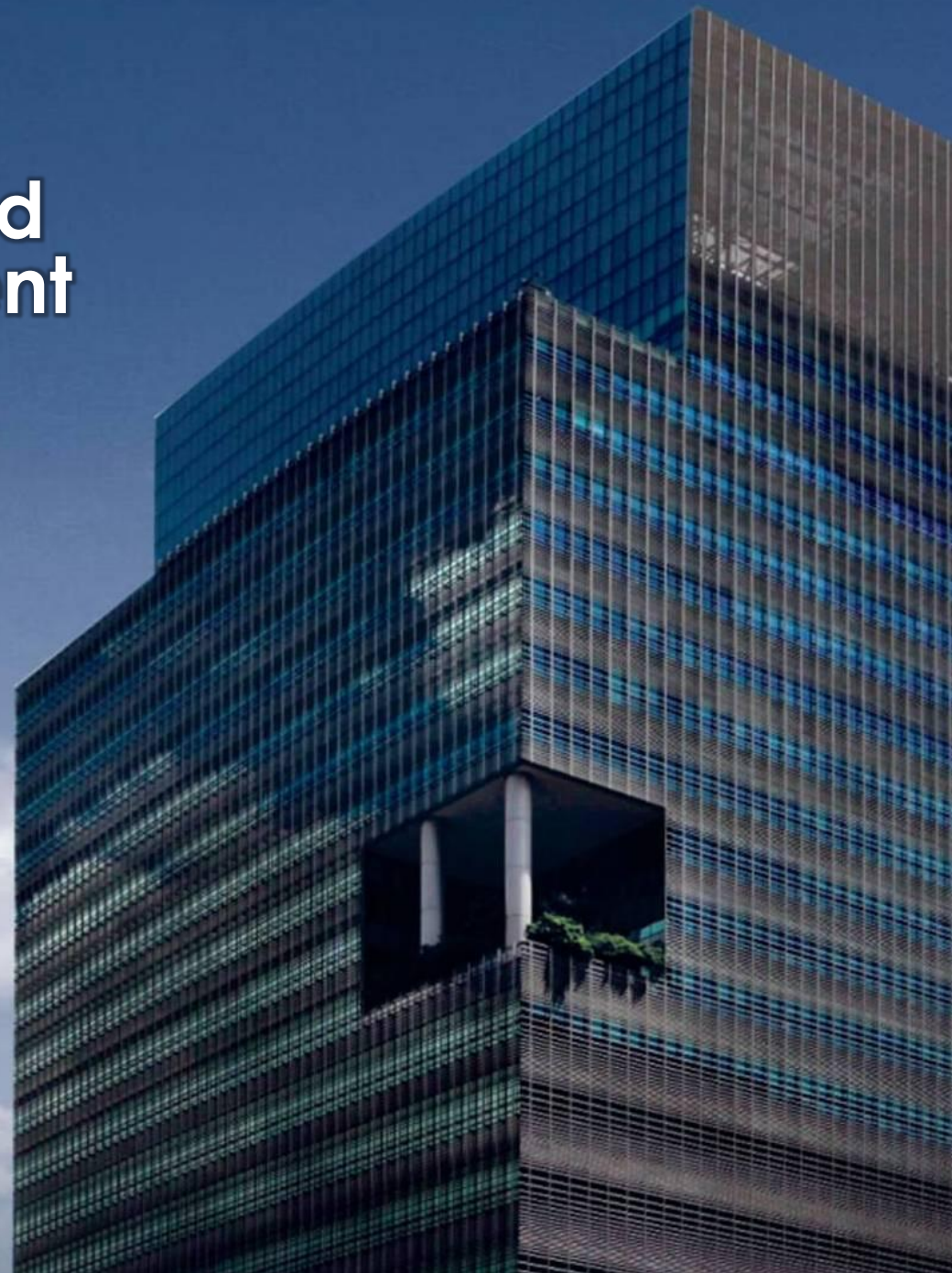
- ▲ Average monthly gross rental rate for expiring leases (\$ psf/month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Notes:**

- (1) Four Grade A buildings and Raffles City Tower only
- (2) Total percentage may not add up due to rounding

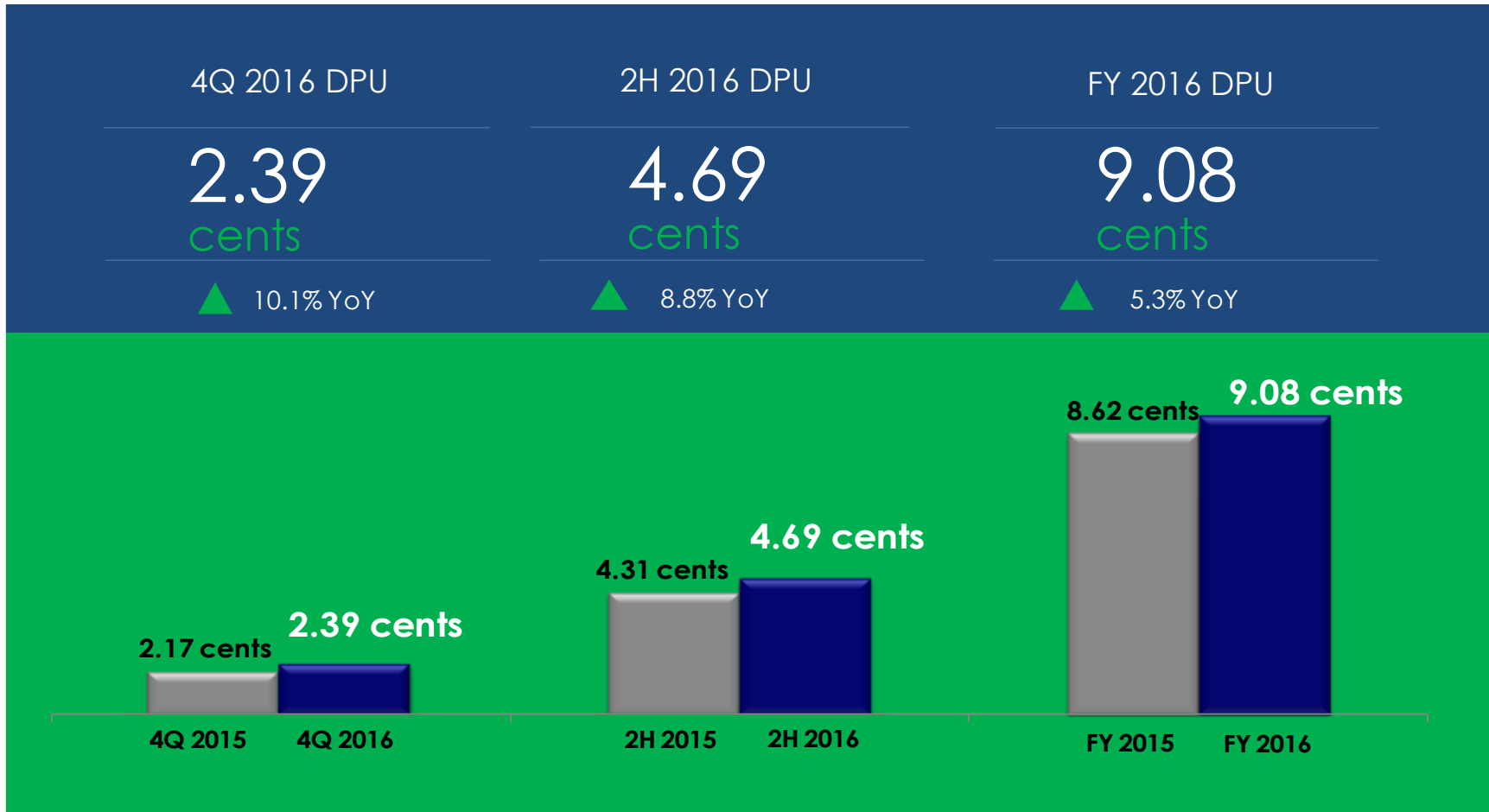
# 3. Financial Results and Capital Management

One George Street, Singapore





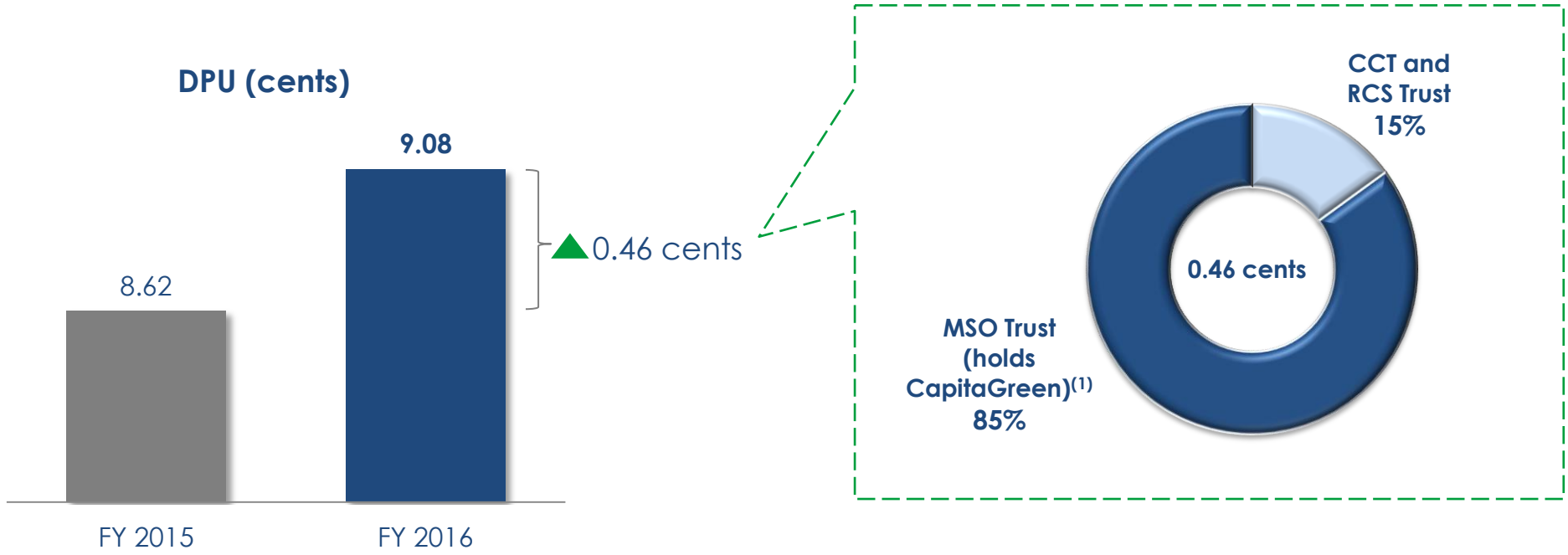
# FY 2016 DPU up by 0.46 cents or 5.3%





# MSO Trust contributed 85% of the 0.46 cents DPU growth YoY

## FY 2016 DPU growth contributors



**Note:**

(1) DPU contribution from MSO Trust which holds CapitaGreen for FY 2016 was 40.0% from 1 Jan to 31 Aug 2016 and 100.0% from 1 Sep to 31 Dec 2016 (Nil in 2015).



