



# CapitaLand Commercial Trust

## Singapore's First Commercial REIT

Morgan Stanley Fourteenth Annual Asia Pacific Summit

17 November 2015



# Important Notice

**This presentation shall be read in conjunction with CCT's 3Q 2015 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.



# Contents

	Slide No.
1. Highlights	04
2. Financial Results and Prudent Capital Management	10
3. Proactive Management of Portfolio	17
4. Singapore Office Market	29
5. Summary	34
6. Supplementary Information	38

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



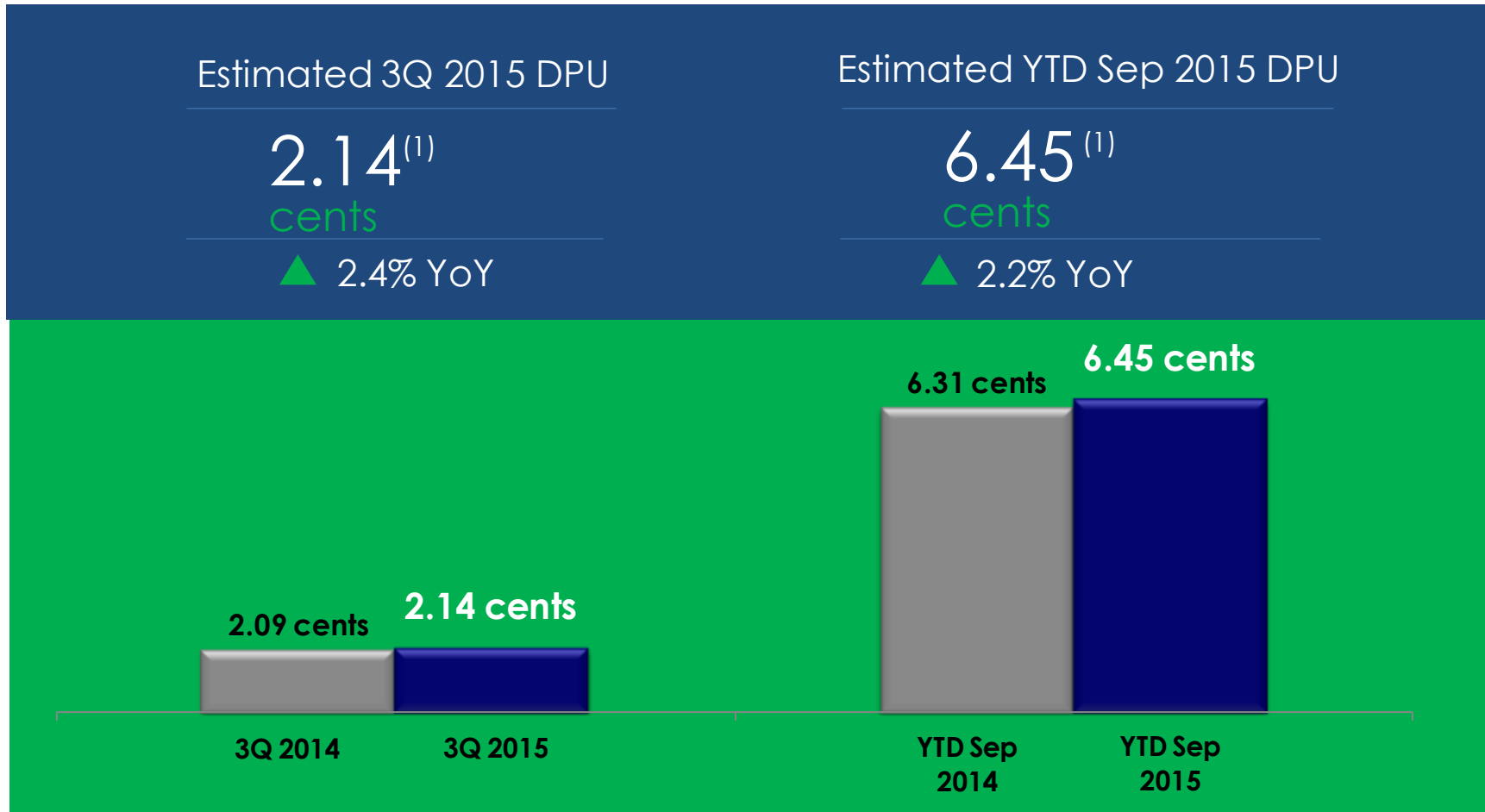
A low-angle photograph of the Capital Tower in Singapore, showing its distinctive stepped design and glass facade against a blue sky with white clouds. The tower's structure is composed of several stacked rectangular volumes, with the upper sections featuring a more complex, grid-like pattern of windows and balconies. The lower sections have a more uniform window pattern with horizontal bands of lighter-colored panels.

# 1. Highlights

Capital Tower, Singapore



# 3Q 2015 distribution per unit up by 2.4% YoY



**Note:**

(1) Estimated DPU for 3Q 2015 and YTD Sep 2015 were computed on the basis that none of the convertible bonds due 2017 (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\$1.5409.



# CCT's portfolio committed occupancy above market

3Q 2015 occupancy

## CCT's occupancy

Portfolio

96.4%<sup>(1)</sup>

Grade A offices

94.7%<sup>(1)</sup>

## Market occupancy

CBD Core

95.8%<sup>(2)</sup>

Grade A offices

94.8%<sup>(2)</sup>

### Notes:

(1) Based on CapitaGreen's occupancy of 85.5% as at 30 Sep 2015. However, portfolio committed occupancy would be 96.6% based on CapitaGreen's occupancy of 87.7% as at 27 Oct 2015.

(2) CBRE Pte. Ltd., 3Q 2015 MarketView





# CapitaGreen officially opened 9 September 2015

Committed leases for 87.7% of NLA or 616,600 sq ft<sup>(1)</sup>

- Winner of 2015 BCA Building Information Modeling<sup>(2)</sup> (BIM) Platinum Award – Project Category
- Secured refinancing with maturity in November 2020



CapitaGreen officially opened 9 September 2015



CapitaGreen

## Notes:

(1) As at 27 Oct 2015

(2) Building Information Modeling (BIM) is a modeling process that allows professionals to work on a building project digitally before it is built, leading to more sustainable design and higher construction productivity.



# Robust balance sheet with strong credit metrics

Financial flexibility for growth and to mitigate economic risks

Low gearing		Debt headroom	
30.1%		S\$1.3 billion	
3Q 2014: 30.2%		Assuming 40% gearing	

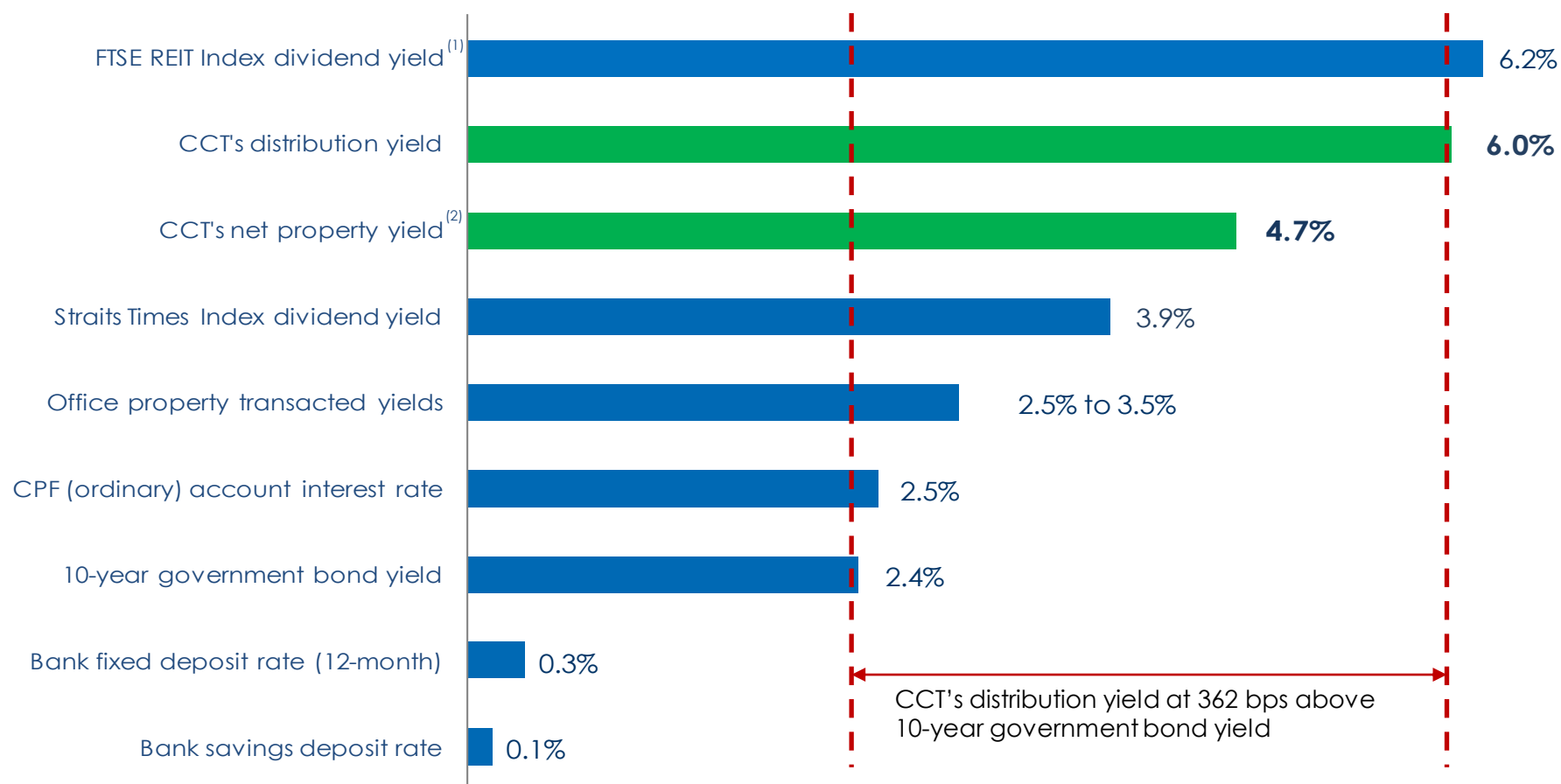
Average cost of debt	Interest coverage <sup>(1)</sup>	Gross borrowings on fixed rate
2.4% p.a.	7.3 times	83%
Increased from 2.3% p.a. in 3Q 2014	3Q 2014: 7.1 times	3Q 2014: 80%

Note:

(1) Ratio of EBITDA over finance costs which includes amortisation and transaction costs



# CCT distribution yield at 362 bps above 10-year government bond yield

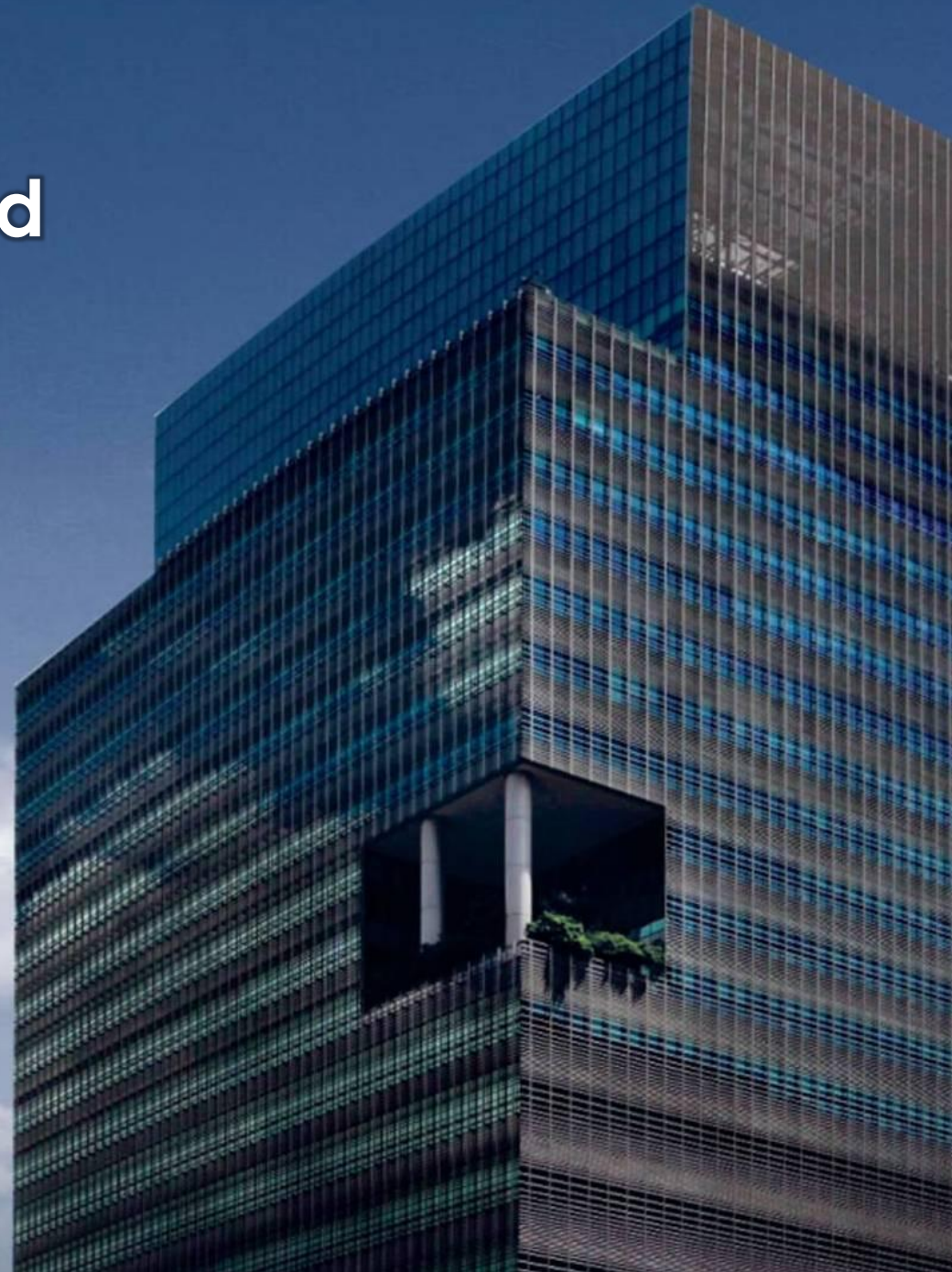


## Notes:

- (1) CCT Group distribution yield is based on annualised 9M 2015 DPU of 6.45 cents over closing price of S\$1.435 as at 27 Oct 2015.
  - (2) CCT Group (including RCS Trust and excluding CapitaGreen) net property yield based on 9M 2015 net property income and Jun 2015 valuation.
  - (3) All information as at 30 Sep 2015 except for FTSE REIT Index, STI and 10-year government bond yield which are as at 27 Oct 2015.
- Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities, CBRE Pte. Ltd.

