

NEWS RELEASE

**CCT registered 1Q 2020 distributable income of S\$63.7 million**

**Singapore, 29 April 2020** – CapitaLand Commercial Trust Management Limited, the Manager of CapitaLand Commercial Trust (CCT or Trust), today reports a distributable income of S\$63.7 million for the quarter ended 31 March 2020 (1Q 2020). This represented a distribution per unit (DPU) of 1.65 cents, 25.0% lower than the 2.20 cents for the same period last year. As the Trust pays distribution semi-annually, there is no payout of 1Q 2020 DPU.

Gross revenue for 1Q 2020 grew 3.8% year-on-year to S\$103.6 million. The growth was largely contributed by Main Airport Center, a property acquired in September 2019, and higher revenue from 21 Collyer Quay, CapitaGreen and Gallileo. It was partially offset by lower income from Asia Square Tower 2, Six Battery Road and Bugis Village. Net property income rose marginally by 0.7% year-on-year to S\$80.3 million as the increase in revenue was partially offset by higher operating expenses.

Despite the resilient operating performance of the CCT portfolio in 1Q 2020, distributable income to CCT unitholders is lower compared to 1Q 2019 by S\$19.0 million due to retention of taxable distributable income and no distribution of tax-exempt income as a matter of prudence in light of the COVID-19 situation. CCT will review this amount with the closure of the second quarter of 2020.

As at 31 March 2020, CCT's total deposited property value was S\$11.7 billion while its adjusted net asset value per unit (excluding distributable income payable to unitholders) was S\$1.83.

The Trust's unaudited Consolidated Financial Statements for 1Q 2020 results are available on its website ([www.cct.com.sg](http://www.cct.com.sg)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

**SUMMARY OF CCT GROUP RESULTS**

	1Q 2020	1Q 2019	Change (%)
<b>Gross Revenue (S\$'000)</b>	<b>103,599</b>	99,762	<b>3.8</b>
<b>Net Property Income (S\$'000)</b>	<b>80,333</b>	79,802	<b>0.7</b>
<b>Income Available for Distribution (S\$'000)</b>	<b>70,162</b>	82,723	<b>(15.2)</b>
<b>Distributable Income (S\$'000)</b>	<b>63,721</b>	82,723	<b>(23.0)</b>
<b>Distribution Per Unit (cents)</b>	<b>1.65</b>	2.20	<b>(25.0)</b>

Mr Kevin Chee, Chief Executive Officer of the Manager, said: “Amidst COVID-19, we have managed to renew a significant proportion of expiring leases or are in advanced negotiations for most major leases due in 2020 through proactive asset and lease management. As at end of 1Q 2020, we only have a remainder of about 10% of committed office net lettable area to be renewed or relet for the rest of the year. We remain confident that our offering of core and flex solutions in CCT’s portfolio will be even more relevant to meet the future needs of tenants in a post COVID-19 world.”

“On the capital management front, CCT continues to be in a strong financial position to meet its financial and operational obligations, with aggregate leverage and interest coverage ratio well within loan covenant thresholds. To enhance CCT’s position of strength in the medium term, we proceeded with the planned asset enhancement of Six Battery Road and will proceed with the planned asset enhancement of 21 Collyer Quay once the circuit breaker measures are lifted.”

“As part of our commitment to ride through this challenging period with our stakeholders, we have put in place the necessary precautionary measures at our properties and are extending assistance to tenants. We are committed to pass on the applicable property tax rebate to our tenants. This will be in addition to providing rental support to retail, food and beverage, services as well as hospitality tenants whose businesses have been hit by Singapore’s safe distancing and circuit breaker measures.”

#### Active leasing and asset management

CCT’s portfolio committed occupancy as at 31 March 2020 was 95.2%, down from 98.0% in the last quarter. This was largely attributed to lower occupancy at Six Battery Road due to upgrading works following the lease expiry of an anchor tenant.

In 1Q 2020, CCT signed approximately 303,000 square feet (sq ft) of new leases and renewals, of which 22% were new leases. New demand was largely from companies in the Financial Services; Legal; and Energy, Commodities, Maritime and Logistics sectors. About two-thirds of the leases (based on gross rental income) expiring in 2020 have been renewed or relet. Tenant retention will be the focus for the remaining leases expiring in 2020.