# 4Q 2016 DPU outperformed by 10.1% YoY

	4Q 2016	4Q 2015	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>89.7</b>	67.6	32.7	
<b>Property Operating Expenses (\$\$ million)</b>	<b>(19.0)</b>	(15.3)	23.5	Please see note (1)
<b>Net Property Income (\$\$ million)</b>	<b>70.8</b>	52.3	35.4	
<b>Distributable Income (\$\$ million)</b>	<b>70.8</b>	64.1	10.4	Please see note (2)
<b>DPU (cents)</b>	<b>2.39</b>	2.17	10.1	

**Notes:**

(1) Increases largely due to CapitaGreen

(2) Higher distribution from RCS Trust which holds Raffles City Singapore and MSO Trust which holds CapitaGreen.





# 4Q 2016 DPU outperformed forecast by 6.7%

	4Q 2016	Circular Forecast <sup>(1)</sup>	Change (%)	Remarks
Gross Revenue (\$\$ million)	89.7	90.0	(0.3)	Lower car park revenue
Property Operating Expenses (\$\$ million)	(19.0)	(22.0)	(13.9)	Lower property tax, utilities and a one-off reversal of marketing commission at CapitaGreen of \$\$1.8 million
Net Property Income (\$\$ million)	70.8	68.0	4.1	
Distributable Income (\$\$ million)	70.8	66.5	6.5	Higher distribution from RCS Trust, MSO Trust and lower interest expense
DPU (cents)	2.39	2.24	6.7	

**Note:**

(1) Circular Forecast was stated in CCT's circular to unitholders dated 21 June 2016 in relation to the acquisition of 50.0% and 10.0% interests in MSO Trust from CapitaLand and Mitsubishi Estate Asia respectively.



# FY 2016 DPU up 5.3% YoY

	FY 2016	FY 2015	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>298.6</b>	273.2	9.3	
<b>Property Operating Expenses (\$\$ million)</b>	<b>(67.3)</b>	(60.5)	11.3	Please see note (1)
<b>Net Property Income (\$\$ million)</b>	<b>231.3</b>	212.8	8.7	
<b>Distributable Income (\$\$ million)</b>	<b>269.0</b>	254.5	5.7	Please see note (2)
<b>DPU (cents)</b>	<b>9.08</b>	8.62	5.3	

**Notes:**

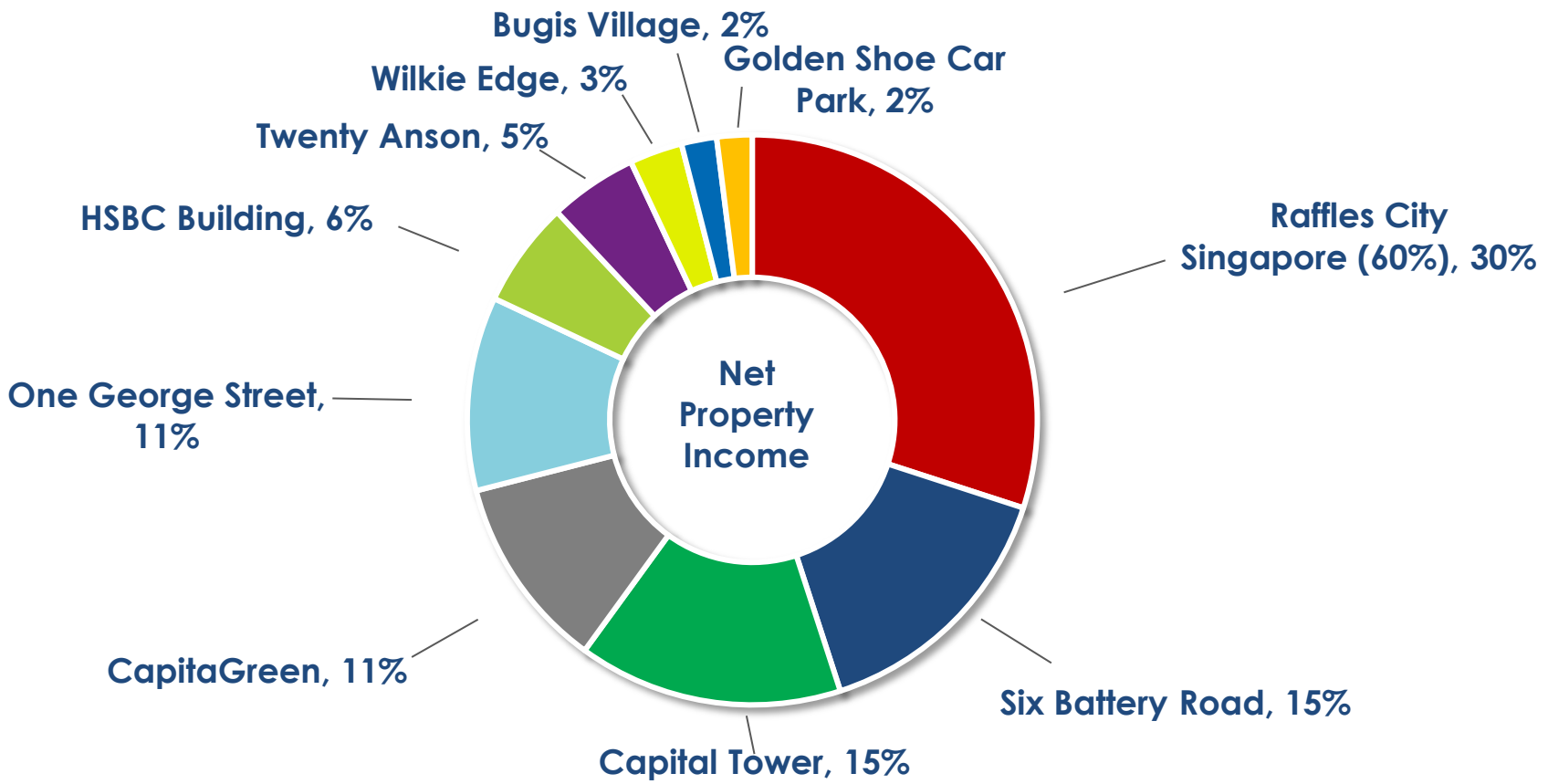
(1) Increases largely due to CapitaGreen

(2) Higher distribution from RCS Trust which holds Raffles City Singapore and MSO Trust which holds CapitaGreen



# Income diversification from 10 properties<sup>(1)</sup>

60.0% interest in Raffles City Singapore and four Grade A office assets contributed about 81% to FY 2016 NPI



Notes:

- (1) For reference only: Based on respective properties' proportionate net property income contribution from 1 Jan 2016 to 31 Dec 2016. NPI from CCT's wholly owned properties was S\$247.1 million, while NPI from its 60.0% interest in Raffles City Singapore was S\$105.0 million.
- (2) CCT's interest in MSO Trust which holds CapitaGreen was 40% from 1 Jan 2016 to 31 Aug 2016 and 100% with effect from 1 Sep 2016.





# Portfolio value up by 13.6% YoY to S\$8.5 billion mainly due to increased stake in CapitaGreen

Investment Properties	31-Dec-15 \$m	30-Jun-16 \$m	31-Dec-16 \$m	31-Dec-16 \$ per sq foot	12-month Variance (Dec 2015 to Dec 2016) %	6-month Variance (Jun 2016 to Dec 2016) %
Capital Tower	1,317.0	1,319.0	<b>1,325.0</b>	1,795	0.6	0.5
Six Battery Road	1,358.0	1,365.0	<b>1,371.0</b>	2,769	1.0	0.4
One George Street	1,010.0	1,012.0	<b>1,014.0</b>	2,271	0.4	0.2
HSBC Building	452.0	455.0	<b>455.0</b>	2,270	0.7	0.0
Wilkie Edge	199.0	199.0	<b>201.0</b>	1,301	1.0	1.0
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>	53.7	50.0	<b>48.5</b>	400	-9.7	-3.0
Twenty Anson	431.0	431.0	<b>432.0</b>	2,089	0.2	0.2
CapitaGreen (40%)	634.8	640.2	<b>641.2</b>	2,279	1.0	0.2
CapitaGreen (100%)	1,587.0	1,600.5	<b>1,603.0</b>			
Raffles City (60%)	1,881.6	1,897.2	<b>1,901.4</b>	NM <sup>(1)</sup>	1.1	0.2
Raffles City (100%)	3,136.0	3,162.0	<b>3,169.0</b>			
<b>Portfolio Total<sup>(3)</sup></b>	<b>7,478.1</b>	<b>7,509.4</b>	<b>8,491.9</b>		<b>13.6</b>	<b>13.1</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.
- (3) Based on CCT's 40% interest in CapitaGreen prior to 31 Aug 2016 and 100% with effect from 1 Sep 2016 and 60% interest in Raffles City Singapore



# Valuation assumptions largely unchanged

- Terminal yields 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.
- Office rent growth rates<sup>(1)</sup> are assumed for the discounted cashflow method averaged 4% over 10 years.