## 2. Financial Results and Prudent Capital Management

One George Street, Singapore





# 3Q 2015 distributable income rose by 2.6% YoY

Gross Revenue

**S\$68.3**  
million

▲ 2.9% YoY

Net Property Income

**S\$52.7**  
million

▲ 1.5% YoY

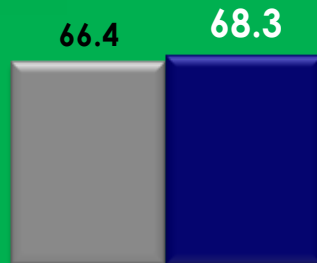
Distributable Income

**S\$63.2**  
million

▲ 2.6% YoY

S\$ million

■ 3Q 2014 ■ 3Q 2015



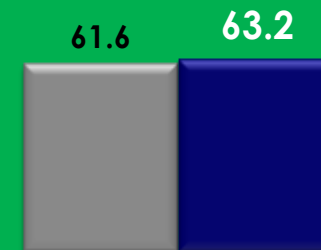
Gross Revenue

Growth in revenue due to higher rents except Golden Shoe Car Park



Net Property Income

Mainly due to revenue growth albeit offset by higher property tax and other expenses



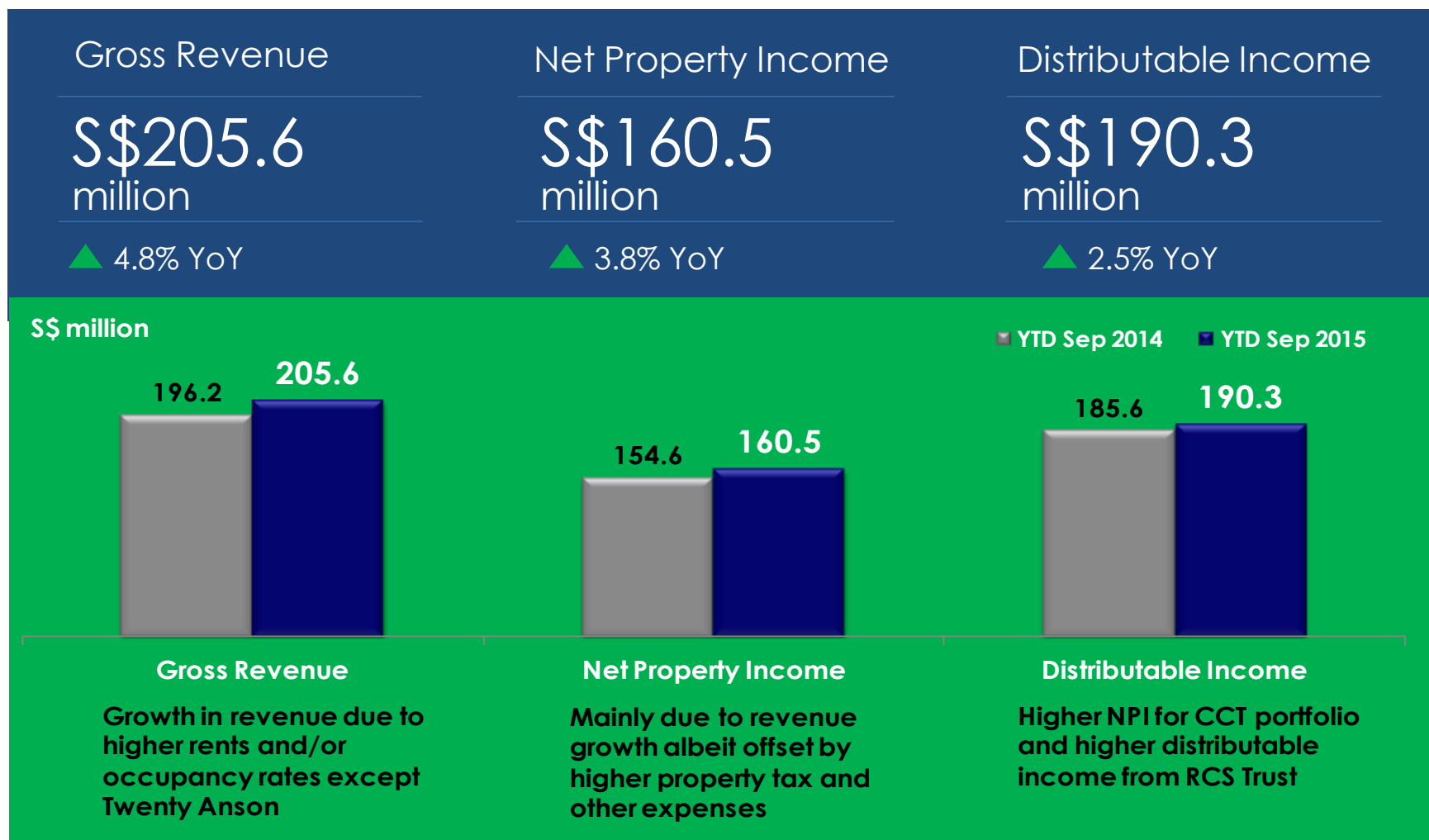
Distributable Income

Higher NPI for CCT portfolio and higher distributable income from RCS Trust





# YTD Sep 2015 distributable income rose by 2.5% YoY





# Robust balance sheet

## Statement of Financial Position As at 30 Sep 2015

	S\$ '000
Non-current Assets	6,430,085
Current Assets	103,026
<b>Total Assets</b>	<b>6,533,111</b>
Current Liabilities <sup>(1)</sup>	264,881
Non-current Liabilities	1,131,231
<b>Total Liabilities</b>	<b>1,396,112</b>
<b>Net Assets</b>	<b>5,136,999</b>
<b>Unitholders' Funds</b>	<b>5,136,999</b>

**Units in issue ('000)** **2,950,563**

	S\$ '000
<b>Deposited Properties<sup>(2)</sup></b>	<b>7,656,006</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

### Notes:

(1) There are sufficient credit facilities to refinance borrowings due in 2015.

(2) Deposited properties for CCT Group includes CCT's 60.0% interest in RCS Trust (\$\$1.89 billion) and 40.0% interest in MSO Trust (\$\$0.63 billion).



# Strong financial ratios

	2Q 2015	3Q 2015	Remarks
<b>Total Gross Debt<sup>(1)</sup></b>	S\$2,265.3 m	<b>S\$2,302.9 m</b>	<b>Increased</b> (Higher borrowings)
<b>Gearing<sup>(2)</sup></b>	29.5%	<b>30.1%</b>	<b>Increased</b> (Higher borrowings)
<b>Net Debt / EBITDA<sup>(3)</sup></b>	4.9 times	<b>5.1 times</b>	<b>Higher</b> (Higher net debt)
<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</b>	3.9 years	<b>3.7 years</b>	<b>Decreased</b> (Passing of time)
<b>Average Cost of Debt (p.a.)<sup>(5)</sup></b>	2.4%	<b>2.4%</b>	<b>Stable</b>
<b>Interest Coverage<sup>(6)</sup></b>	7.6 times	<b>7.3 times</b>	<b>Decreased</b> (Higher interest expense)

## 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.

(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) Ratio of interest expense over weighted average borrowings.

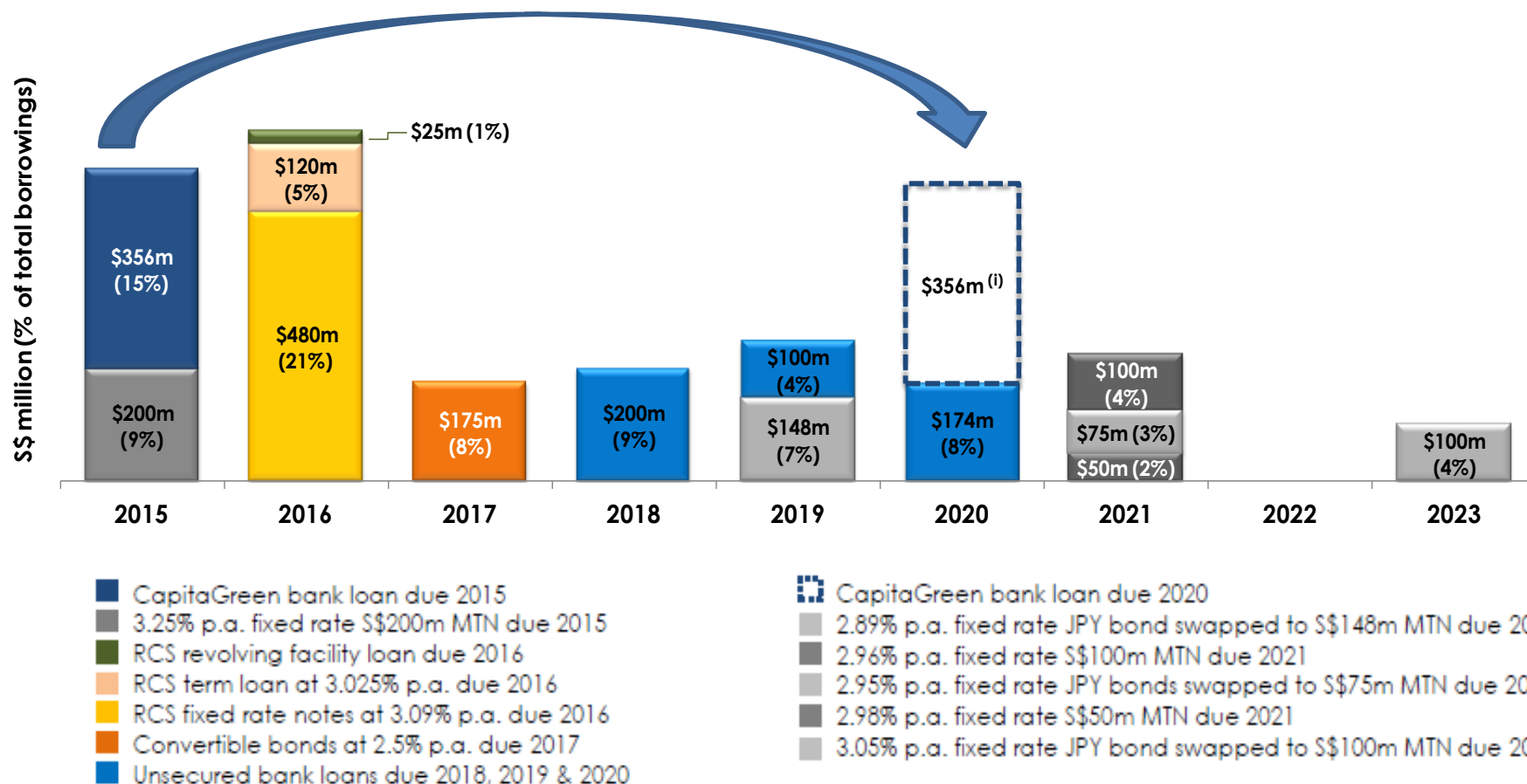
(6) Ratio of EBITDA over finance costs includes amortisation and transaction costs.





