



CapitaLand Commercial Trust

Singapore's First and Largest Commercial REIT

Proposed redevelopment of Golden Shoe Car Park

Thursday, 13 July 2017



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Contents

	Slide No.
1. Overview	04
2. The Integrated Development	13
3. Joint venture	21
4. Funding and timeline	29



1. Overview

Golden Shoe Car Park, Singapore



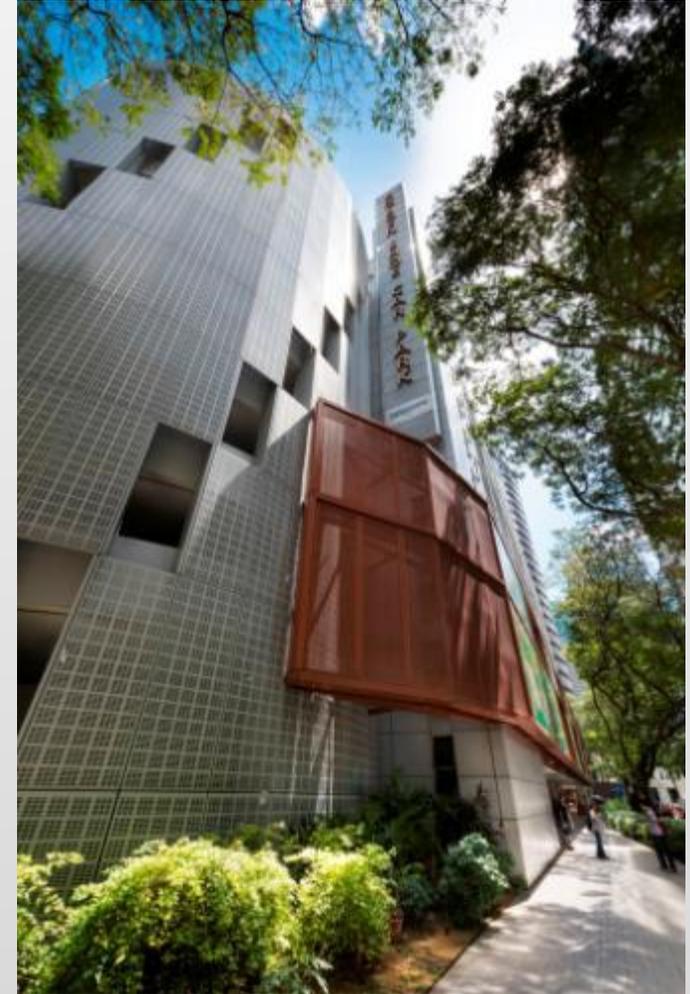
CCT to proceed with Golden Shoe Car Park redevelopment

CCT announced provisional permission obtained for Golden Shoe Car Park (GSCP) redevelopment in Apr 2017

Guidelines and conditions :

- Lifting of land use restriction from Transport to Commercial Use
- Proposed commercial use at gross plot ratio 12.6+ (equivalent to 15.12 excluding Green Mark Bonus GFA)
- Differential premium (DP) payable for 100% enhancement in land value
- No extension of existing land lease (remaining 64 years)

CCT completed feasibility study and decision is to proceed with redevelopment





Proposed integrated development



51-storey integrated development comprising Grade A office, serviced residence with 299 rooms, ancillary retail and a food centre

- **280m (on par with tallest buildings in Raffles Place)**
- **Gross floor area: 1,005,000 sq ft**
- **Total project development estimate: S\$1.82 billion**
- **Target yield-on-cost: About 5% p.a.**

- Total project development estimate = S\$1.82 billion
- CCT to take 45% stake (S\$819.0 million) in joint venture for the development
- CCT funding through divestment proceeds and debt
- Proforma aggregate leverage about 35%
- Within five years after TOP, CCT granted:
 - Call option for commercial component from CapitaLand and MEC, exercise price at market value subject to base price⁽¹⁾
 - Drag-along right over MEC's units for serviced residence component, price at agreed value subject to base price⁽²⁾
- Expected completion in 1H 2021

Notes:

- (1) Purchase price must be higher than a base price calculated as the total development costs incurred by Glory Office Trust (GOT) on the commercial component less any net property income attributable to GOT compounded quarterly at 6.3% p.a..
- (2) Agreed value must be higher than a base price calculated as the total development costs incurred by Glory SR Trust (GSRT) on the SR component less any net property income attributable to GSRT compounded quarterly at 5.0% p.a..