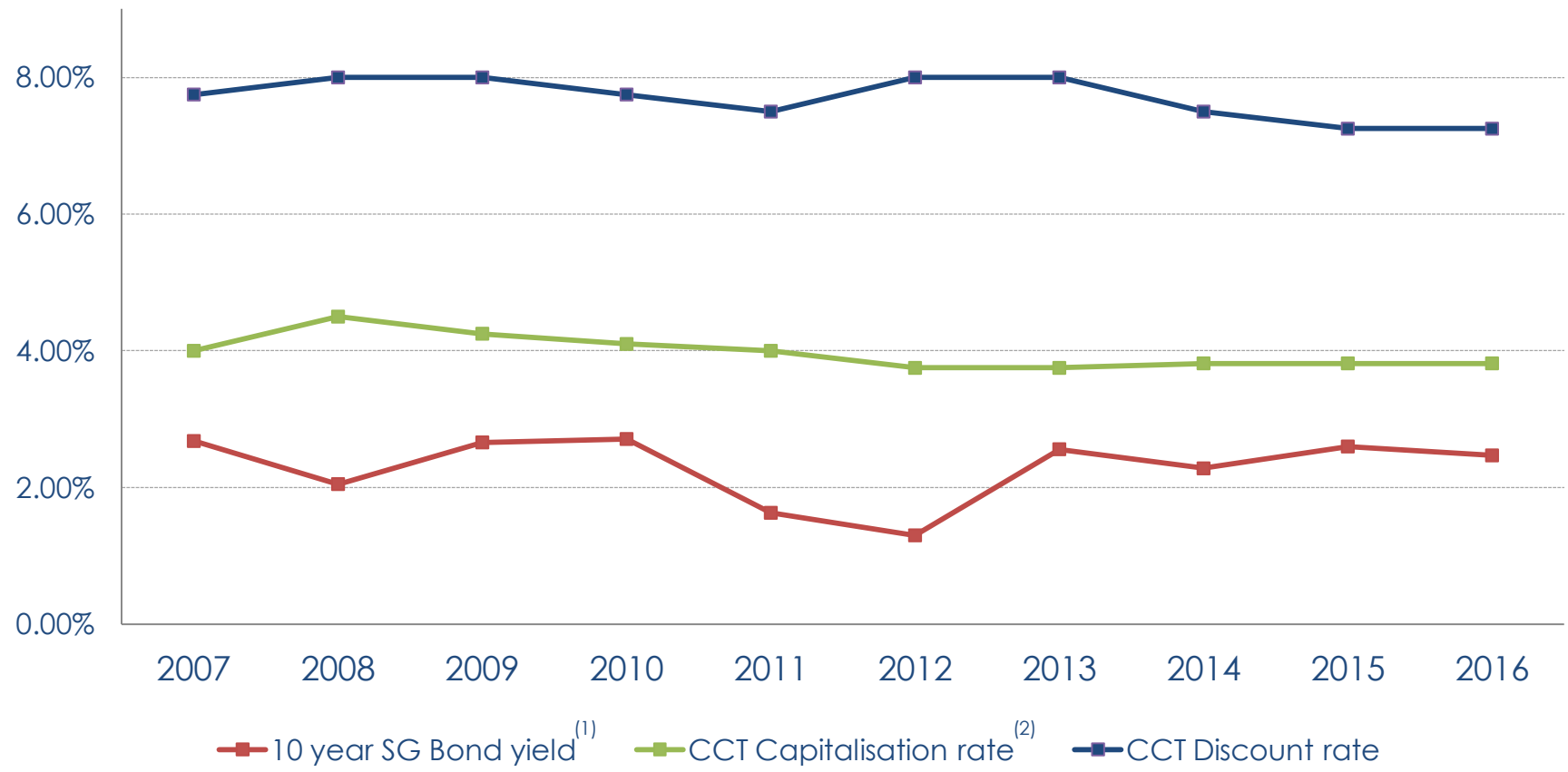
	Capitalisation Rates						Discount Rates					
	Dec-12	Dec-13	Dec-14	Dec-15	Jun-16	Dec-16	Dec-12	Dec-13	Dec-14	Dec-15	Jun-16	Dec-16
Capital Tower	3.75	3.75	3.85	3.85	3.85	<b>3.85</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
Six Battery Road	3.75	3.75	3.75	3.75	3.75	<b>3.75</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
One George Street	3.75	3.75	3.85	3.85	3.85	<b>3.85</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
HSBC Building	3.75	3.75	3.85	3.85	3.75	<b>3.75</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
Twenty Anson	3.75	3.75	3.85	3.85	3.85	<b>3.85</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
Wilkie Edge	4.25	4.25	4.25	4.25	4.25	<b>4.25</b>	8.00	8.00	7.50	7.25	7.50	<b>7.50</b>
CapitaGreen	NA	NA	4.00	4.15	4.15	<b>4.15</b>	NA	NA	7.25	7.25	7.25	<b>7.25</b>
Raffles City SG												
Office	4.25	4.25	4.25	4.25	4.25	<b>4.25</b>	7.50	7.35	7.50	7.25	7.25	<b>7.25</b>
Retail	5.40	5.25	5.25	5.25	5.25	<b>5.25</b>	7.80	7.65	7.50	7.50	7.50	<b>7.50</b>
Hotel	5.75	5.55	5.25	5.13	5.14 <sup>(2)</sup>	<b>5.11<sup>(2)</sup></b>	8.00	7.75	7.75	7.75	7.40	<b>7.40</b>

**Notes:**

- (1) Excludes Golden Shoe Car Park and Bugis Village, and calculated on a simple average basis
- (2) The blended capitalisation rates adopted for 30 Jun 2016 and 31 Dec 2016 are both based on capitalisation rates of 4.25% for fixed rental income and 6.50% for variable rent.



# CCT's valuation capitalisation and discount rates are stable relative to 10-year SG bond yield



**Notes:**

- (1) Source: Monetary Authority of Singapore (MAS)
- (2) Changes in capitalisation rates and discount rates due to varying assumptions used by different valuers



# Robust balance sheet

## Statement of Financial Position As at 31 Dec 2016

	S\$ million
Non-current Assets	7,849.28
Current Assets	201.85
<b>Total Assets</b>	<b>8,051.13</b>
Current Liabilities	236.16
Non-current Liabilities	2,536.43
<b>Total Liabilities</b>	<b>2,772.59</b>
<b>Net Assets</b>	<b>5,278.54</b>
<b>Unitholders' Funds</b>	<b>5,278.54</b>

**Units in issue ('000)**                      **2,963,491**

**Note:**

(1) Deposited properties for CCT Group includes CCT's 60.0% interest in RCS Trust

	S\$ million
<b>Deposited Properties<sup>(1)</sup></b>	<b>8,766.42</b>

<b>Net Asset Value Per Unit</b>	<b>\$1.78</b>
<b>Adjusted Net Asset Value Per Unit (excluding distributable income)</b>	<b>\$1.73</b>

### Credit Rating

A- by S&P

Outlook Stable



# Key financial ratios

	3Q 2016	4Q 2016	Remarks
Total Gross Debt <sup>(1)</sup>	S\$3,283.3m	<b>S\$3,312.0m</b>	<b>Increased</b> (Higher borrowings for CCT and RCS)
Aggregate Leverage <sup>(2)</sup>	37.8%	<b>37.8%</b>	<b>Stable</b>
Unencumbered Assets as % of Total Assets <sup>(3)</sup>	80%	<b>80%</b>	<b>Stable</b>
Average Term to Maturity <sup>(4)</sup>	3.5 years	<b>3.2 years</b>	<b>Lower</b> (Passing of time)
Average Cost of Debt (p.a.) <sup>(5)</sup>	2.5%	<b>2.6%</b>	<b>Stable</b>
Interest Coverage <sup>(6)</sup>	6.5 times	<b>5.8 times</b>	<b>Lower</b> (Higher borrowings and interest costs)

**Notes:**

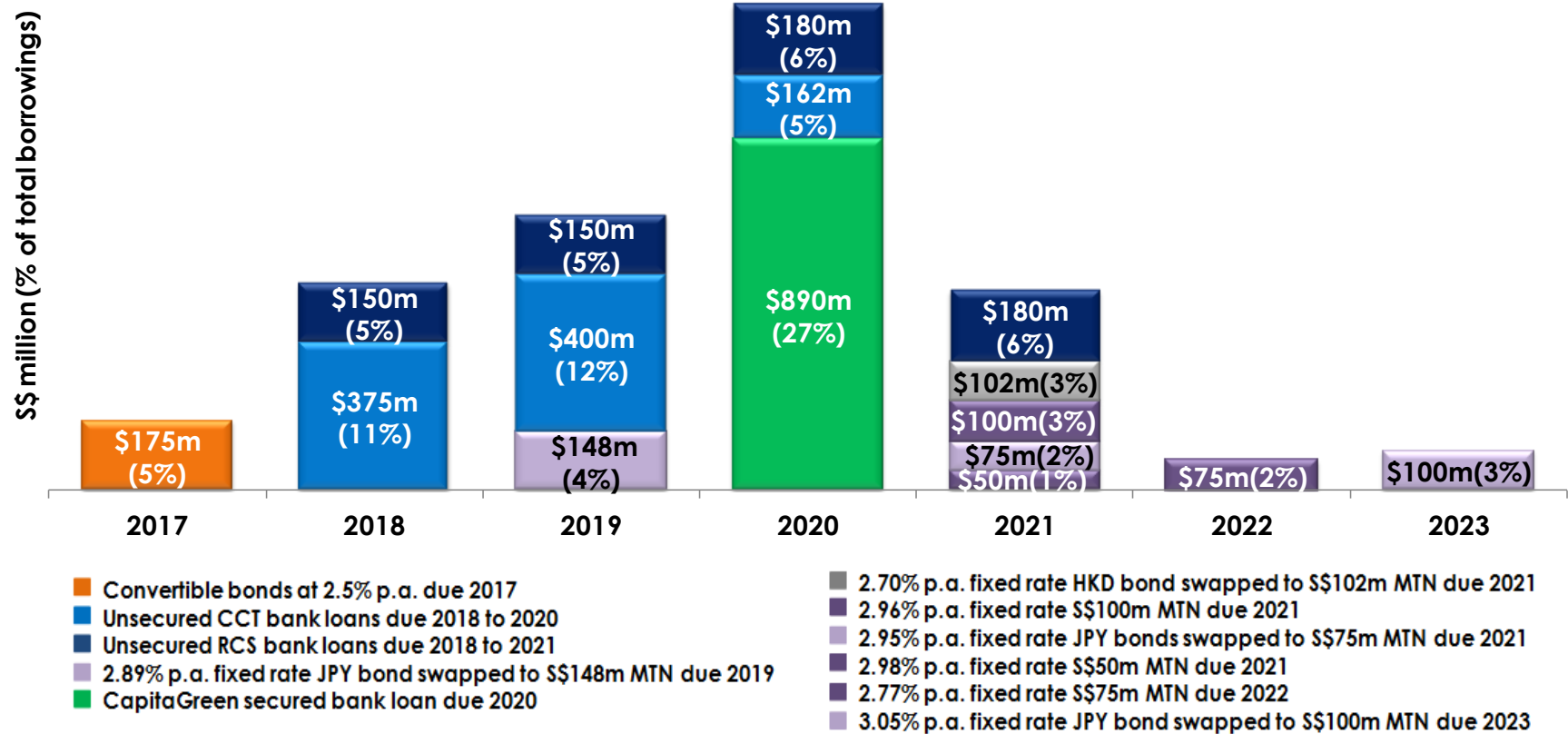
- (1) Total gross debt includes CCT's 60.0% interest of Raffles City Singapore borrowings and 100.0% interest of CapitaGreen borrowings.
- (2) In accordance with Property Funds Appendix, CCT's proportionate share of its joint venture borrowings and deposited property values are included when computing aggregate leverage.
- (3) Investment properties at CCT are all unencumbered except for CapitaGreen.
- (4) Excludes borrowings of RCS Trust.
- (5) Ratio of interest expense over weighted average borrowings (excludes borrowings of RCS Trust).
- (6) Ratio of EBITDA over finance costs includes amortisation and transaction costs (excludes borrowings of RCS Trust).