# Bank loan for CapitaGreen will be refinanced to 2020

As at 30 Sep 2015

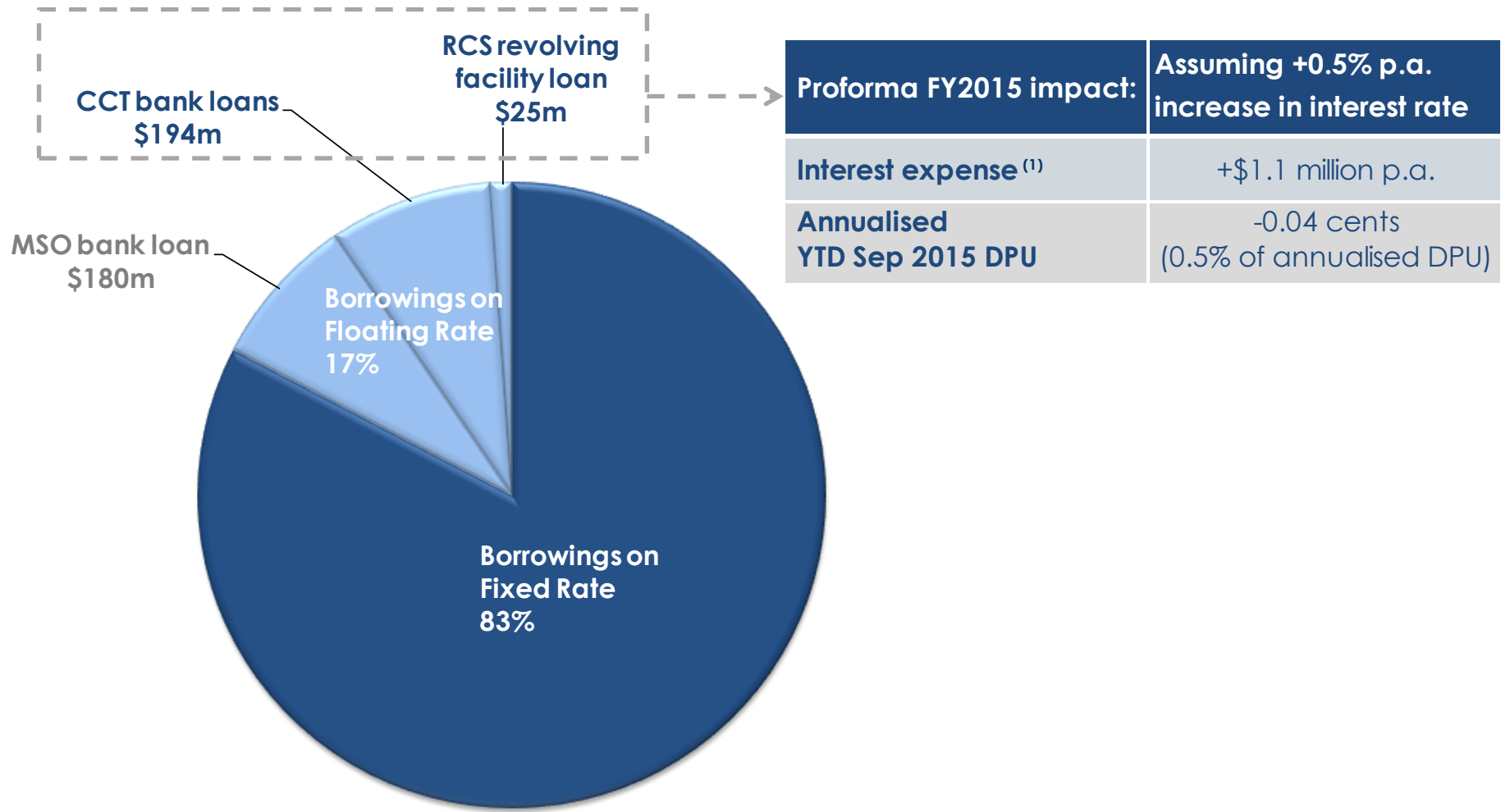


**Note:**

(1) Bank loan of CapitaGreen expires at end-2015 and will be refinanced with a new bank loan that will expire in 2020. About 50% of the borrowings are hedged to fixed rate and the estimated weighted average all-in borrowing cost is 2.9% p.a.. The average cost will vary accordingly if there are changes to the hedging ratio and/or the floating rate.



# 83% of fixed rate borrowings provides certainty of interest expense



**Note:**

(1) Excludes floating rate borrowings of CapitaGreen (owned by MSO Trust)

### 3. Proactive Management of Portfolio

Capita Commercial  
Capita Mall  
Raffles City





# CCT's strategies for portfolio and asset management

## Delivering consistent growth

High portfolio occupancy: 93% - 99% since 2004

## Building a resilient portfolio

- Portfolio occupancy at 96.4%
- 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

## Generating economic value

- Achieved ROIs of 8.6% 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**



**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: Target AEI ROI of 7.8%**



# Positive portfolio leasing activities for CCT

- In 3Q 2015, CCT signed approximately 226,000 square feet<sup>(1)</sup> of new leases and renewals, of which 36% are new leases.
- The above includes retail space of approximately 18,000 square feet.
- For 3Q 2015, new and renewed tenants include:

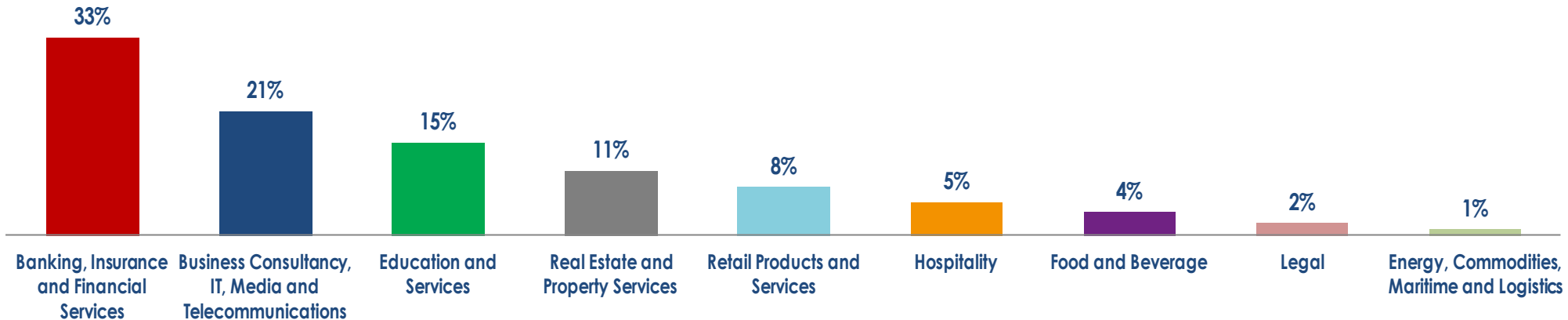
Tenant	Trade Sector	Building
Servcorp Battery Road Pte Ltd	Real Estate and Property Services	Six Battery Road
Capgemini Singapore Pte. Ltd.	Business Consultancy and IT	Six Battery Road
TH Real Estate	Real Estate and Property Services	One George Street
Open Text (Asia) Pte. Ltd.	IT	CapitaGreen
Phillip Securities Pte. Ltd.	Financial Services	Raffles City Tower
AAPC Singapore Pte Ltd	Hospitality	Raffles City Tower
Universal Business Suites Pte. Ltd.	Real Estate and Property Services	Raffles City Tower
Vertex Venture Management Pte. Ltd.	Financial Services	Raffles City Tower

**Note:**

**(1) Includes CapitaGreen**



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



**Note:**

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

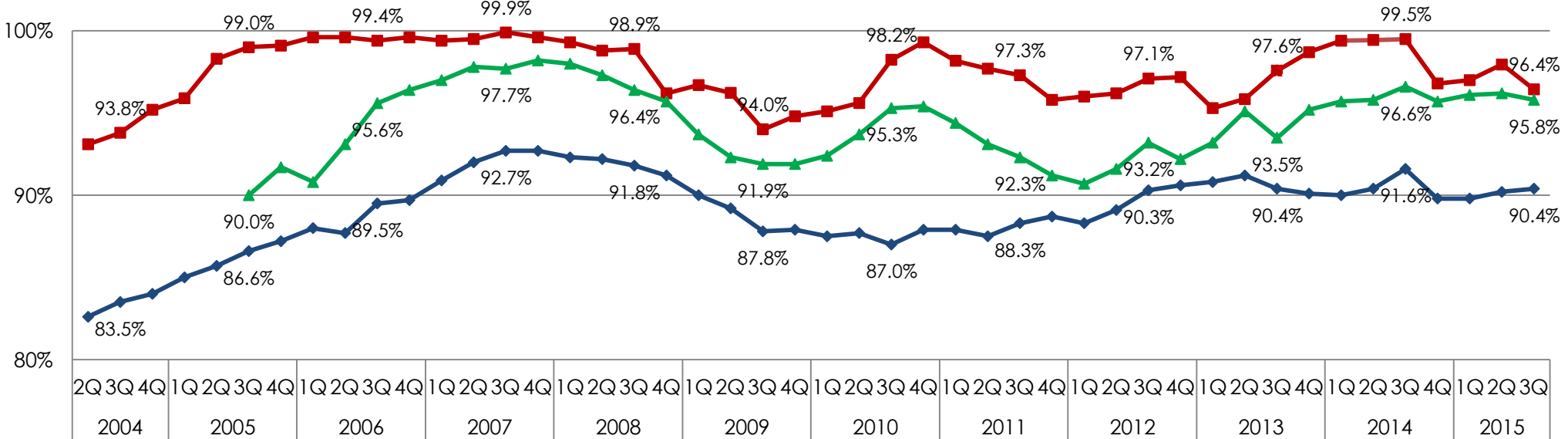




# CCT's portfolio occupancy of 96.4% is above market occupancy of 95.8%

	CCT Committed Occupancy <sup>(1)</sup>		Market Occupancy Level <sup>(2)</sup>	
	3Q 2015	2Q 2015	3Q 2015	2Q 2015
Grade A office	94.7%	97.1%	94.8%	95.6%
Portfolio	96.4%	98.0%	95.8%	96.2%

CCT's Committed Occupancy Since Inception



## Notes:

(1) Including CapitaGreen's occupancy of 85.5% as at 30 Sep 2015; Portfolio committed occupancy would be 96.6% based on CapitaGreen's occupancy of 87.7% as at 27 Oct 2015.

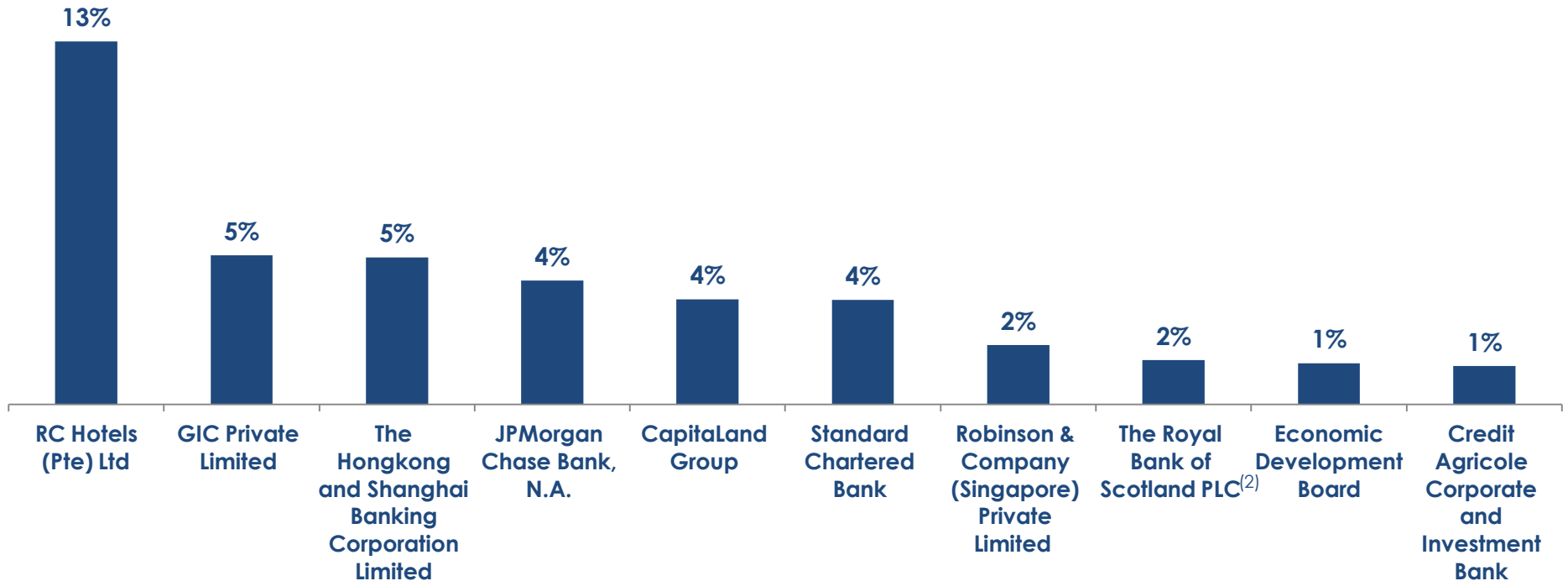
(2) Source: CBRE Pte. Ltd.

(3) Source: URA

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



# Top 10 blue-chip tenants contribute 42% of monthly gross rental income<sup>(1)</sup>



## Notes:

(1) Based on monthly gross rental income of top ten tenants as at 30 Sep 2015, excluding retail turnover rent.

Total percentage may not add up due to rounding.