Redefining Singapore's CBD skyline

1 Maximise value from a prime site





2

Expand foothold in Raffles Place, the heart of Singapore's CBD

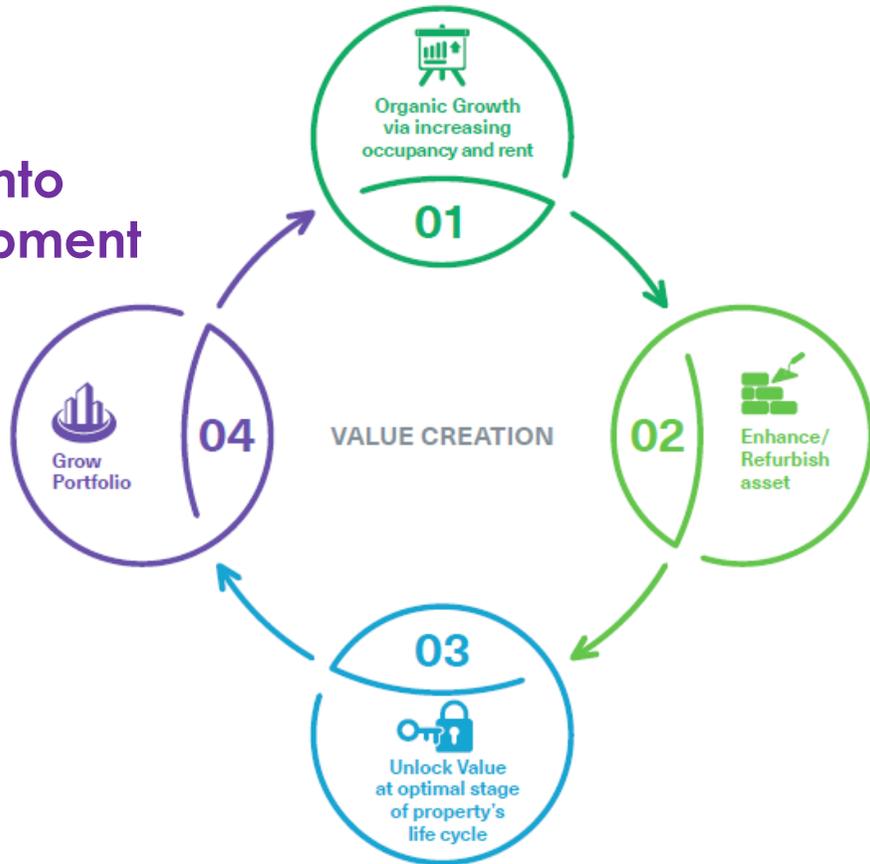
Excellent connectivity to public transportation network and amenities



In line with CCT's portfolio reconstitution strategy to create value and pipeline