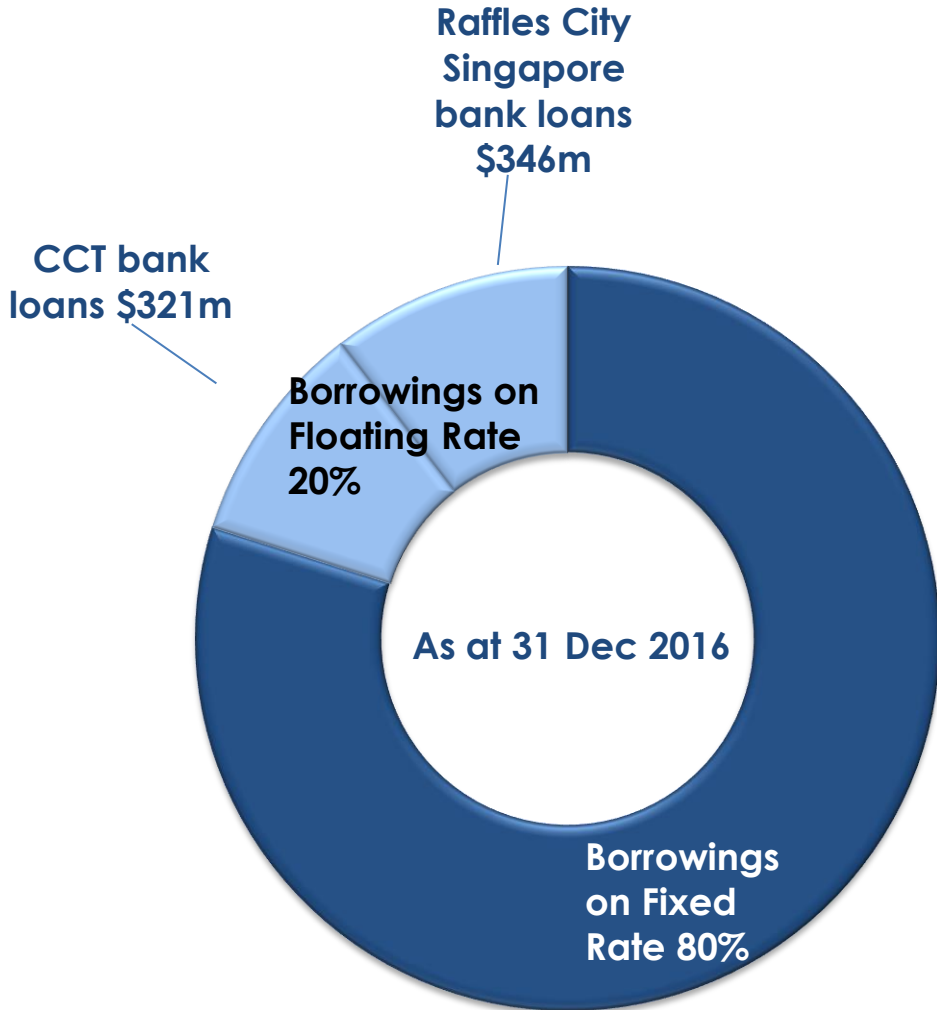
# Continuing to manage debt concentration and maturity

Debt Maturity Profile as at 31 Dec 2016





# 80% of borrowings on fixed rate provides certainty of interest expense



# 4. Portfolio Value Creation

Raffles City

Raffles City Singapore

# Highlights of value creation journey

## Developments

Market Street Car Park redevelopment into Grade A office tower started in Feb 2012



CapitaGreen completed in Dec 2014 at a cost of S\$1.3 bil



CCT acquired remaining 60.0% interest in CapitaGreen on 31 Aug 2016 – now owns 100.0% of CapitaGreen



## Asset Enhancement Initiatives



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



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

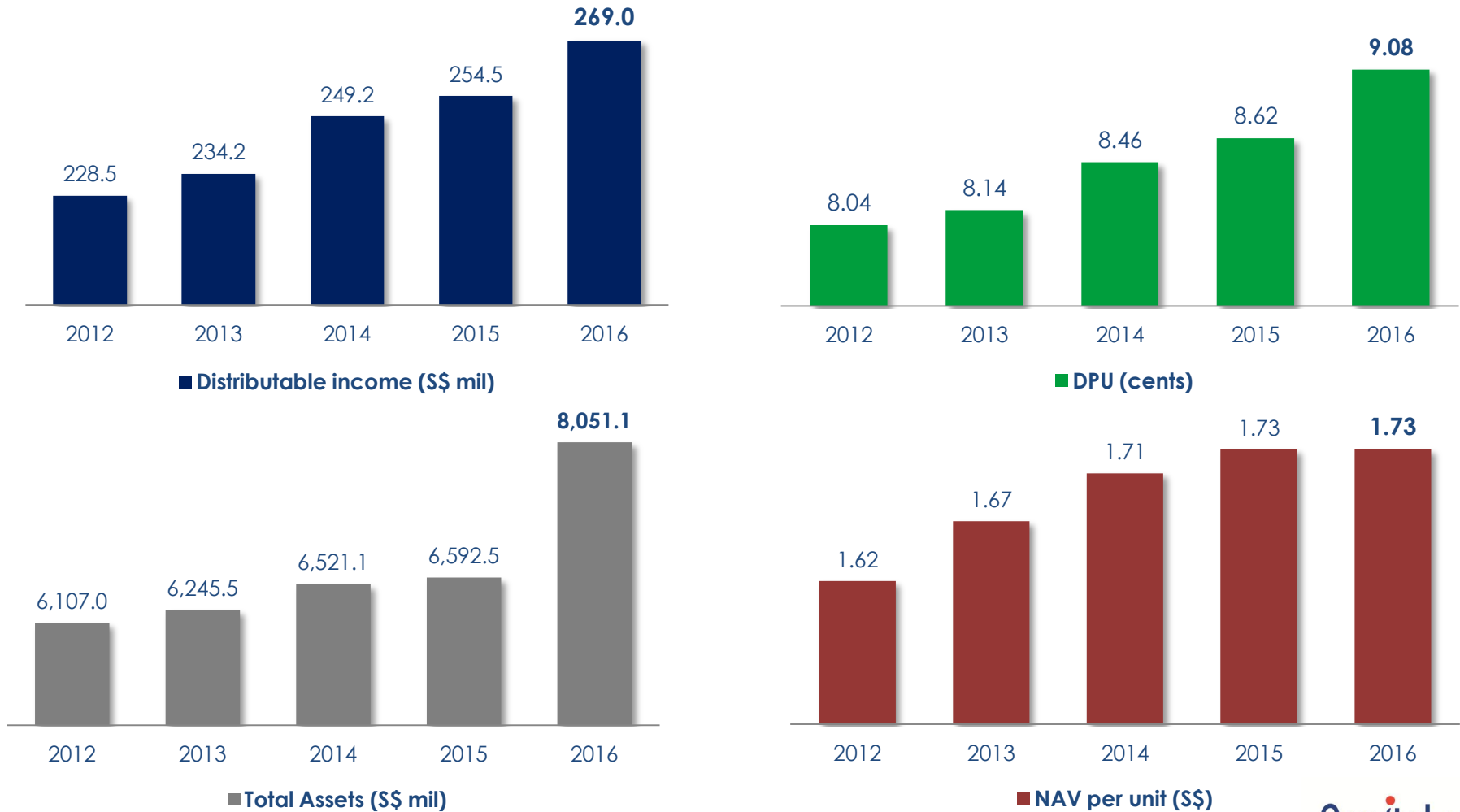


Capital Tower: Achieved AEI ROI of 8.2% p.a. in 2015



# Consistently delivering value

CapitaGreen contributed 100.0% to CCT since 31 Aug 2016; full contribution in FY 2017





# Next growth phase



Supported by prudent capital management and cumulated retained tax-exempt income of S\$20.4 million, equivalent to 0.68 cents per unit<sup>(2)</sup>, derived mainly from CCT's investment in MRCB Quill REIT

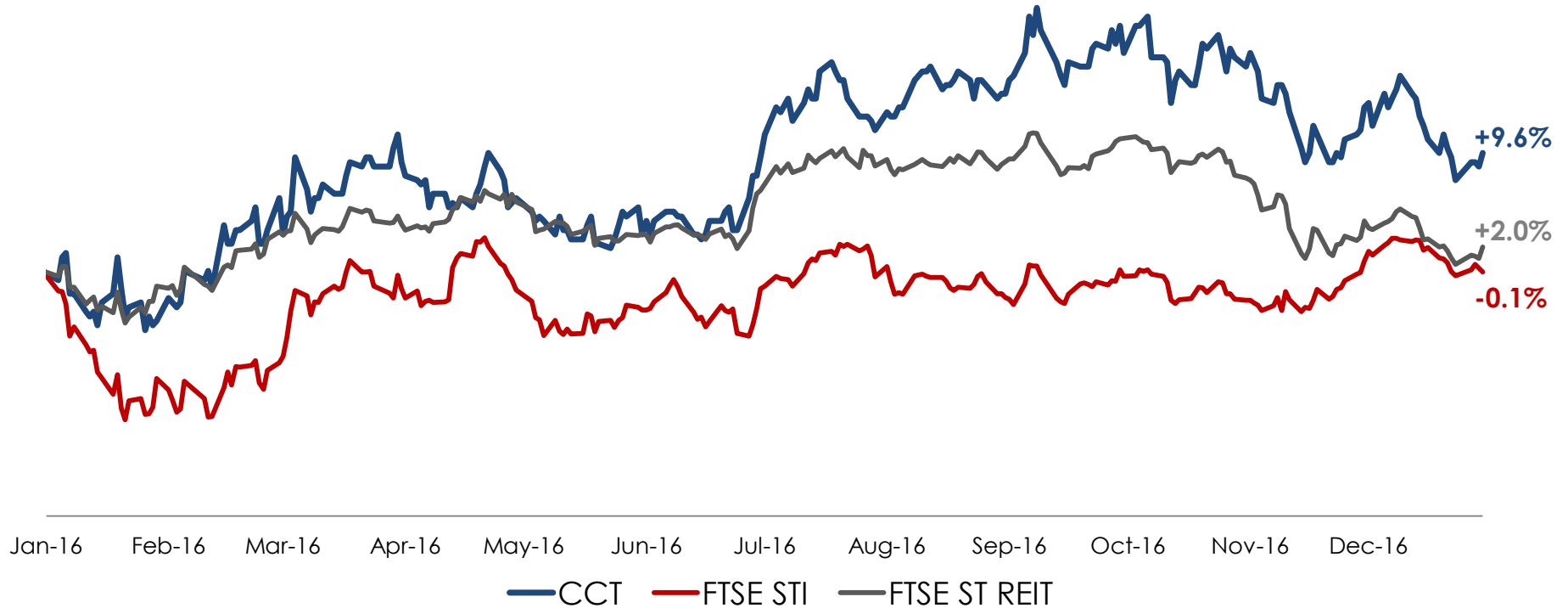
**Notes:**

- (1) CCT submitted redevelopment plan for approval and subject to outcome of feasibility study including evaluation of funding structures
- (2) Based on total units outstanding of 2,963 million as at 31 Dec 2016