(2) The Royal Bank of Scotland PLC's lease will expire in Mar 2016



# Overall positive rental reversions for CCT's Grade A office leases committed in 3Q 2015

S\$ psf per month	Average Expired Rents	Committed Rents <sup>(1)</sup>	Sub-Market	Market Rents of Comparative Sub-Market	
				Colliers <sup>(2)</sup>	DTZ <sup>(3)</sup>
CapitaGreen	-	11.90 – 14.00	Premium Grade Raffles Place	S\$11.68	S\$10.45
Six Battery Road	11.11	10.50 – 13.50	Grade A Raffles Place	S\$10.18	S\$10.45
One George Street	7.56	9.30 – 12.30	Grade A Raffles Place	S\$10.18	S\$10.45

**Notes:**

(1) Renewal/new leases committed in 3Q 2015

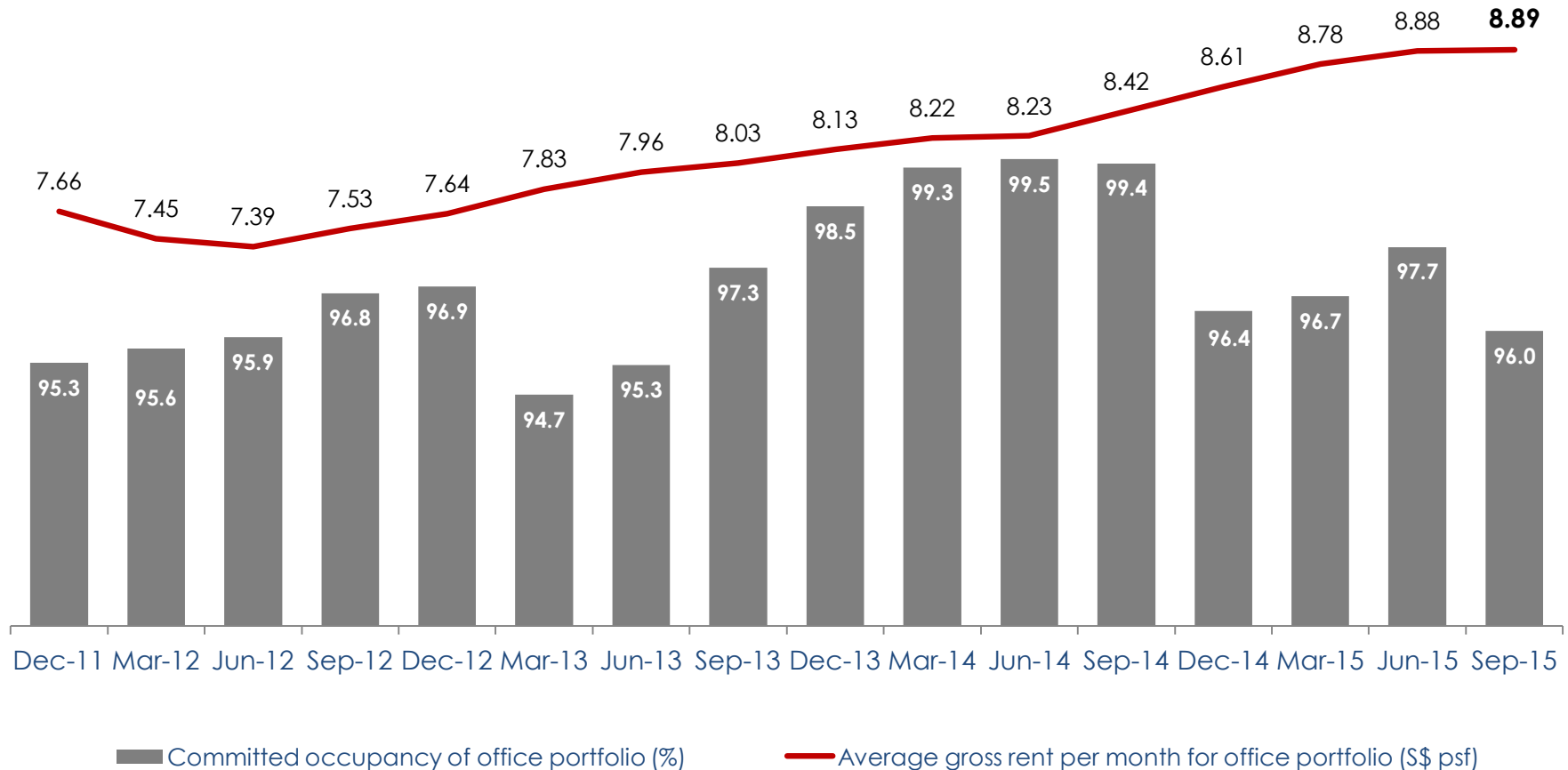
(2) Source: Colliers International 3Q 2015

(3) DTZ average gross rent for Raffles Place. Source: DTZ 3Q 2015.

(4) CBRE Pte. Ltd.'s 3Q 2015 Grade A rent is S\$10.90 psf per month and they do not publish sub-market rents



# Monthly average office rent of CCT's portfolio<sup>(1)(2)</sup> up QoQ



## Notes:

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

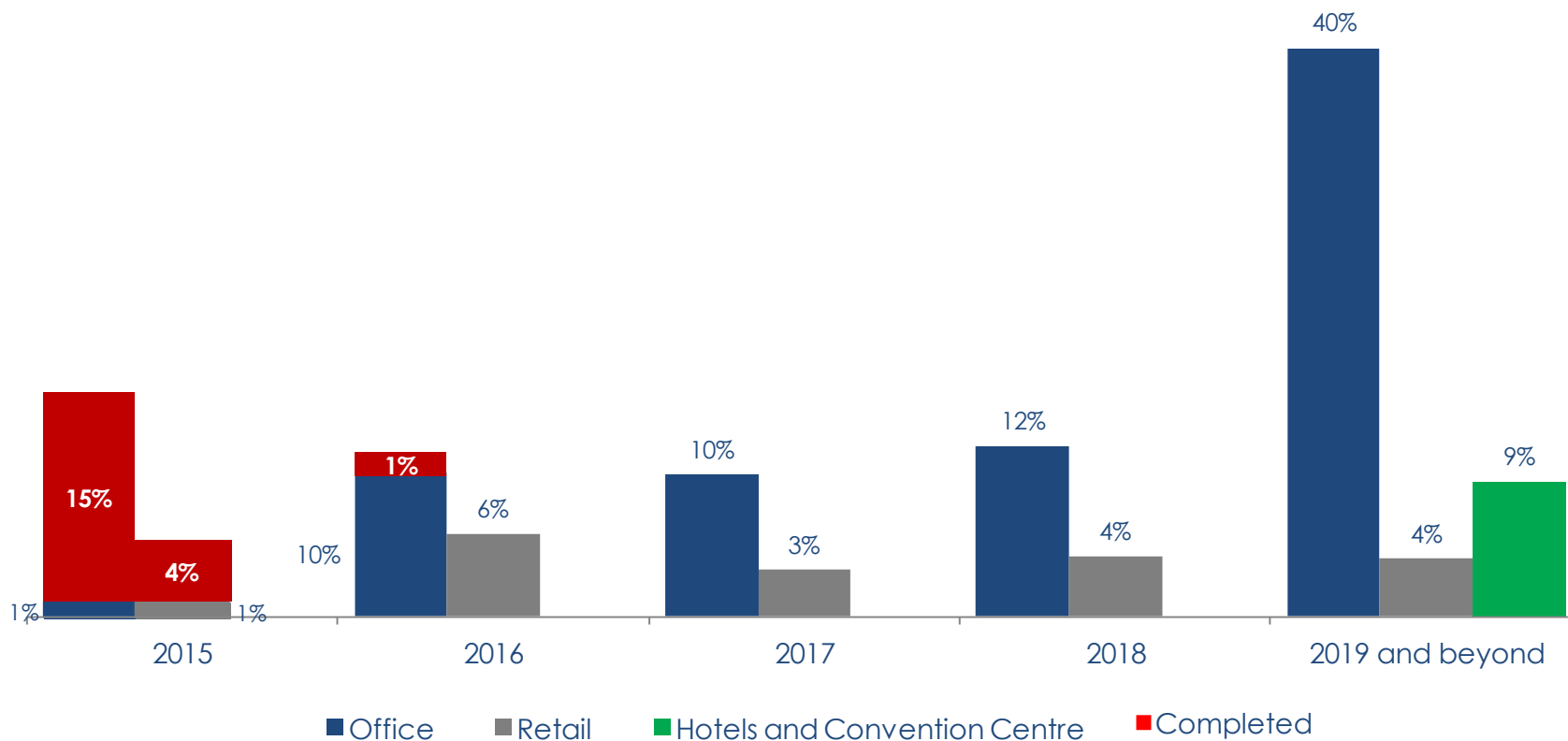
(2) Includes 40.0% interest in CapitaGreen with effect from Dec 2014





# Minimised leases due in 2016 and 2017

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



Portfolio WALE<sup>(3)</sup> by NLA as at end Sep 2015 = 7.7 years

**Notes:**

(1) Includes CapitaGreen

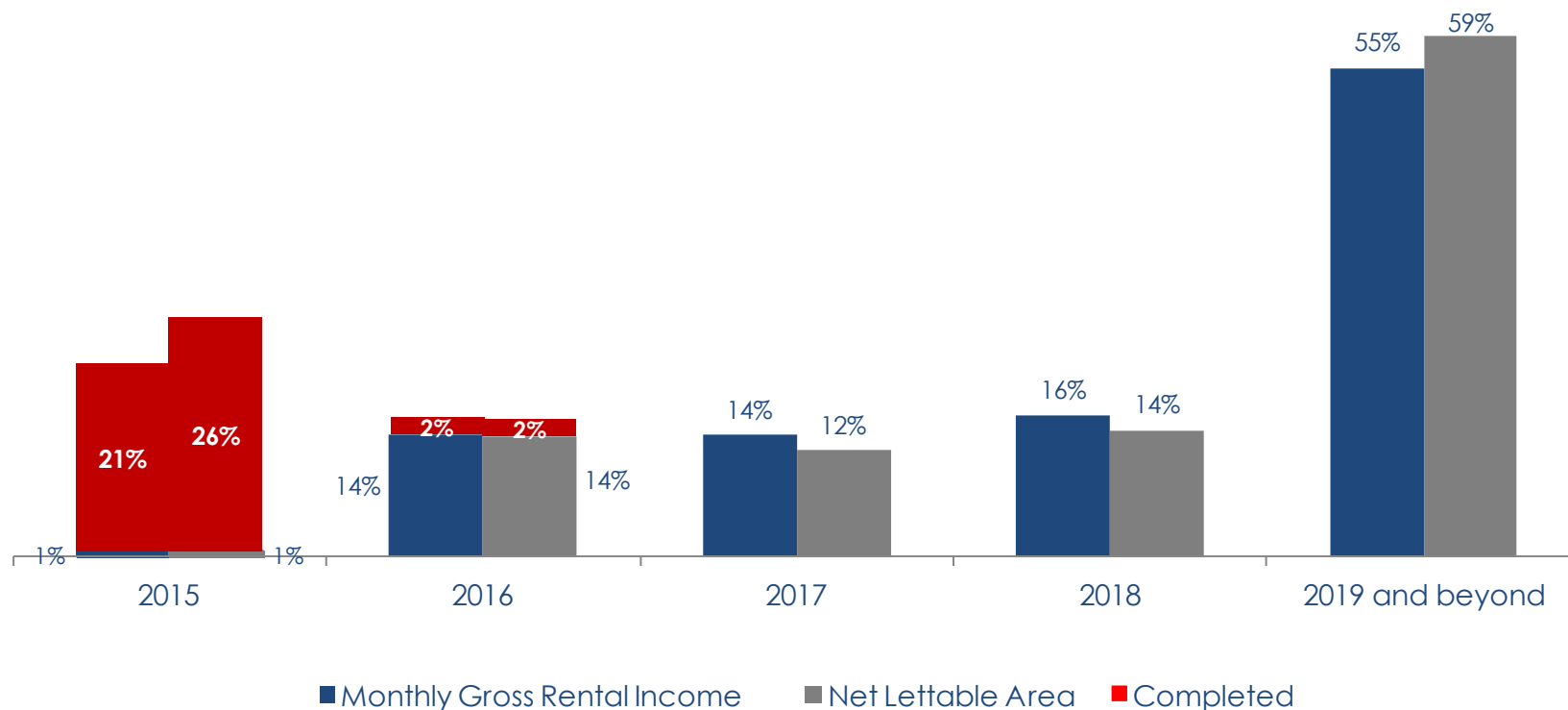
(2) Excludes retail and hotel turnover rent

(3) WALE: Weighted Average Lease term to Expiry



# Renewal of 2016 expiring leases in progress

Office lease expiry profile<sup>(1)</sup> as at 30 September 2015



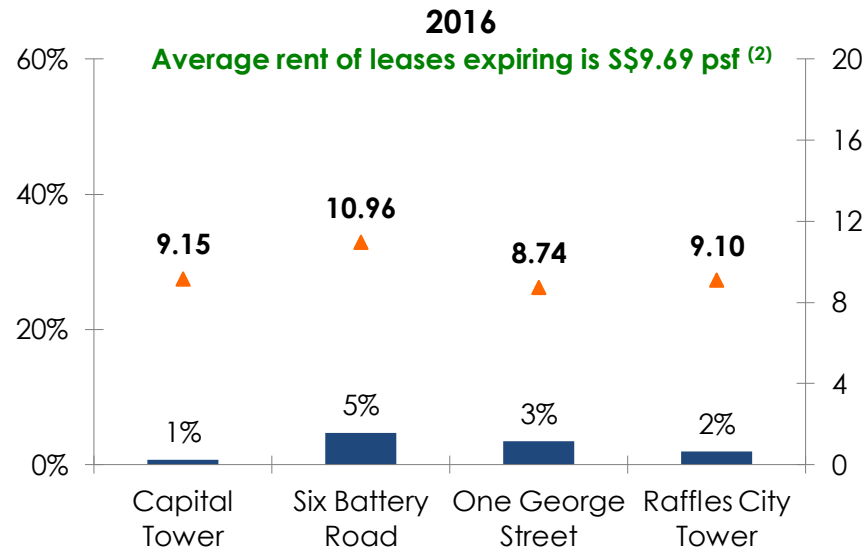
**Note:**

**(1) Includes CapitaGreen**



# Average expiring rent below current market rent

3Q 2015 Industry Statistics<sup>(1)</sup> –  
Grade A Office Average Market Rent: S\$10.90 psf per month