#### Prudent capital management

Aggregate leverage as at 31 March 2020 increased slightly to 35.5%, up from 35.1% as at 31 December 2019, due to higher borrowings. CCT’s average cost of debt for 1Q 2020 reduced to 2.3% per annum from 2.4% per annum in 4Q 2019. Interest coverage ratio was stable at 5.7 times compared to 5.6 times in 4Q 2019.

Under CCT’s Sustainability Financing Framework established in 2019, a total of S\$600.0 million of green loans have been drawn down to replace existing bank borrowings for Asia Square Tower 2. CCT partnered with three banks for the green loans, namely Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.

## Outlook

Since January 2020, COVID-19 has affected economies and businesses as well as the office and retail property sectors amongst others, both locally and globally. As the potential impact of COVID-19 is fluid and evolving, significant market uncertainty exists. The Manager will proactively manage the CCT portfolio to mitigate its impact and emerge stronger.

### *Singapore*

Advance estimates by Singapore's Ministry of Trade and Industry showed that Singapore's economy contracted by 2.2% year-on-year in the first quarter of 2020, after achieving 1.0% growth in 4Q 2019. Taking into consideration the weaker-than-expected economic performance in 1Q 2020 and the sharp deterioration in the external and domestic economic environment since February, Singapore's GDP growth forecast for 2020 is further downgraded to -4.0% to -1.0%. Coupled with the developing COVID-19 situation, the business and operating environment of CCT and the office sector is expected to be impacted.

Based on data from CBRE Research, Singapore's monthly Grade A office market rent eased by 0.4% quarter-on-quarter to S\$11.50 per sq ft as at 31 March 2020. Occupancy in Singapore's Core CBD office buildings as at end March was 95.4%, down from 95.8% in the last quarter.

### *Germany*

According to CBRE Germany, demand in the Frankfurt office market remained high in 2019, as seen in the lower vacancy rate of 6.8% as at 31 December 2019, compared to 7.8% a year ago. This resulted in Frankfurt office market rent's increase by 7.3% year-on-year to EUR 44 per square metre as at 31 December 2019. CBRE reported market vacancy rates of 4.6% and 3.2% in the Banking District and Airport District respectively, where CCT's two properties are separately located. With the outbreak of COVID-19, leasing and investment activities in Frankfurt's real estate sector have reduced.

### **About CapitaLand Commercial Trust ([www.cct.com.sg](http://www.cct.com.sg))**

CapitaLand Commercial Trust (CCT) is Singapore's first listed commercial real estate investment trust (REIT) with a market capitalisation of approximately S\$5.9 billion as at 31 March 2020. Listed on Singapore Exchange Securities Trading Limited (SGX-ST) since May 2004, CCT aims to own and invest in real estate and real estate-related assets which are income-producing and predominantly used for commercial purposes. CCT's deposited property is approximately S\$11.7 billion as at 31 March 2020 comprising a portfolio of eight prime commercial properties in Singapore and two properties in Frankfurt, Germany. The properties in Singapore are Capital Tower, CapitaGreen, Asia Square Tower 2, Six Battery Road, Raffles City (60.0% interest through RCS Trust), One George Street (50.0% interest through OGS LLP), 21 Collyer Quay (HSBC Building) and CapitaSpring (45.0% interest through Glory Office Trust and Glory SR Trust), an upcoming 51-storey integrated development in Raffles Place. The properties in Germany are Gallileo (94.9% interest), in the Banking District of Frankfurt, and Main Airport Center (94.9% interest) near Frankfurt Airport.

CCT is included in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, MSCI World ESG Leaders Index, FTSE4Good Index Series (FTSE4Good), the FTSE EPRA Nareit Global Real Estate Index Series, the iEdge SGX Sustainability Index and FTSE Straits Times Index.

CCT is managed by CapitaLand Commercial Trust Management Limited, which is a wholly owned subsidiary of Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups.

**About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth S\$131.9 billion as at 31 December 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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

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