# CCT's total return for 2016 was 16.4%<sup>(1)</sup>

## CCT's trading performance in 2016

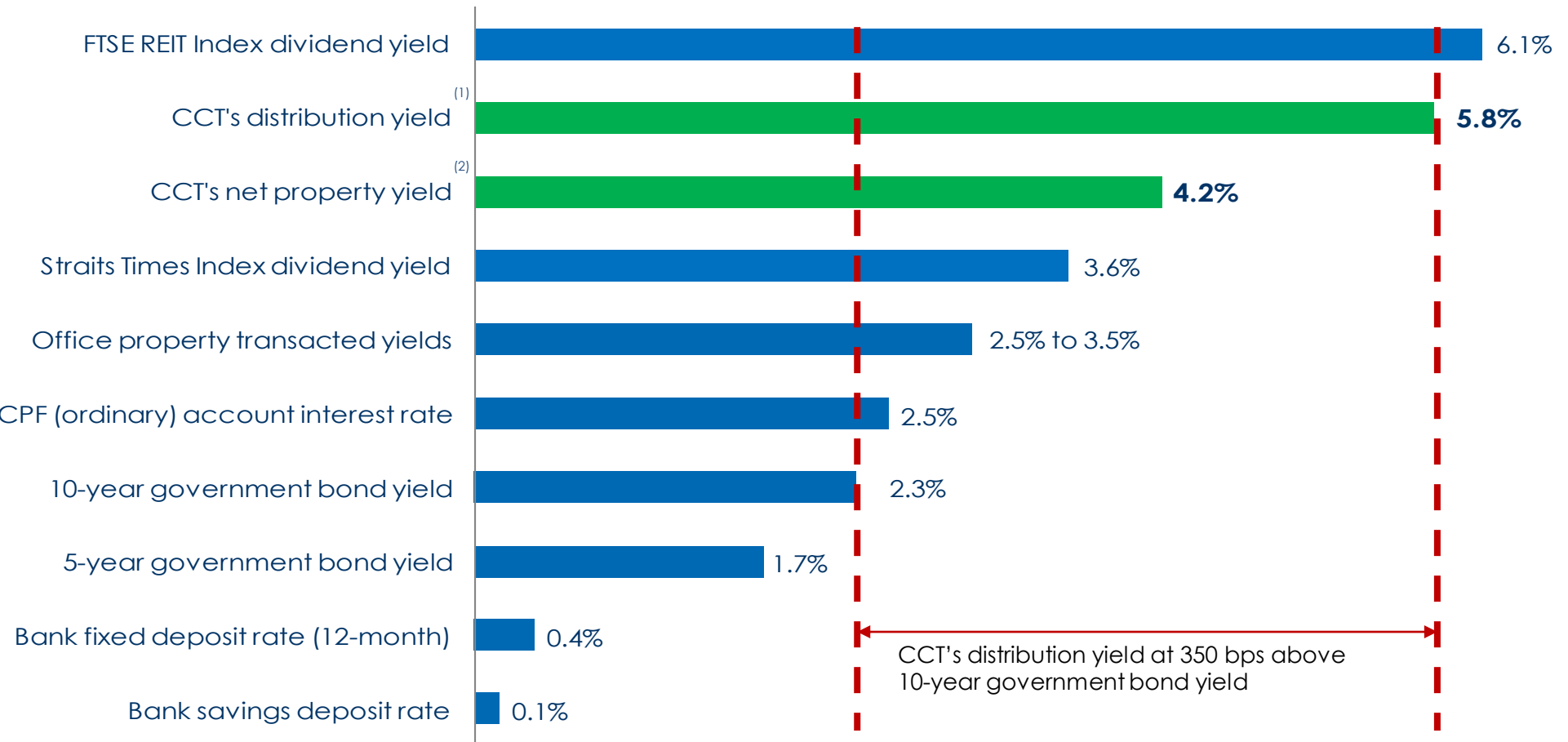


Note:

$$(1) \text{ Total Return} = \frac{\text{Capital appreciation in 2016} + \text{FY 2016 DPU}}{\text{Closing price as of 31 Dec 2015}} \times 100\%$$



# CCT distribution yield at 350 bps above 10-year government bond yield



**Notes:**

- (1) CCT Group distribution yield is based on FY 2016 DPU of 9.08 cents over closing price of S\$1.565 as at 17 Jan 2017.
  - (2) CCT Group (including Raffles City Singapore) net property yield based on FY 2016 net property income and Dec 2016 valuation.
  - (3) All information as at 31 Dec 2016 except for FTSE REIT Index, STI, 5-year and 10-year government bond yield which are as at 17 Jan 2017.
- Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities, CBRE Pte. Ltd.



# 5. Additional Information

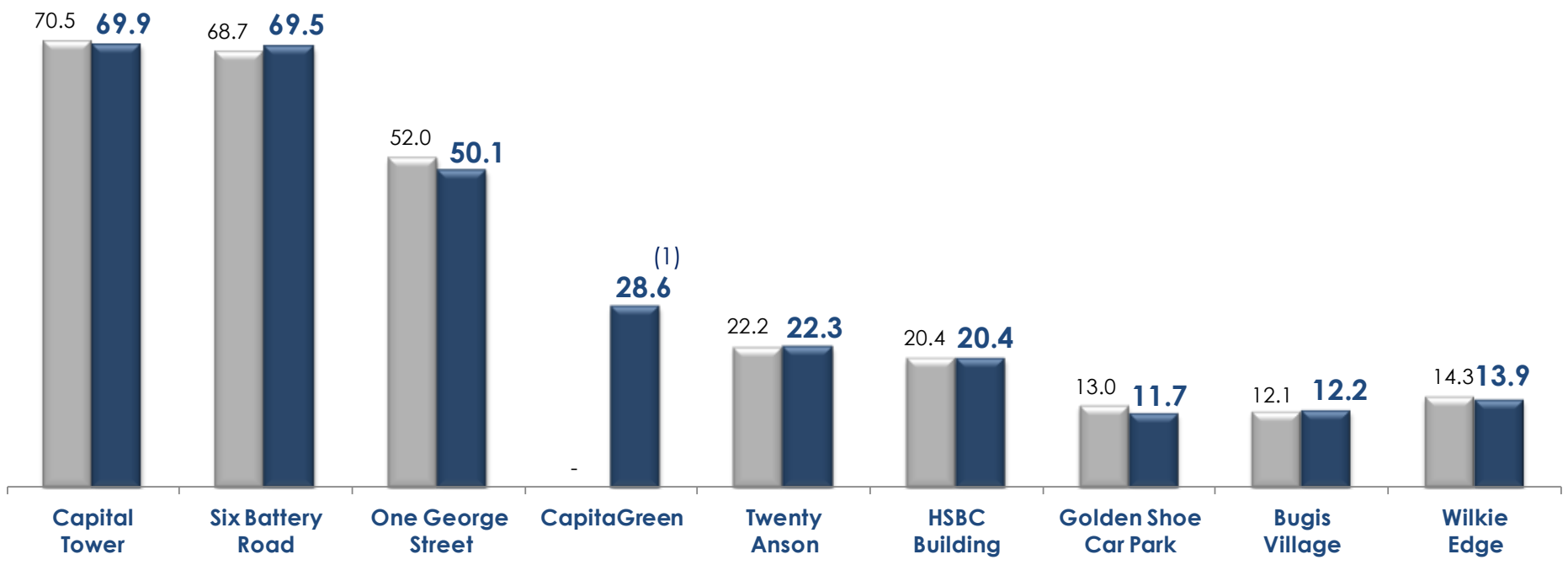
Six Battery Road

# FY 2016 gross revenue higher by 9.3% YoY

Higher gross revenue contributed by acquisition of 60.0% interest in MSO Trust which holds CapitaGreen

S\$ million

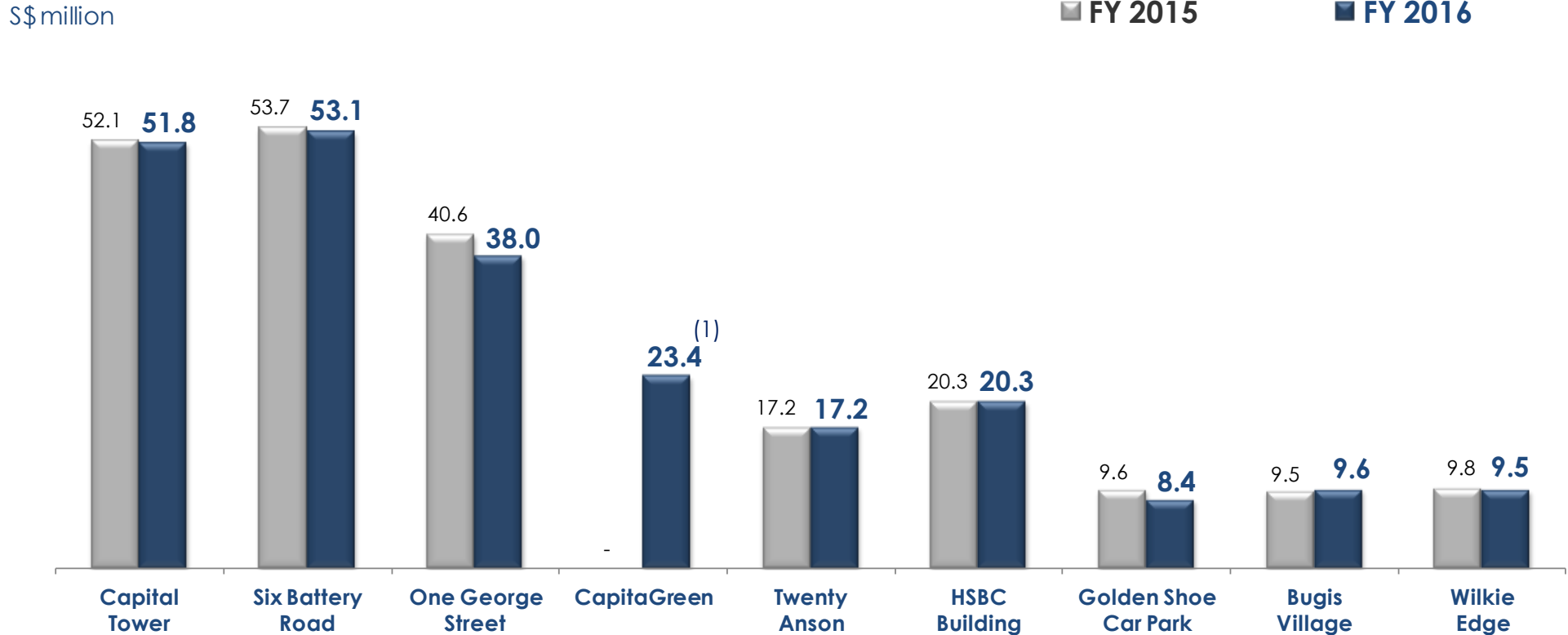
■ FY 2015      ■ FY 2016



**Note:**  
 (1) CCT completed the acquisition of 60.0% of MSO Trust which holds CapitaGreen on 31 Aug 2016. Gross revenue for CapitaGreen is for Sep to Dec 2016.