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

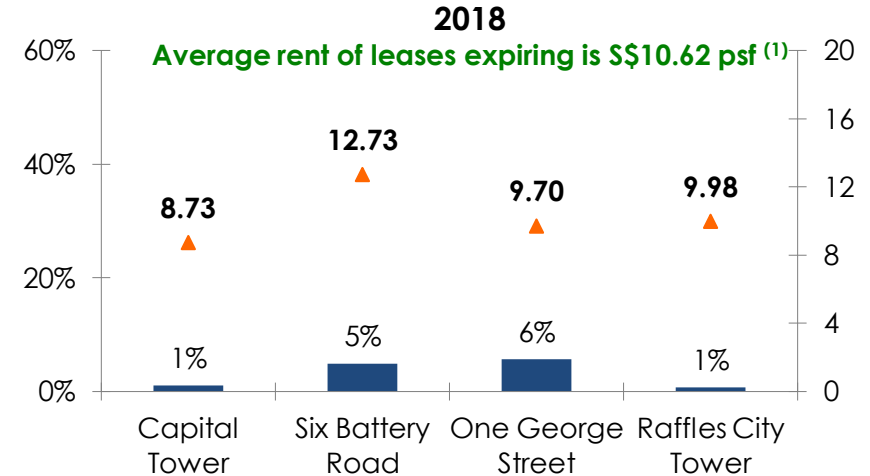
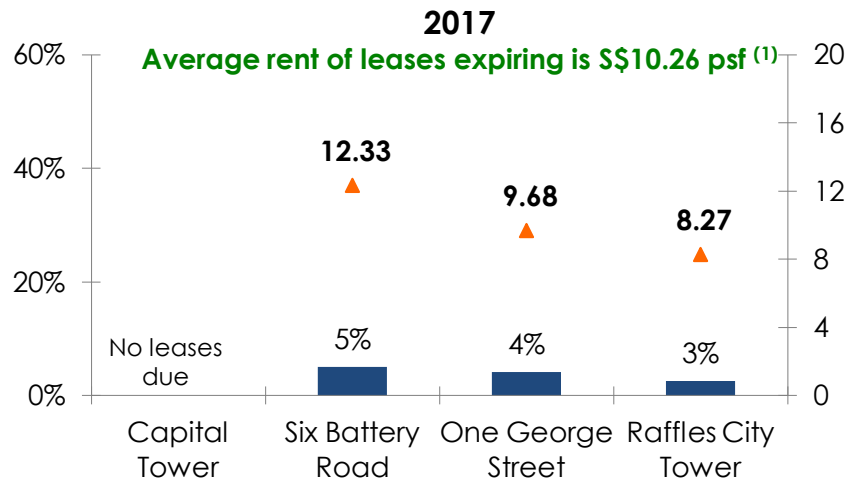
**Notes:**

(1) Source: CBRE Pte. Ltd. as at 3Q 2015

(2) Three Grade A buildings and Raffles City Tower only



# 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

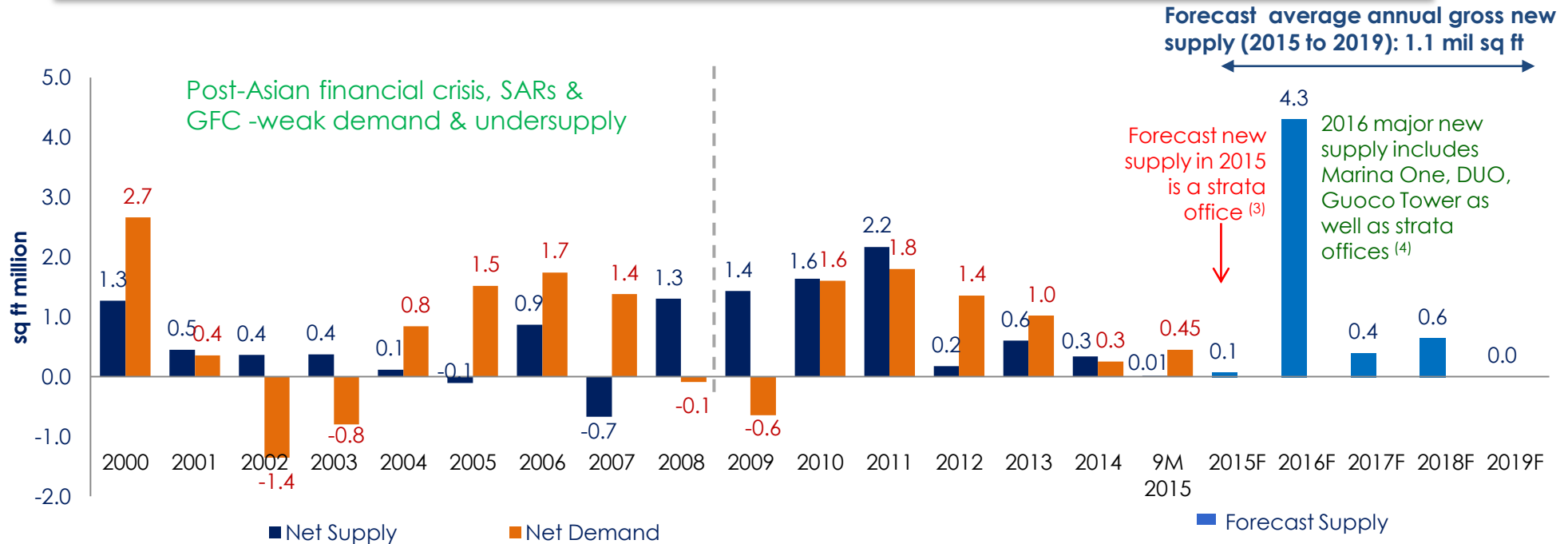


Wilkie Edge, Singapore



# Annual new supply to average 1.1m sq ft in 2015-2019; CBD Core occupancy at 95.8% as at end Sep 2015

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



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2005 – 2014 (through 10-year property market cycles)	0.8m sq ft	1.0m sq ft
2010 – 2014 (five years period post GFC)	1.0m sq ft	1.2m sq ft
2015 – 2019 (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) Source: Historical data from URA statistics as at 3Q 2015; Forecast supply from CBRE Pte. Ltd. as at 3Q 2015; South Beach Development obtained TOP in 1Q 2015
- (4) 2016 forecast new supply includes strata offices, namely, SBF Centre and EON Shenton and GSH Building

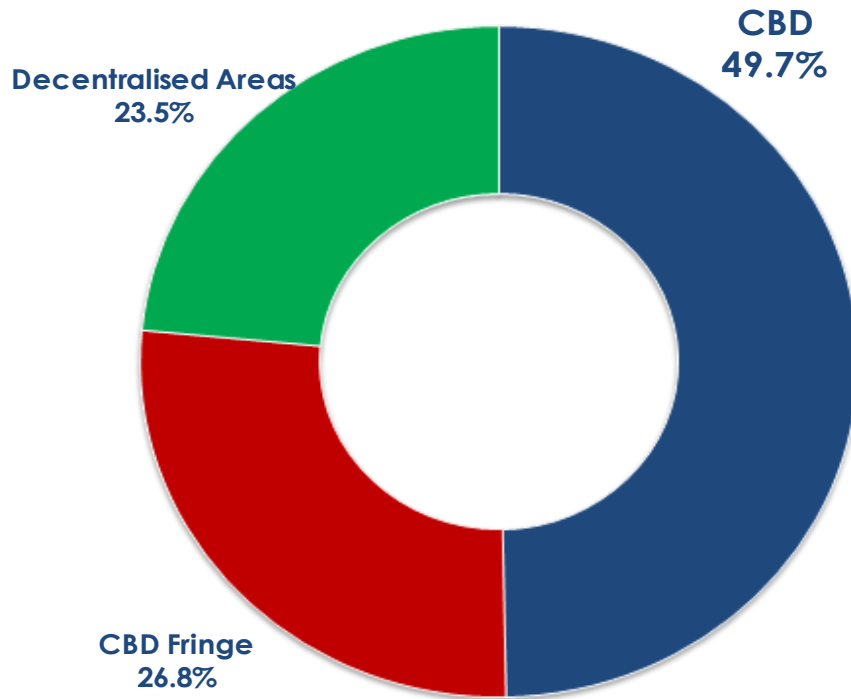
# Known Future Office Supply in Central Area (2015 – 2018 and beyond)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
2015	PS100 (Strata Office)	Tanjong Pagar	71,000
		<b>Subtotal (2015):</b>	<b>71,000</b>
3Q 2016	DUO	Bugis	570,000
3Q 2016	Guoco Tower	Tanjong Pagar	850,000
4Q 2016	V on Shenton (Former UIC Building at 5 Shenton Way)	Shenton Way	278,000
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>4,310,000</b>
2017	Redevelopment of International Factors Building and Robinson Towers	Robinson Road	215,000
2017	Crown @ Robinson	Robinson Road	70,000
2017	Oxley Tower (Strata Office)	Shenton Way	112,000
		<b>Subtotal (2017):</b>	<b>397,000</b>
2Q 2018	Fraser's Tower	Shenton Way	645,000
		<b>Subtotal (2018 and beyond):</b>	<b>645,000</b>
<b>TOTAL FORECAST SUPPLY (2015-2018 and beyond)</b>			<b>5,423,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>4,504,000</b>

**Note:**  
(1) Source: CBRE Pte. Ltd.

# Core CBD office space constitutes 49.7% of total office stock

Total island-wide office stock in Singapore: 55.5m sq ft



Region	Area (sq ft) <sup>(1)</sup>	% of total stock
Core CBD	27.6m	49.7%
Fringe CBD	14.9m	26.8%
Decentralised Areas	13.0m	23.5%
Total	55.5m	100%

**Notes:**

(1) Total area may not add up due to rounding

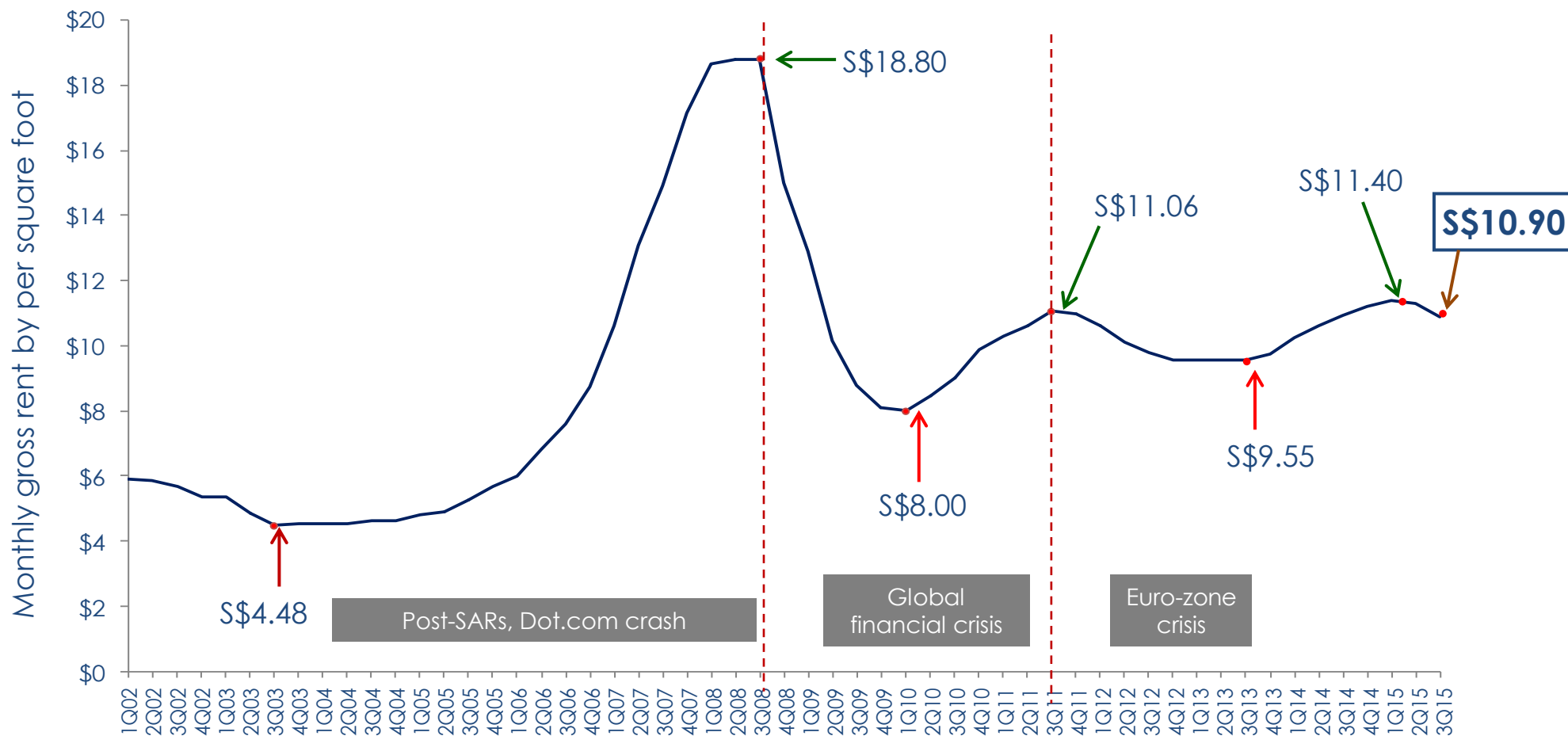
(2) Source: CBRE Pte. Ltd. (3Q 2015)





# Grade A office market rent eased by 3.5% in 3Q 2015

	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15
Mthly rent (S\$ / sq ft )	10.95	11.20	11.40	11.30	<b>10.90</b>
% change	+3.3%	+2.3%	+1.8%	-0.9%	<b>-3.5%</b>