# FY 2016 net property income higher by 8.7% YoY

Net property income lifted by acquisition of 60.0% interest in MSO Trust which holds CapitaGreen



**Note:**

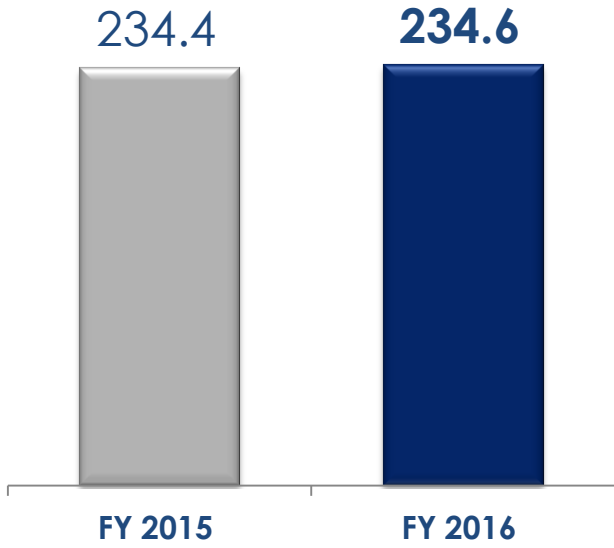
(1) CCT completed the acquisition of 60.0% of MSO Trust which holds CapitaGreen on 31 Aug 2016. Net property income for CapitaGreen is for Sep to Dec 2016.



# Raffles City Singapore's FY 2016 net property income up by 1.2% (based on 100.0% interest)

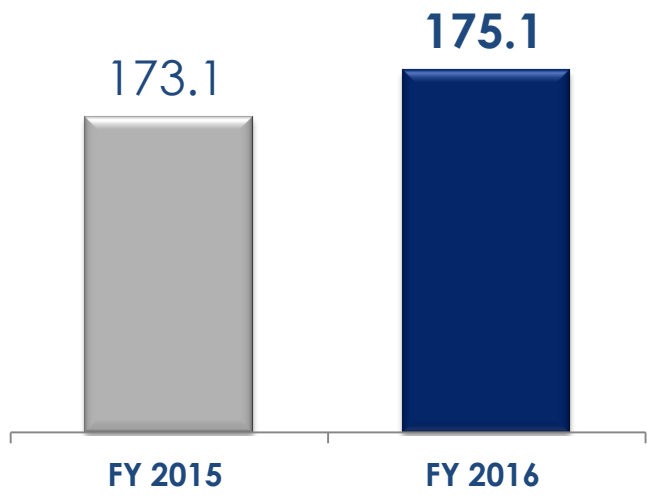
## Gross Revenue

S\$ million



## Net Property Income

S\$ million



**Note:**

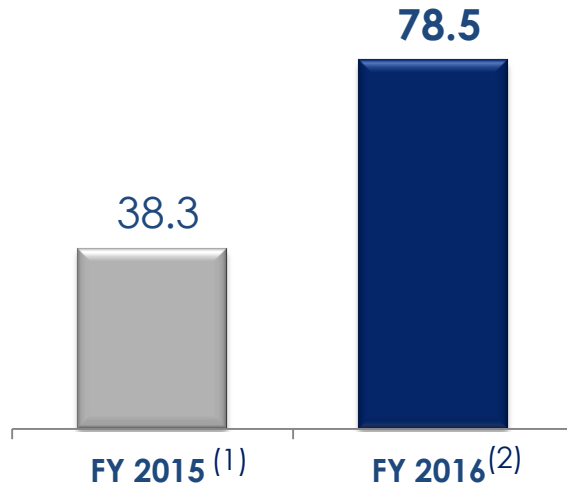
(1) Gross revenue and net property income of Raffles City Singapore shown above are based on 100.0% interest. CCT owns 60.0% interest in Raffles City Singapore.



# Higher contribution from CapitaGreen YoY based on 100.0% interest

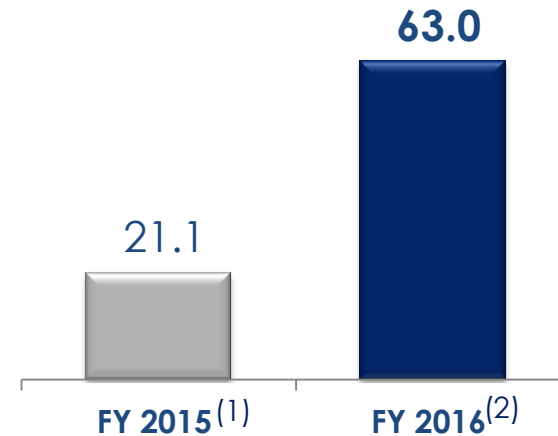
## Gross Revenue

S\$ million



## Net Property Income

S\$ million



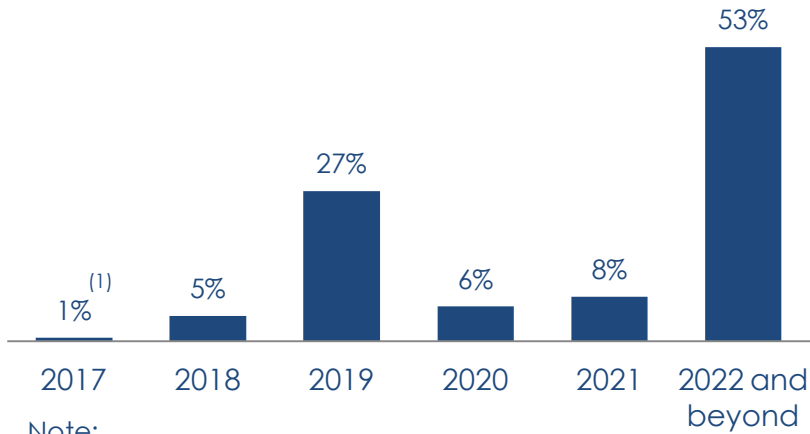
### Notes:

- (1) Gross revenue and net property income of CapitaGreen included a non-recurring S\$11.0-million adjustment in 4Q 2015
- (2) Net property income of CapitaGreen included a one-off adjustment of S\$1.8-million marketing commission in 4Q 2016



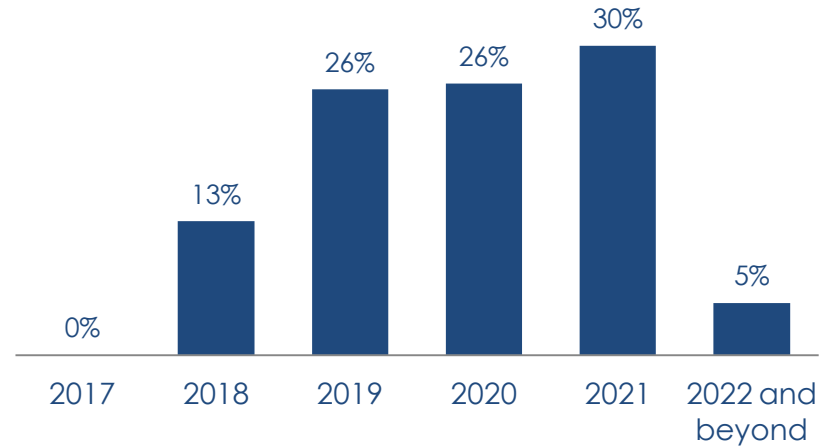
# Lease expiry profile based on committed monthly gross rental income as at 31 Dec 2016

## Capital Tower

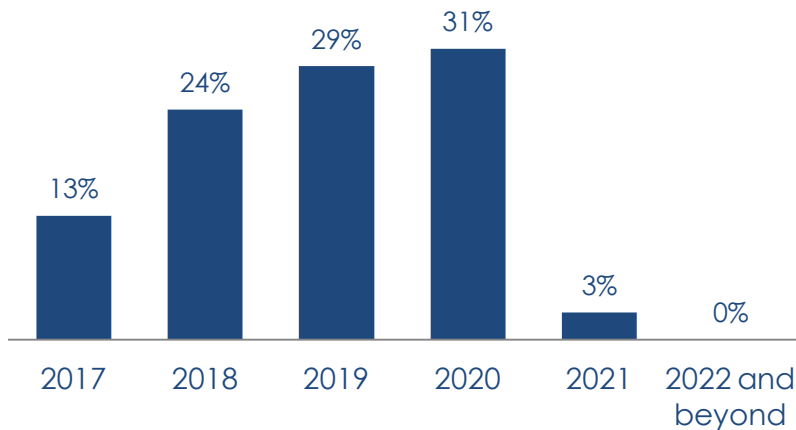


Note:  
(1) Ancillary retail

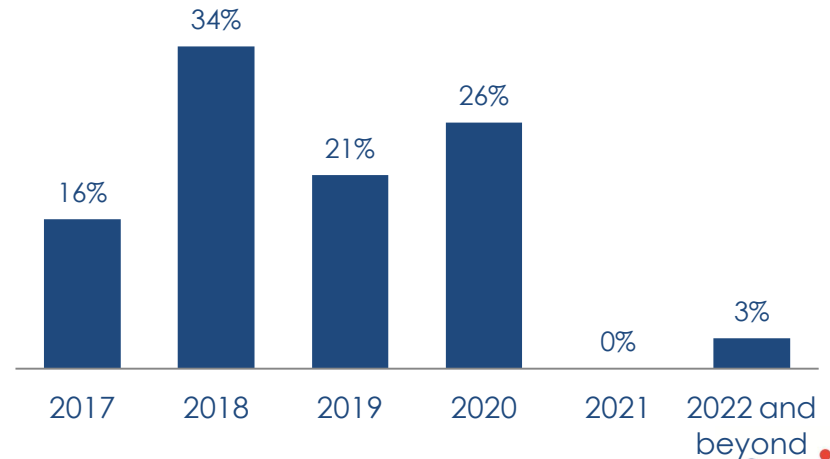
## CapitaGreen



## Six Battery Road



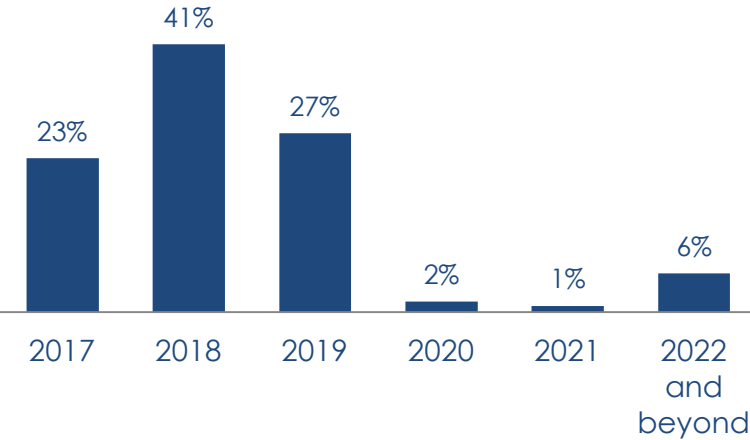
## One George Street



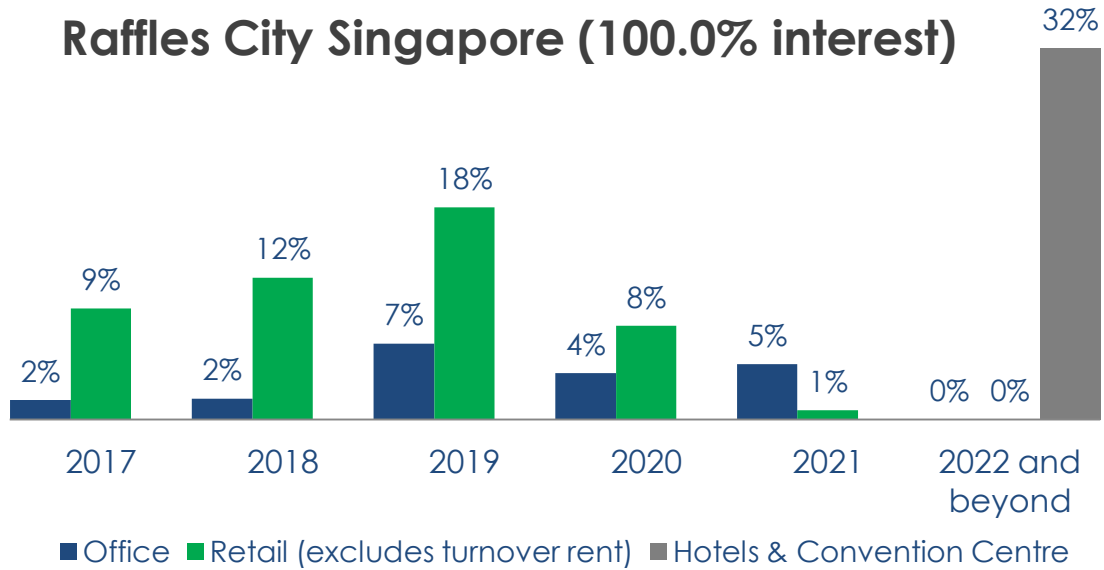


# Lease expiry profile based on committed monthly gross rental income as at 31 Dec 2016

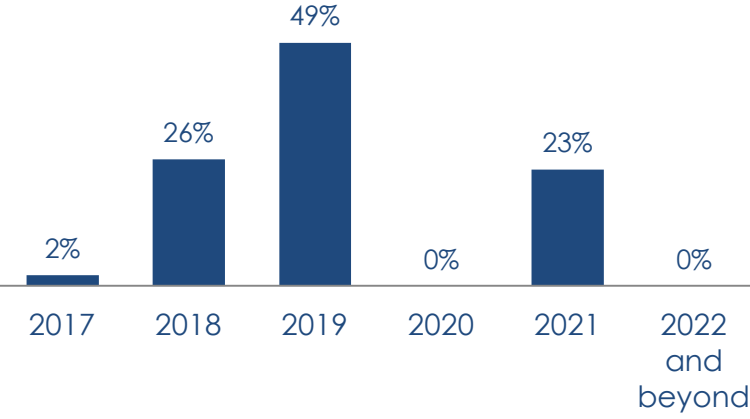
**Twenty Anson**



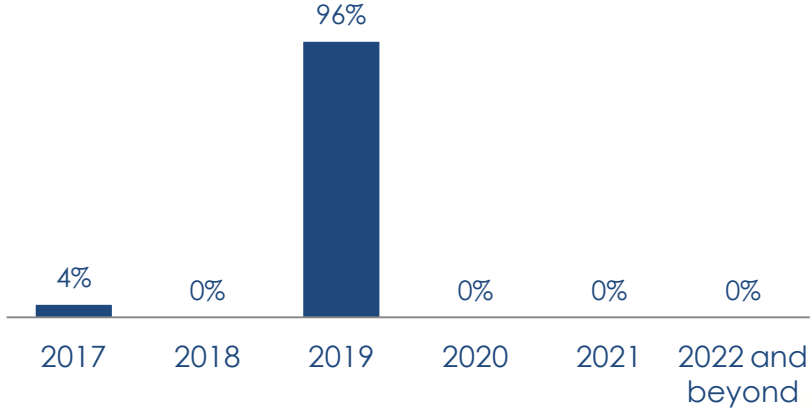
**Raffles City Singapore (100.0% interest)**



**Wilkie Edge**



**Bugis Village**





# Value creation opportunity: GSCP redevelopment submitted for approval

Pending approvals and outcome of feasibility study; last day of operation on 31 July 2017



Golden Shoe Car Park (GSCP) at 50 Market Street, Singapore 048940

## Potential redevelopment

- Commercial GFA: One million sq ft
- Up to 280m above ground on par with the tallest buildings in the CBD

## Subject to approvals

- Rezoning – change of use from transport to commercial
- Payment of differential premium to be determined by the authorities

### Description of GSCP

10-storey building with retail and office space as well as car park facilities<sup>(1)</sup>

### Land area

64,296 sq ft (5,973 sq m)

#### Note:

(1) The Market Street Food Centre (MSFC) located on the second and third storeys of Golden Shoe Car Park have been granted to the Singapore Ministry of the Environment and Water Resources, free of rent, for use as a food centre.





# CapitaLand Commercial Trust

## First and Largest Commercial REIT in Singapore (since 11 May 2004)

**S\$4.6b<sup>#</sup>**

Market Capitalisation

**10**

Properties in Singapore's Central Area

**S\$8.8b<sup>\*</sup>**

Deposited Properties

**About 4 million sq ft** NLA (100% basis)

**32%**

Owned by CapitaLand Group



Capital Tower



CapitaGreen



Raffles City Singapore (60% stake)



HSBC Building



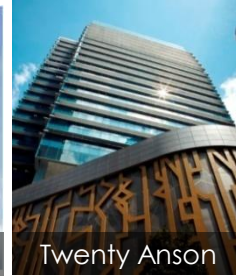
Bugis Village



Six Battery Road



One George Street



Twenty Anson



Wilkie Edge



Golden Shoe Car Park

<sup>#</sup> Market Capitalisation as at 28 Feb 2017

<sup>\*</sup> Deposited Properties as at 31 Dec 2016

# Owns 10 centrally-located quality commercial properties

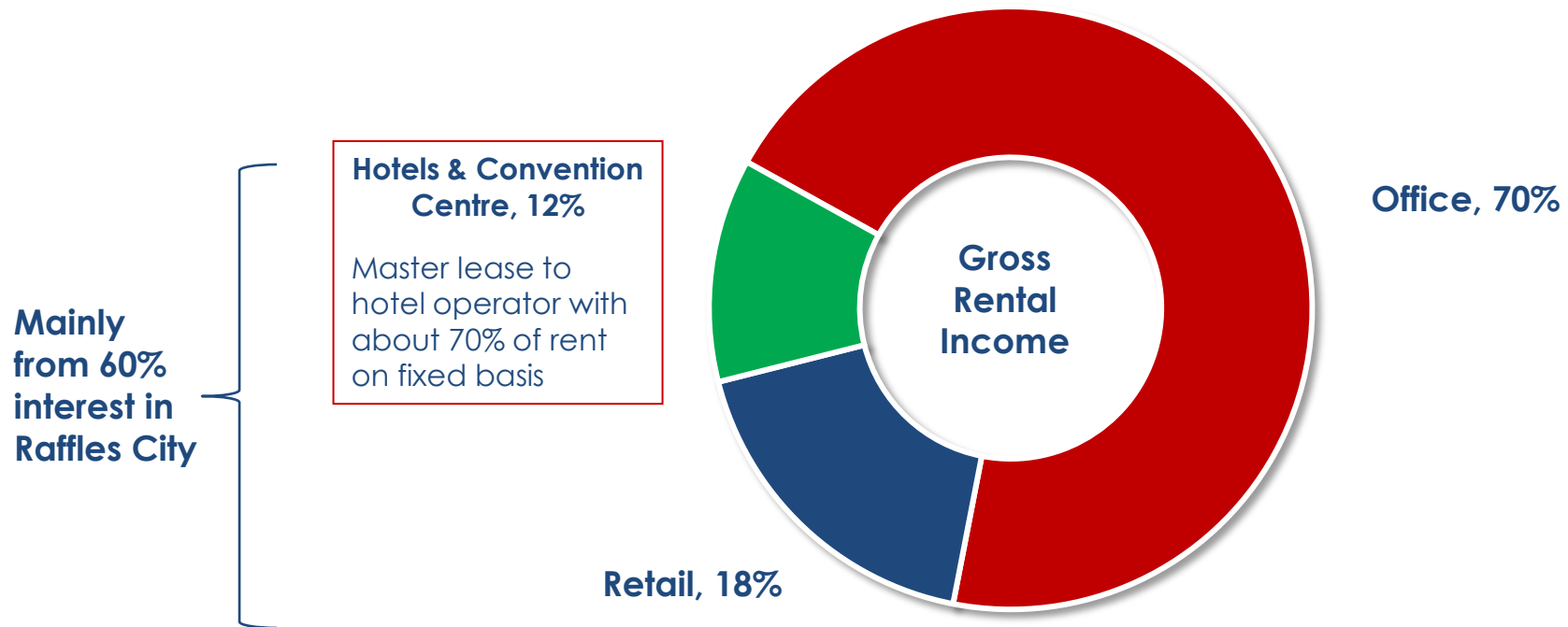


1. Capital Tower
2. Six Battery Road
3. One George Street
4. Raffles City Singapore (60.0% interest)
5. CapitaGreen
6. Twenty Anson
7. HSBC Building
8. Wilkie Edge
9. Bugis Village
10. Golden Shoe Car Park



# 70% of gross rental income<sup>(2)</sup> contributed by office and 30% by retail and hotel & convention centre

## CCT FY 2016 income contribution by sector



**Notes:**

- (1) CCT's interest in CapitaGreen was 40% from 1 Jan 2016 to 31 Aug 2016 and 100% with effect from 1 Sep 2016
- (2) Based on gross rental income from 1 Jan 2016 to 31 Dec 2016; including gross rental income from CCT's 60.0% interest in Raffles City Singapore and corresponding interest in CapitaGreen; and excluding retail turnover rent