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

## 5. Summary

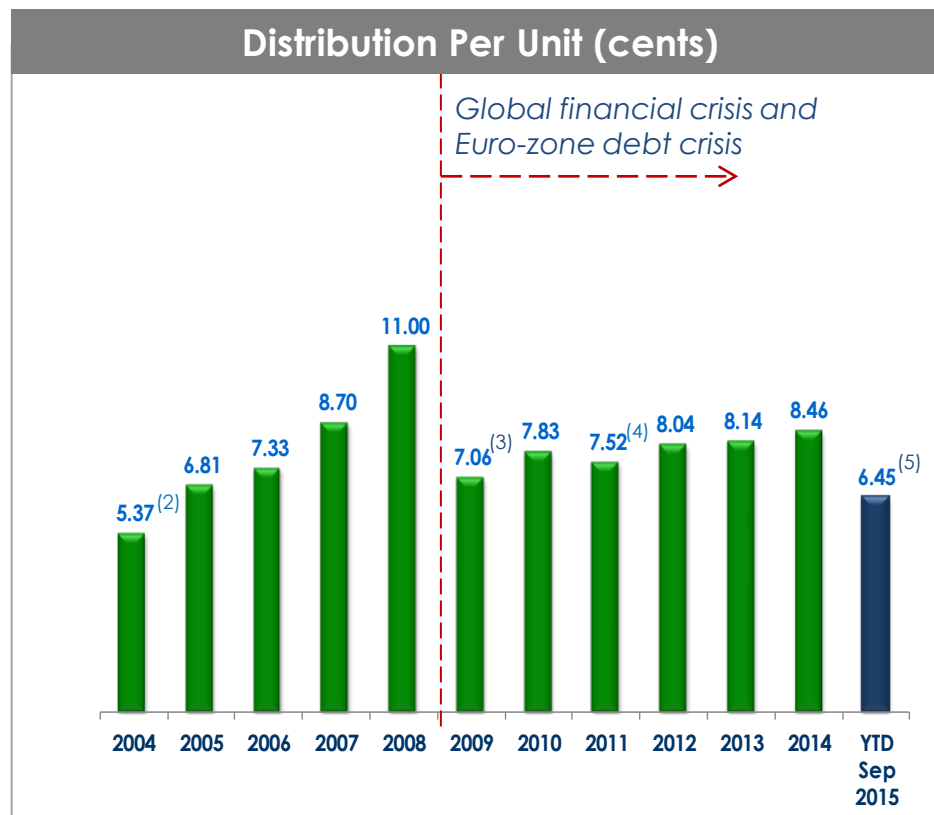
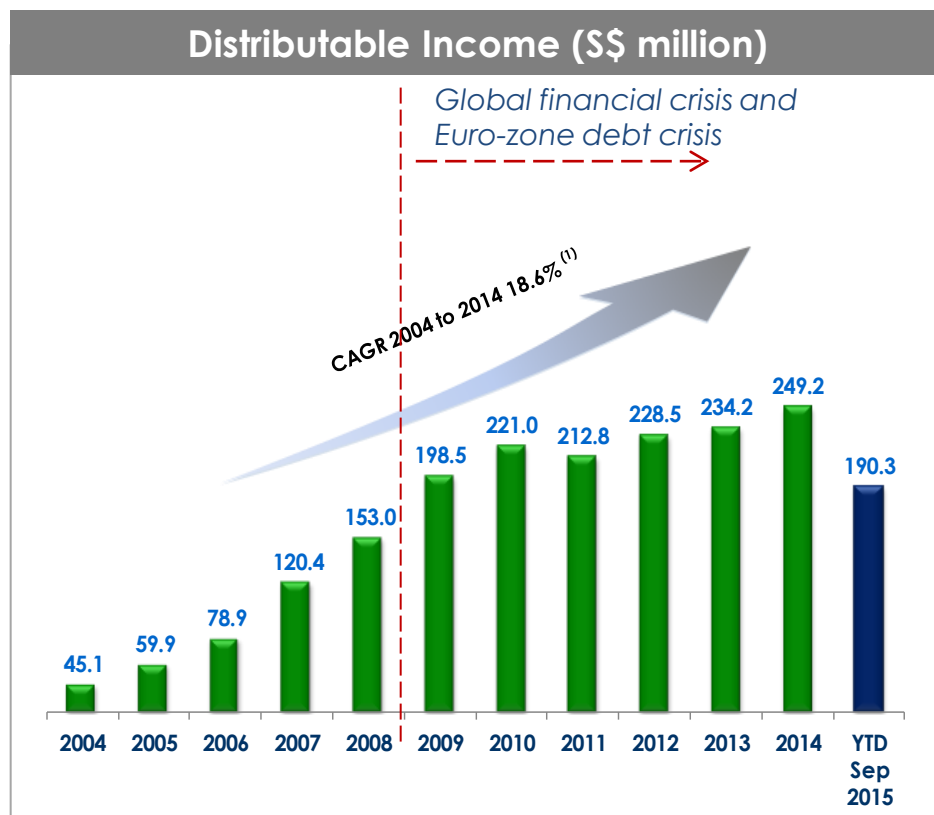
Raffles City

Raffles City Singapore



# Established track record: CCT delivered higher DPU YoY

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
- (5) Annualised YTD Sep 2015 DPU is 8.62 cents

## 2016 outlook

- ✓ Retain and attract tenants
- ✓ Progressive contribution from 40.0% stake in CapitaGreen will mitigate potential headwinds in the office market

## External Growth

- ✓ Growth through disciplined and sustainable acquisition of third-party properties
- ✓ Growth through development supported by strong balance sheet

## Financial Flexibility

- ✓ Debt headroom of S\$1.3 billion assuming 40.0% gearing





# 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



## 6. Supplementary Information

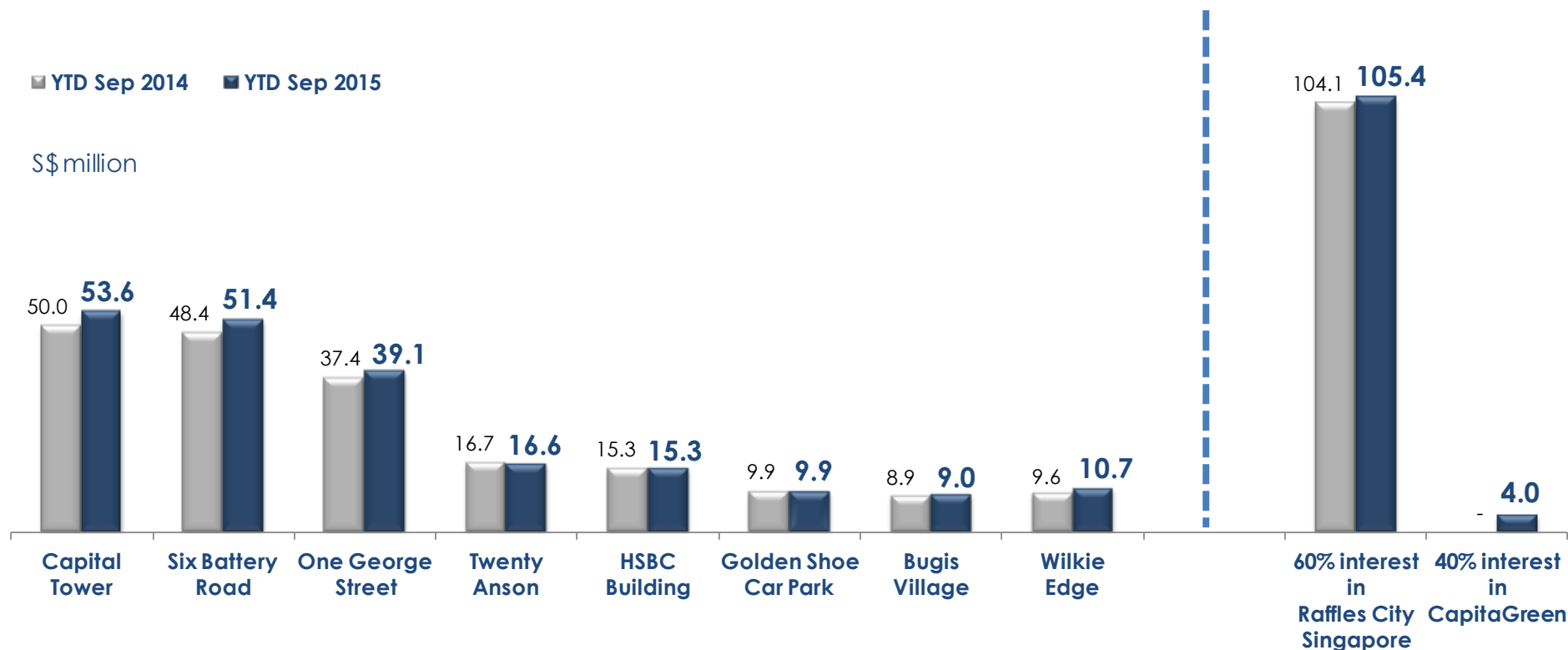
Raffles City Singapore



# YTD Sep 2015 gross revenue rose 4.8% YoY<sup>(1)</sup>

Higher revenue from Grade A offices

Lower revenue for Twenty Anson due to lower yield stabilization income



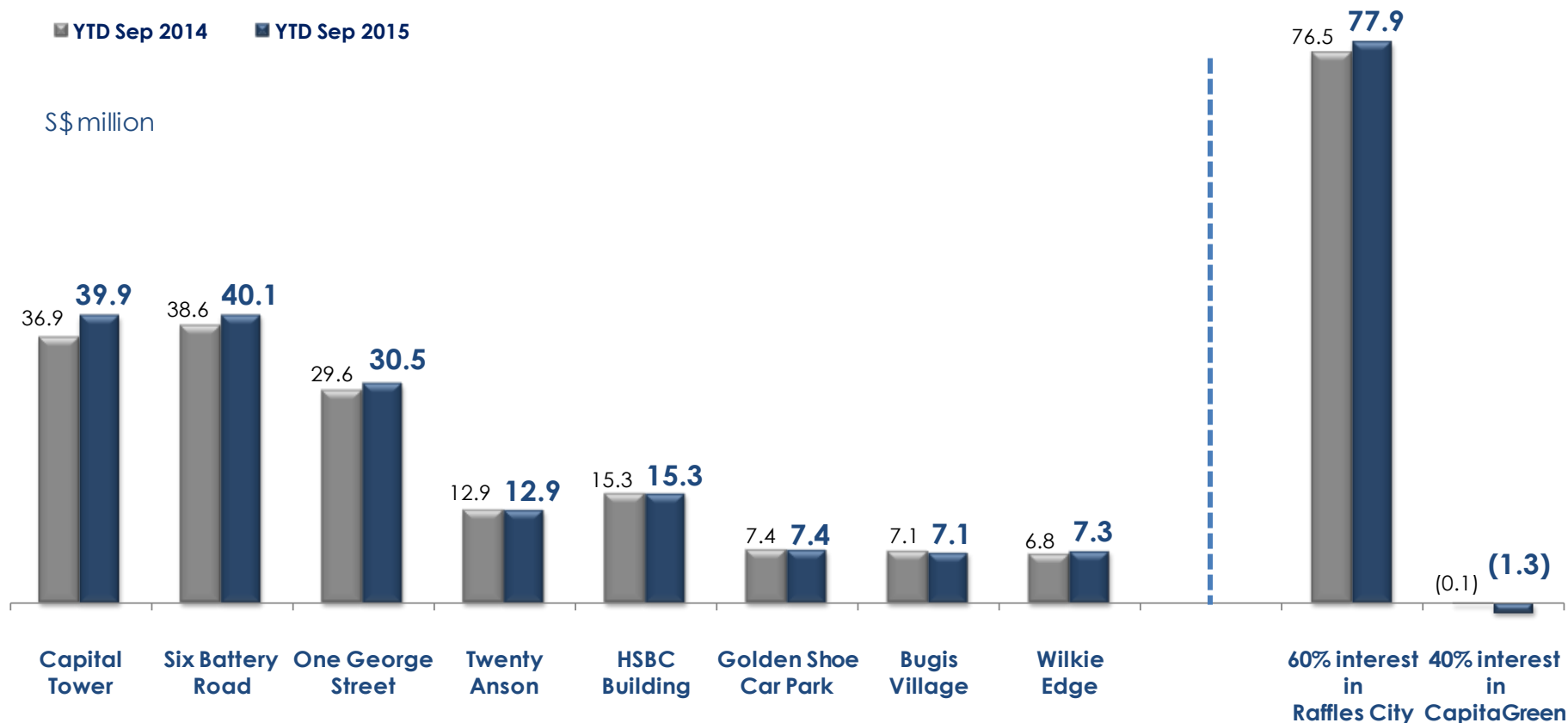
Note:

(1) Excludes joint ventures



# YTD Sep 2015 net property income up 3.8% YoY<sup>(1)</sup>

Higher net property income for all buildings except for CapitaGreen



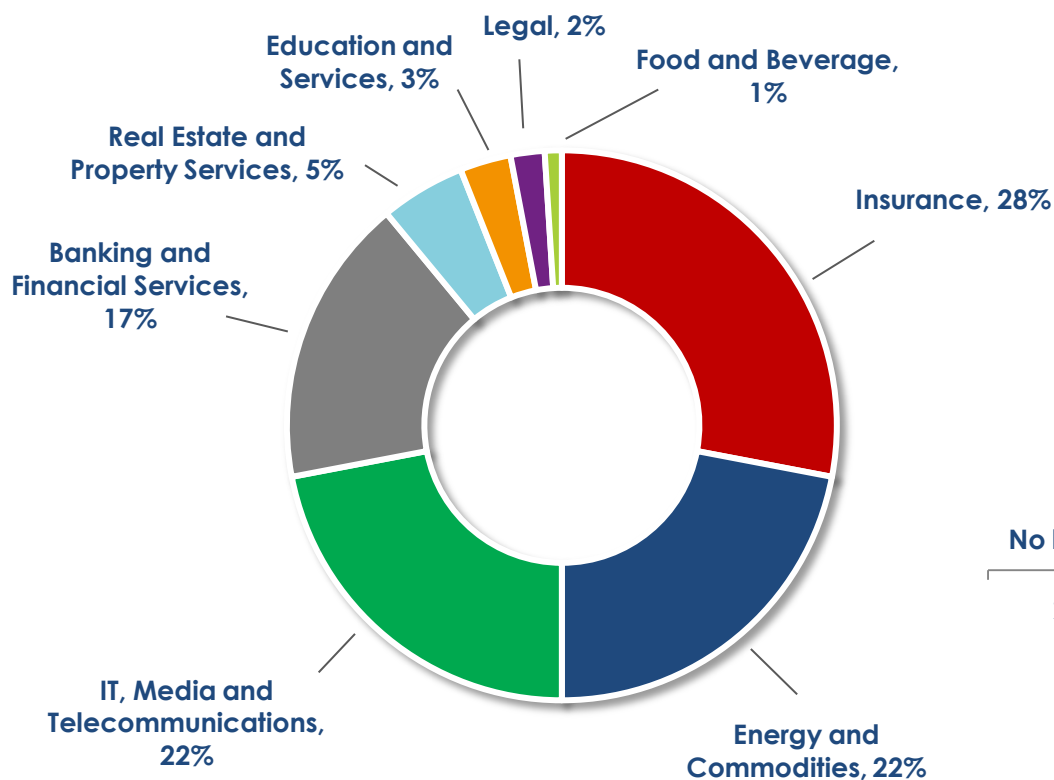
Note:

(1) Excludes joint ventures

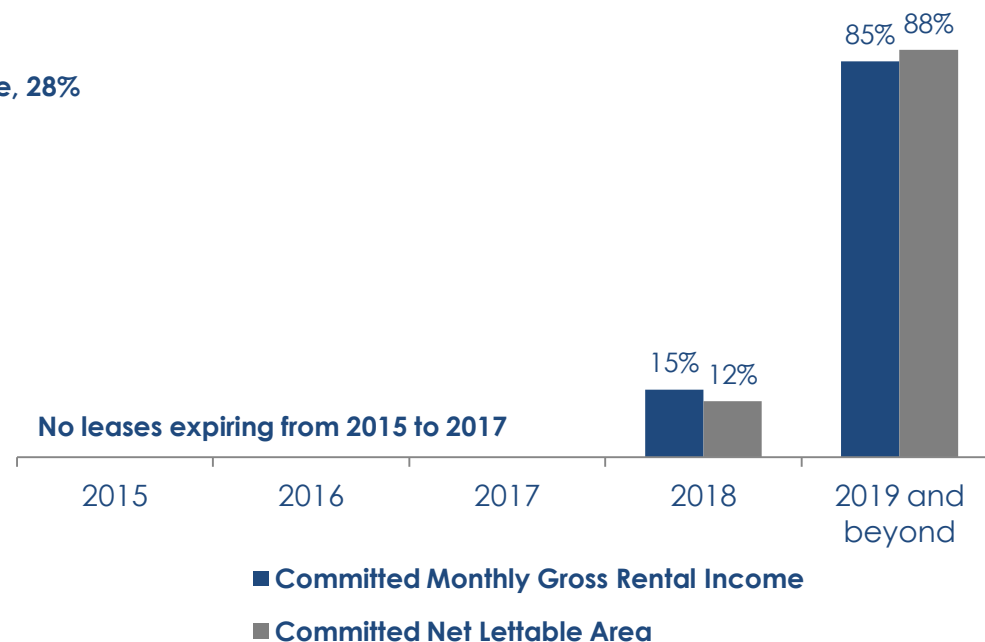
# CapitaGreen committed leases for approximately 87.7% of NLA<sup>(1)</sup> or 616,600 sq ft

Committed tenants are on long term leases and 72% predominantly from the Insurance, Energy and Commodities and IT sectors

Tenant trade mix<sup>(2)</sup> for CapitaGreen



Lease expiry profile<sup>(2)</sup> for CapitaGreen



Notes:

(1) Based on leasing update as at 27 Oct 2015 and CapitaGreen's total net lettable area of 703,000 sq ft as at 30 Sep 2015

(2) Based on net lettable area of leases committed at CapitaGreen of 85.5% as at 30 Sep 2015





# Potential acquisition pipeline of remaining 60.0%



## CapitaGreen 138 Market Street

- Total project development cost of S\$1.3 billion
- CCT owns 40.0% share of CapitaGreen
- Has call option to acquire balance 60.0% from JV partners
- Purchase price at market valuation
- Subject to minimum of development cost compounded at 6.3% p.a.<sup>(1)</sup>
- Exercise period: within 3 years after completion (2015 to 2017)

Note:

(1) Based on actual costs incurred since commencement of development in 2011 and compounded at 6.3% p.a. (less any net income received)



# CapitaLand Commercial Trust

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

**S\$4.2b<sup>#</sup>**

Market  
Capitalisation

**10**

Properties in Singapore's  
Central Area

**S\$7.7b<sup>\*</sup>**

Deposited  
Properties

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

**32%**

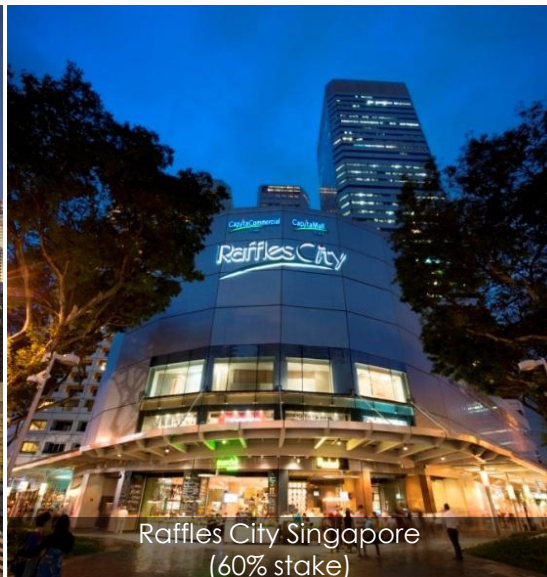
Owned by  
CapitaLand Group



Capital Tower



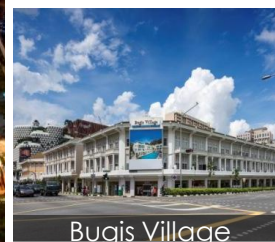
CapitaGreen  
(40% stake)



Raffles City Singapore  
(60% stake)



HSBC Building



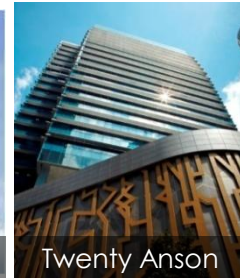
Bugis Village



Six Battery Road



One George Street



Twenty Anson



Wilkie Edge



Golden Shoe Car Park

<sup>#</sup> Market Capitalisation as at 27 Oct 2015

<sup>\*</sup> Deposited Properties as at 30 Sep 2015





# Owens 10 centrally-located quality commercial properties

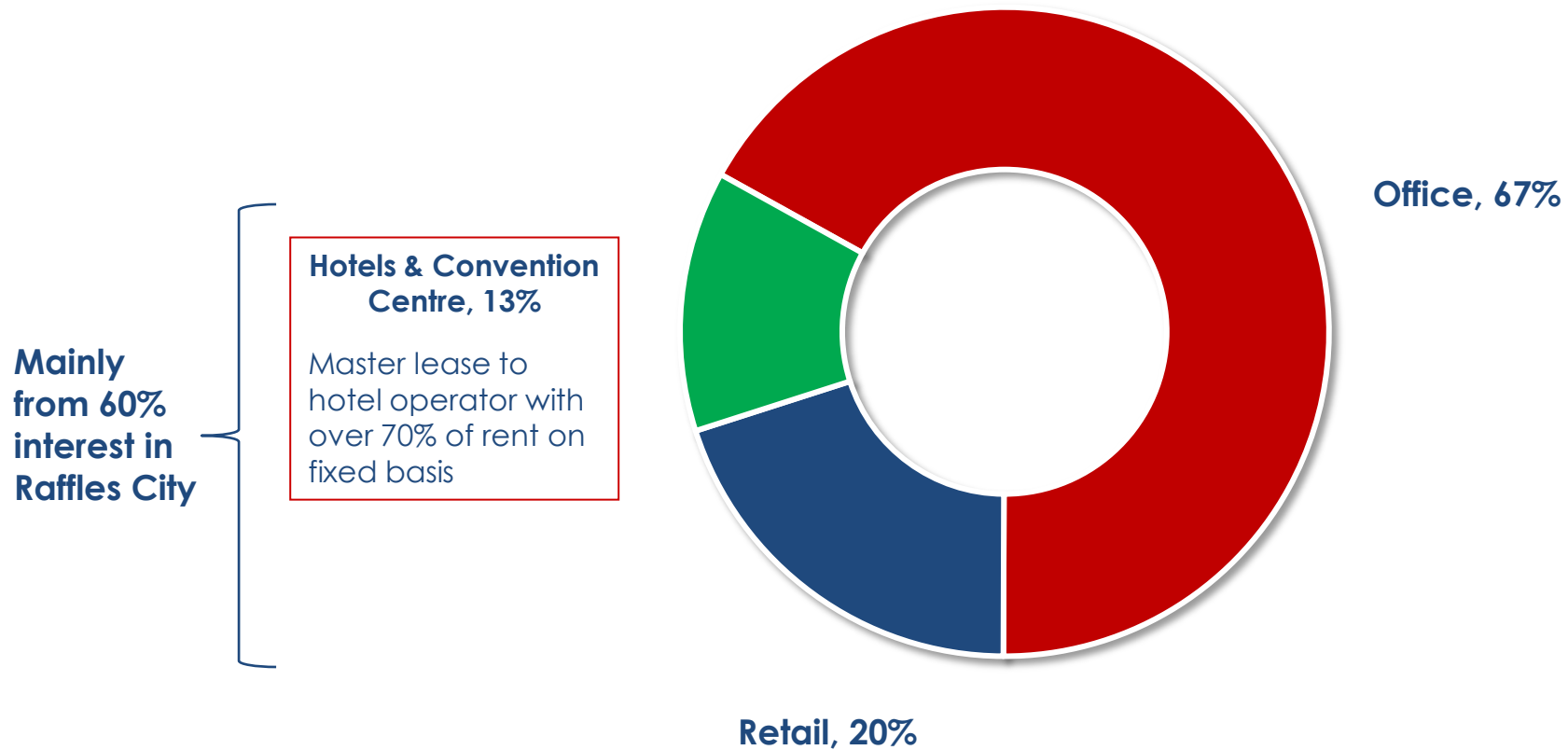


- |                           |                          |
|---------------------------|--------------------------|
| 1. Capital Tower          | 6. Twenty Anson          |
| 2. Six Battery Road       | 7. HSBC Building         |
| 3. One George Street      | 8. Wilkie Edge           |
| 4. Raffles City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



# 67% of gross rental income<sup>(1)</sup> contributed by office and 33% by retail and hotel & convention centre

## CCT's income contribution by sector



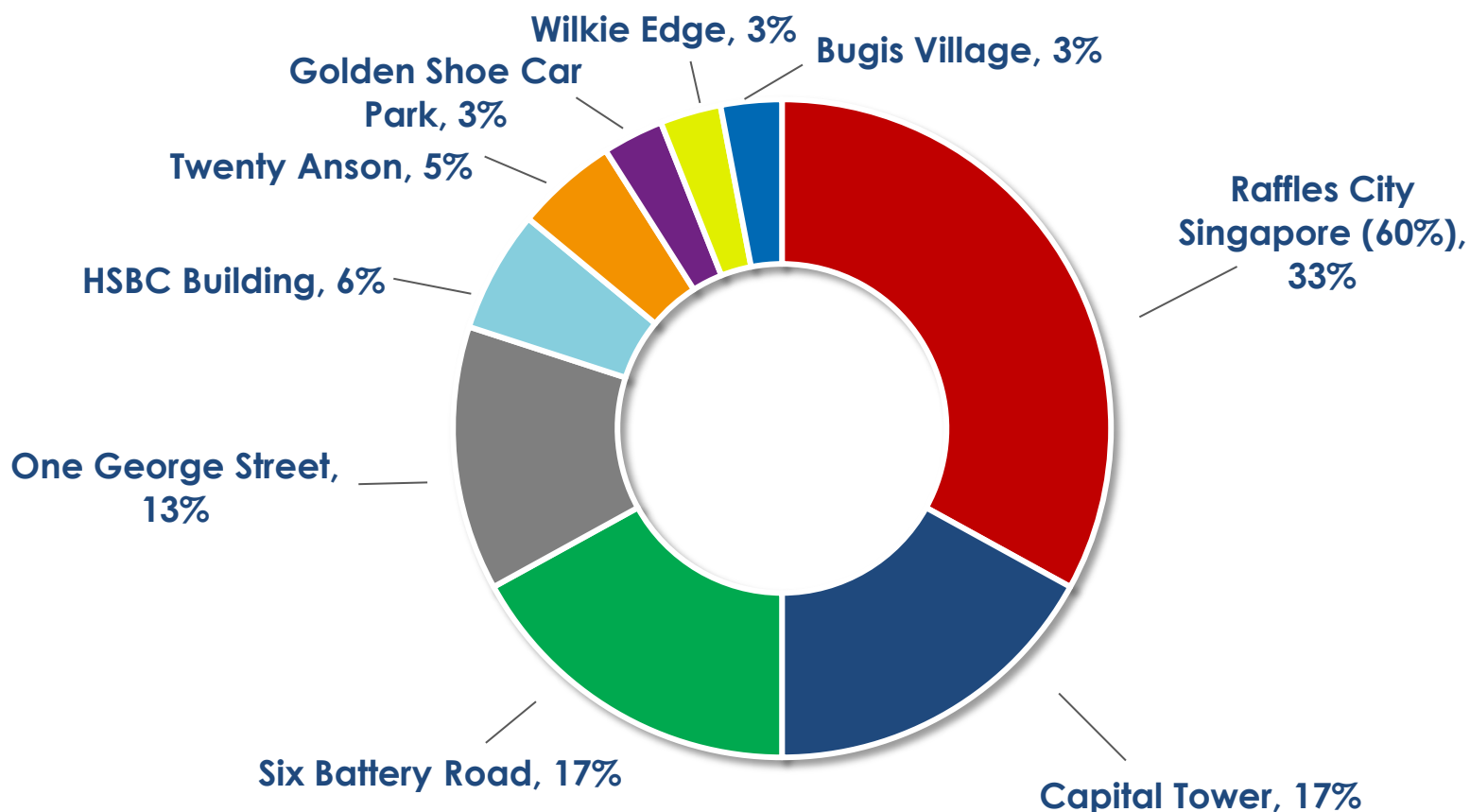
Note:

(1) Based on gross rental income from 1 Jan 2015 to 30 Sep 2015, including gross rental income from CCT's 60.0% interest in Raffles City Singapore and excluding retail turnover rent