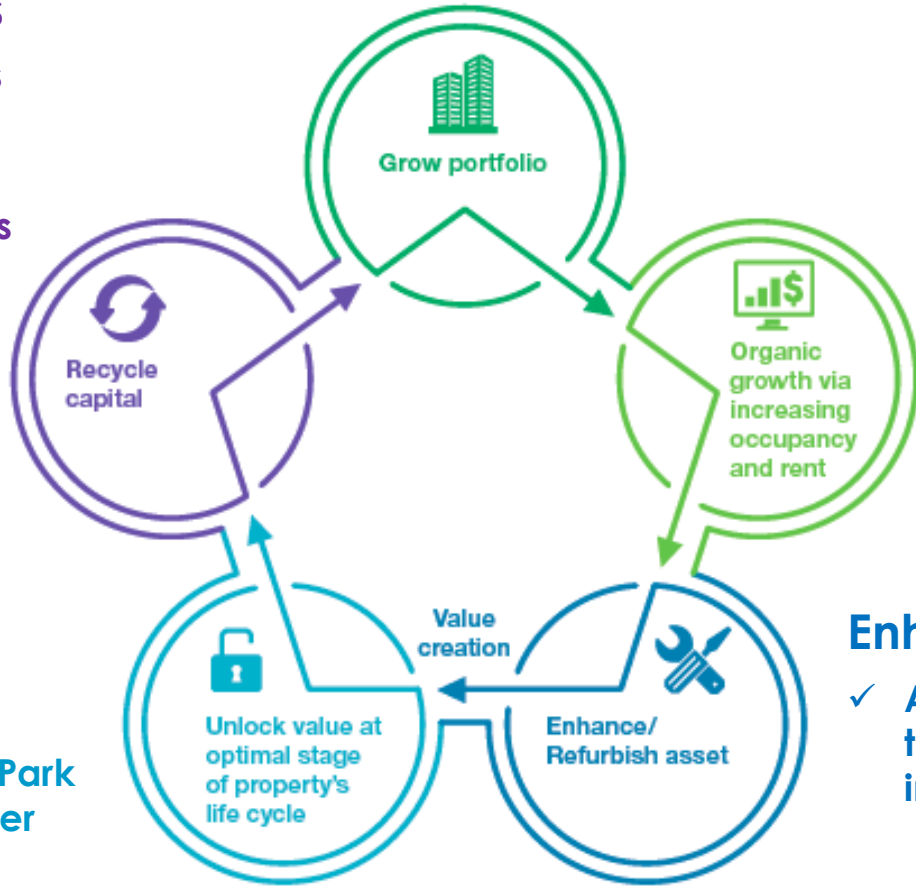
# Value creation through portfolio reconstitution strategy

## Flexibility to seize growth opportunities

- ✓ Recycle sale proceeds
- ✓ Disciplined and sustainable acquisition of third-party properties
- ✓ Development

## Grow portfolio

- ✓ Acquired balance stake to own 100.0% of CapitaGreen in Aug 2016
- ✓ Acquired Twenty Anson in 2012



## Organic growth

- ✓ High portfolio committed occupancy

## Unlock value

- ✓ Sold two assets in 2010
- ✓ Sold Market Street Car Park for redevelopment under MSO Trust

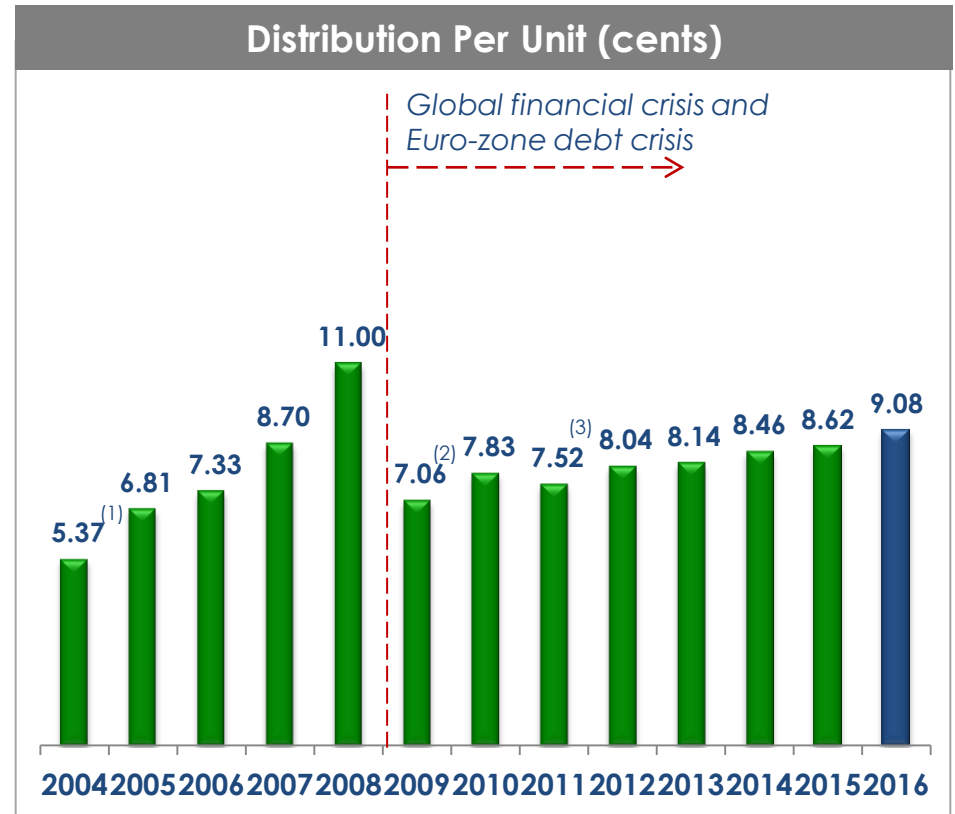
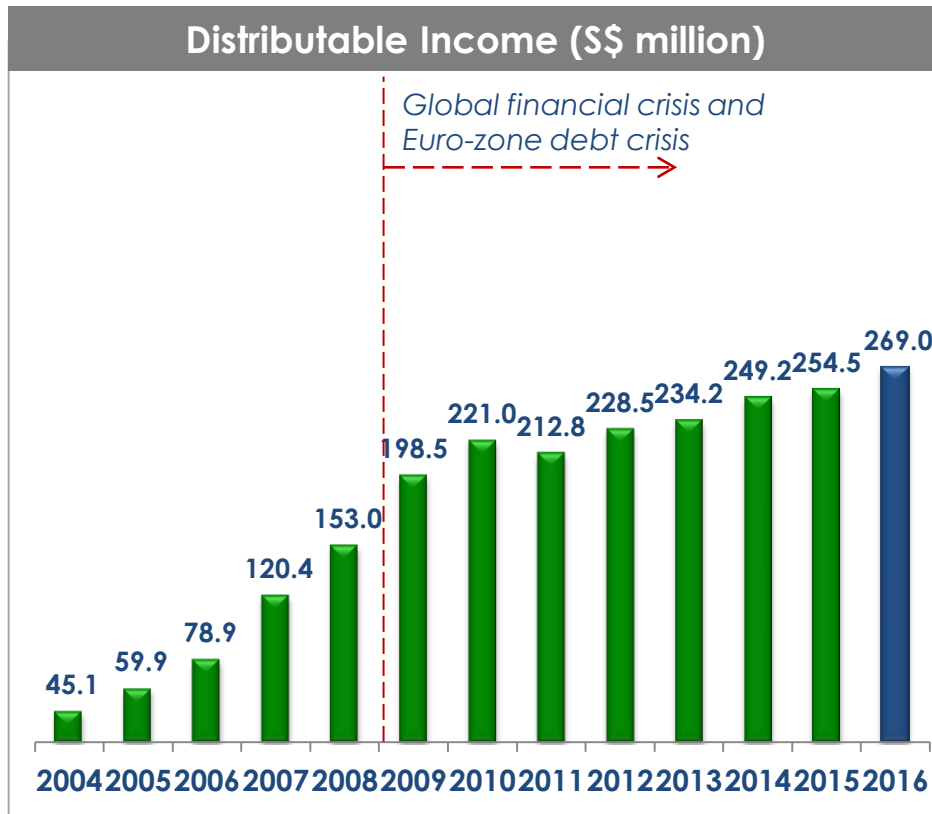
## Enhance / Refurbish asset

- ✓ Achieved ROIs of 8.2% to 9.3% through asset enhancement initiatives (AEIs)



# 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) Annualised
- (2) After taking into consideration the issue of rights units in July 2009
- (3) Decline in 2011 DPU compared to 2010 was due to divestment of two properties in 2010, Robinson Point and StarHub Centre



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	1Q 2016	2Q 2016	3Q 2016	4Q 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	98.7	98.7	99.0
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	99.8	97.4 <sup>(2)</sup>	98.6 <sup>(2)</sup>
Bugis Village	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	94.8	100.0	100.0	98.5	100.0	97.2
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	98.6	76.3	72.4
HSBC Building	100.0	100.0	100.0	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	98.6	98.7	97.8
Wilkie Edge			52.5	77.9	98.4	98.4	93.9	99.6	100.0	100.0	95.0	95.0	100.0	99.6
One George Street			100.0	96.3	100.0	93.3	92.5	95.5	100.0	98.2	99.4	91.3	96.6	96.5
Twenty Anson							100.0	98.1	97.8	97.9	97.9	96.5	98.0	91.7
CapitaGreen <sup>(3)</sup>									69.3	91.3	92.8	94.6	94.9	95.9
<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>	<b>97.2</b>	<b>97.4</b>	<b>97.1</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. Currently, one and a half floors of office space are undergoing upgrading

(3) CCT's interest in CapitaGreen was 40% from 1 Jan 2016 to 31 Aug 2016 and 100% with effect from 1 Sep 2016



# Property details (1)



	Capital Tower	CapitaGreen	Six Battery Road	One George Street	Raffles City Singapore (100%)
<b>Address</b>	168 Robinson Road	138 Market Street	6 Battery Road	1 George Street	250/252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road
<b>NLA (sq ft)</b>	738,000	703,000	495,000	446,000	805,000 (Office: 381,000, Retail: 424,000)
<b>Leasehold expiring</b>	31-Dec-2094	31-Mar-2073	19-Apr-2825	21-Jan-2102	15-Jul-2078
<b>Committed occupancy</b>	99.0%	95.9%	98.6%	96.5%	97.8%
<b>Valuation (31 Dec 2016)</b>	S\$1,325.0m	S\$1,603.0m	S\$1,371.0m	S\$1,014.0m	S\$3,169.0m (100.0%) S\$1,901.4m (60.0%)
<b>Car park lots</b>	415	180	190	178	1,045



# Property details (2)



	Twenty Anson	HSBC Building	Wilkie Edge	Bugis Village <sup>(1)</sup>	Golden Shoe Car Park
<b>Address</b>	20 Anson Road	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
<b>NLA (sq ft)</b>	207,000	200,000	155,000	121,000	47,000
<b>Leasehold expiring</b>	22-Nov-2106	18-Dec-2849	20-Feb-2105	30-Mar-2088	31-Jan-2081
<b>Committed occupancy</b>	91.7%	100.0%	99.6%	97.2%	72.4%
<b>Valuation (31 Dec 2016)</b>	S\$432.0 m	S\$455.0m	S\$201.0m	S\$48.5m	S\$141.0m
<b>Car park lots</b>	55	55	215	NA	1,053

**Note:**

(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.





CapitaLand  
Commercial Trust

# Thank you

For enquiries, please contact: Ms Ho Mei Peng , Head, Investor Relations & Communications, Direct: (65) 6713 3668

Email: [ho.meipeng@capitaland.com](mailto:ho.meipeng@capitaland.com)

**CapitaLand Commercial Trust Management Limited (<http://www.cct.com.sg>)**

168 Robinson Road, #28-00 Capital Tower, Singapore 068912

Tel: (65) 6713 2888; Fax: (65) 6713 2999