# Portfolio diversification with focus on quality

91% of Net Property Income<sup>(1)</sup> from Grade A and prime offices



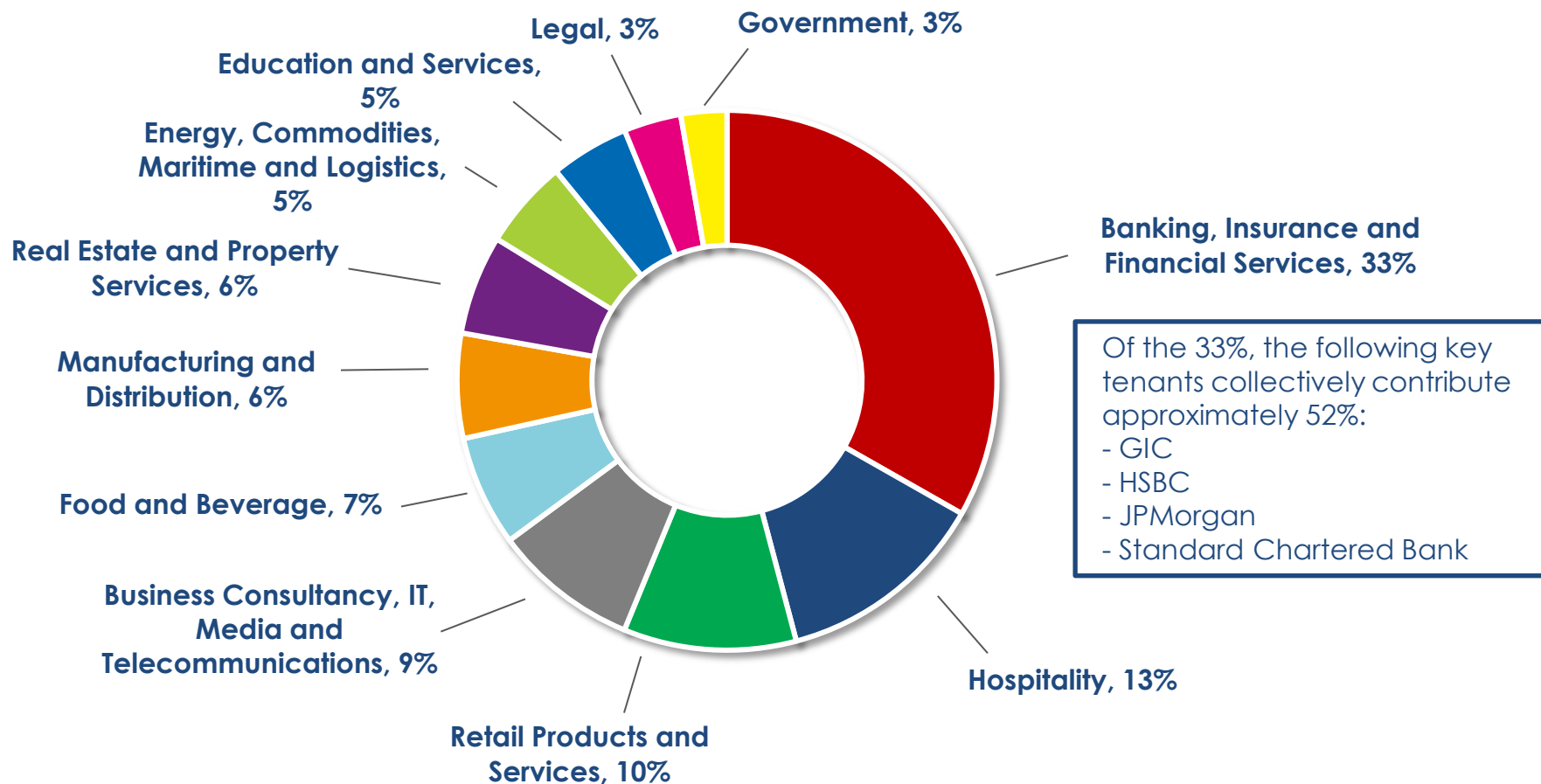
Note:

(1) Based on net property income from 1 Jan 2015 to 30 Sep 2015, including net property income from CCT's 60.0% interest in Raffles City Singapore



# 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 30 Sep 2015, including CCT's 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen, and excluding retail turnover rent



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	1Q 2015	2Q 2015	3Q 2015
Capital Tower	100.0	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	100.0	100.0	92.2
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	99.9	100.0	99.5
Bugis Village	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	94.8	96.5	98.3	100.0
Golden Shoe Car Park	98.0	96.4	100.0	100.0	95.2	100.0	100.0	94.6	100.0	100.0	100.0	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	100.0
Raffles City (60% interest)	99.5	99.3	99.9	99.3	99.1	98.9	100.0	100.0	100.0	100.0	99.0	99.3
Wilkie Edge			52.5	77.9	98.4	98.4	93.9	99.6	100.0	100.0	100.0	100.0
One George Street			100.0	96.3	100.0	93.3	92.5	95.5	100.0	100.0	99.4	99.4
Twenty Anson							100.0	98.1	97.8	97.8	100.0	97.9
CapitaGreen (40% interest) <sup>(3)</sup>									69.3	69.9	80.4	85.5
<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>97.0</b>	<b>98.0</b>	<b>96.4<sup>(4)</sup></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

(4) Portfolio committed occupancy would be 96.6% based on CapitaGreen's occupancy of 87.7% as at 27 Oct 2015.



# Value creation through AEs

Property	Six Battery Road	Raffles City Tower (100.0% interest)	Capital Tower
Occupancy rate (as at 30 Sep 2015)	99.5%	99.3% (RCS)	92.2%
Total AEI final / budget	Final: S\$85.8m Budget: S\$92.0m	Final: S\$32.3m Budget: S\$34.7m	Budget: S\$40.0m
Target return on investment	8.1%	8.6%	7.8%
Achieved return on investment	8.6%	9.3%	-
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	4Q 2013 to 4Q 2015

# Capital Tower AEI: Work in progress

Budget of \$40m with a target return on investment of 7.8%

## Completed Works

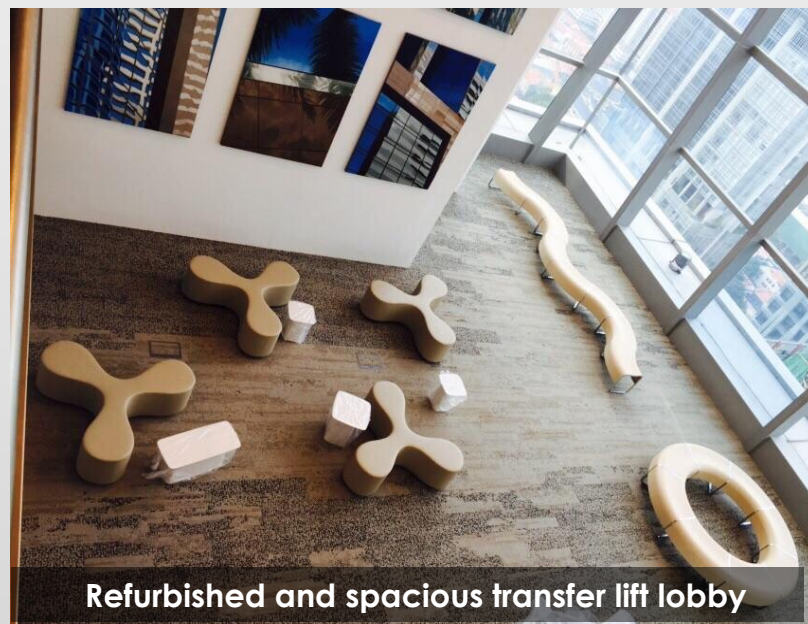
- ✓ Level 36 and 37 transfer lift lobbies refurbished
- ✓ Newly created café at Level 36
- ✓ Passenger lifts upgraded
- ✓ Main and mezzanine lobby upgraded
- ✓ Turnstiles installed
- ✓ Chillers replaced and upgraded

## Ongoing Works

- ✓ **Upper lift lobbies upgrade**  
Completed **29** out of **39** floors

AEI on schedule for  
completion in **4Q 2015**

**S\$33.5 m**  
incurred to date



Refurbished and spacious transfer lift lobby

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







# Portfolio valuation up 0.9% mainly due to higher net property income

Capital values per sq ft still below market transactions

Investment Properties	31 Dec 2014 \$m	30 Jun 2015 \$m	6-month Variance (Dec 2014 to Jun 2015) %	30 Jun 2015 Capital Value \$psf
Capital Tower	1,309.0	1,310.0	0.1	1,768
Six Battery Road	1,330.0	1,345.0	1.1	2,722
One George Street	975.0	1,000.0	2.6	2,235
Twenty Anson	431.0	431.0	0.0	2,097
HSBC Building	450.0	452.0	0.4	2,255
Golden Shoe Car Park	141.0	141.0	0.0	NM <sup>(1)</sup>
Wilkie Edge	191.0	194.0	1.6	1,266
Bugis Village <sup>(2)</sup>	55.4	55.2	(0.4)	456
<b>Sub- Total</b>	<b>4,882.4</b>	<b>4,928.2</b>	<b>0.9</b>	
Raffles City (60%)	1,865.7	1,872.9	0.4	NM <sup>(1)</sup>
CapitaGreen (40%)	610.4	626.4	2.62	2,226
<b>Total</b>	<b>7,358.5</b>	<b>7,427.5</b>	<b>0.9</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.



# Higher values supported by higher achieved rents

- Office rent growth rates<sup>(1)</sup> assumed for discounted cashflow method remained at an average 3.9%<sup>(2)</sup> per annum over 10 years.
- Terminal yields<sup>(3)</sup> same as capitalisation rates for Six Battery Road and HSBC Building which have 999-year lease tenures, 0.25% higher than capitalisation rates for the rest of the portfolio

	Capitalisation Rates						Discount Rates					
	Dec 10	Dec 11	Dec 12	Dec 13	Dec 14	Jun 15	Dec 10	Dec 11	Dec 12	Dec 13	Dec 14	Jun 15
Capital Tower	4.15	4.00	3.75	3.75	3.85	<b>3.85</b>	7.75	7.50	8.00	8.00	7.50	<b>7.25</b>
Six Battery Road	4.00	4.00	3.75	3.75	3.75	<b>3.75</b>	7.75	7.50	8.00	8.00	7.50	<b>7.25</b>
One George Street	4.15	4.00	3.75	3.75	3.85	<b>3.85</b>	7.75	7.50	8.00	8.00	7.50	<b>7.25</b>
HSBC Building	4.00	4.00	3.75	3.75	3.85	<b>3.85</b>	7.75	7.50	8.00	8.00	7.50	<b>7.25</b>
Twenty Anson	NA	NA	3.75	3.75	3.85	<b>3.85</b>	NA	NA	8.00	8.00	7.50	<b>7.25</b>
Wilkie Edge <sup>(4)</sup>	4.40	4.40	4.25	4.25	4.25	<b>4.25</b>	8.00	7.75	8.00	8.00	7.50	<b>7.25</b>
CapitaGreen	NA	NA	NA	NA	4.00	<b>4.15</b>	NA	NA	NA	NA	7.25	<b>7.25</b>
Raffles City SG												
Office	4.50	4.50	4.25	4.25	4.25	<b>4.25</b>	7.75	7.50	7.50	7.35	7.50	<b>7.25</b>
Retail	5.50	5.40	5.40	5.25	5.25	<b>5.25</b>	8.00	7.75	7.80	7.65	7.50	<b>7.50</b>
Hotel	5.75	5.75	5.75	5.55	5.25	<b>5.13</b>	7.75	7.75	8.00	7.75	7.75	<b>7.75</b>

## Notes:

- (1) Excludes Golden Shoe Car Park and Bugis Village
- (2) Calculated on a simple average basis
- (3) 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
- (4) Refers to office capitalisation rate only
- (5) CBRE was the appointed valuer for CCT properties and Raffles City Singapore for Jun 2015. For CapitaGreen, the appointed valuer was Knight Frank and CBRE for Dec 2014 and Jun 2015 respectively.



# Commitment to environmental sustainability and improved energy efficiency



No.	CCT Properties	Green Mark Award
1	Six Battery Road	Platinum
2	Twenty Anson	Platinum
3	CapitaGreen (completed on 18 Dec 2014)	Platinum
4	Capital Tower	Platinum
5	One George Street	Gold <sup>PLUS</sup>
6	Golden Shoe Car Park	Gold <sup>PLUS</sup>
7	Raffles City Singapore	Gold
8	Wilkie Edge	Gold
9	HSBC Building	Certified
10	Six Battery Road Tenant Service Centre	Gold <sup>PLUS</sup> (Office Interior)

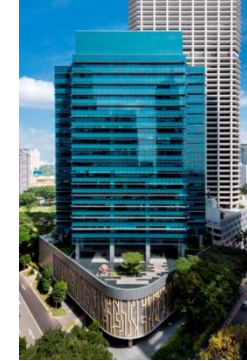


FTSE4Good

Since 18 September 2009, CCT has been and continues to be a constituent of FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices derived from the globally recognized FTSE Global Equity Index Series



# 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>	741,000	494,000	447,000	801,000 (Office: 381,000, Retail: 420,000)	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>	92.2%	99.5%	99.4%	99.3%	97.9%
<b>Valuation (30 Jun 2015)</b>	S\$1,310.0m	S\$1,345.0m	S\$1,000.0m	S\$3,121.5m (100.0%) S\$1,872.9m (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%)
Address	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
NLA (sq ft)	200,000	153,000	121,000	47,000	703,000
Leasehold expiring	18-Dec-2849	20-Feb-2105	30-Mar-2088	31-Jan-2081	31-Mar-2073
Committed occupancy	100.0%	100.0%	100.0%	97.7%	85.5% as at 30 Sep 2015 87.7% as at 27 Oct 2015
Valuation (30 Jun 2015)	S\$452.0m	S\$194.0m	S\$55.2m	S\$141.0m	S\$1,566.0m (100.0%) S\$626.4m (40.0%)
Car park lots	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.