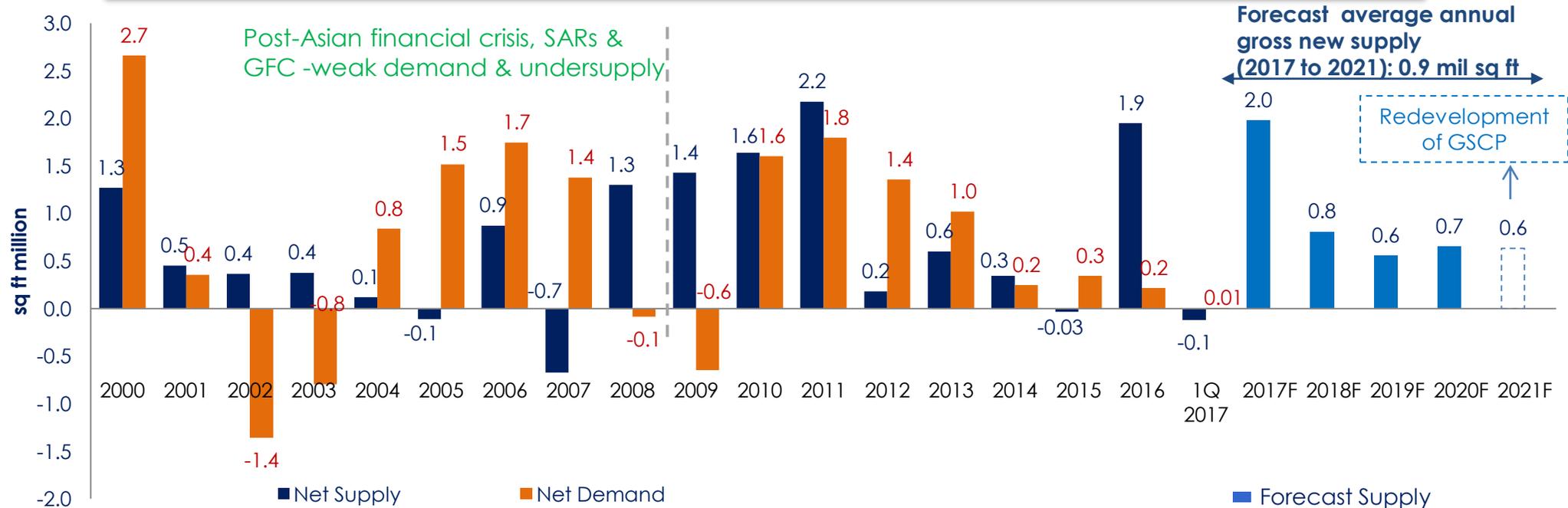
- 3 Recycle divestment proceeds into growth opportunity and
- 4 build acquisition pipeline for CCT

Redevelop GSCP into integrated development



Complete development in 1H 2021 when no new office supply in Raffles Place expected

Singapore Private Office Space (Central Area) ⁽¹⁾ – Net Demand & Supply



Periods	Average annual net supply ⁽²⁾	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-year period post GFC)	0.6 mil sq ft	0.6 mil sq ft
2017 – 2021 (forecast gross new supply)	0.9 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 1Q 2017; Forecast supply from CBRE Pte. Ltd. as at 1Q 2017.

5

Grade A office market rent declined 1.6% QoQ; Rate of decline eased

	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17
Mthly rent (S\$ / sq ft)	11.30	10.90	10.40	9.90	9.50	9.30	9.10	8.95
% change	-0.9%	-3.5%	- 4.6%	- 4.8%	- 4.0%	- 2.1%	- 2.2%	-1.6%



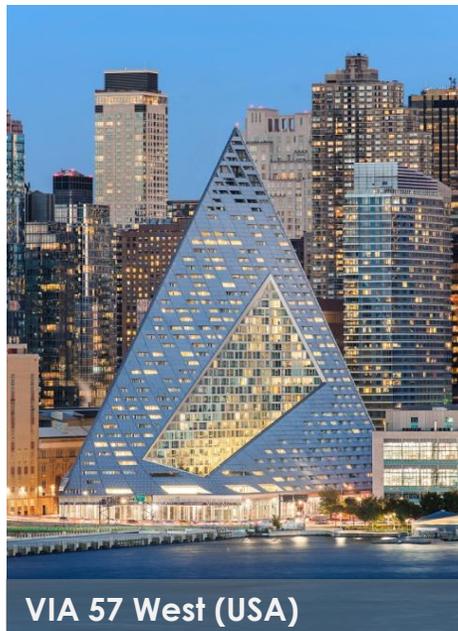
Source of data: CBRE Pte. Ltd. (figures as at end of each quarter).

An aerial night view of a modern city skyline, likely Singapore, featuring numerous illuminated skyscrapers and a waterfront area. The sky is a deep blue, and the city lights are reflected in the water. The text '2. The Integrated Development' is overlaid on the right side of the image.

2. The Integrated Development



Design of integrated development by an inspiring collaboration between Bjarke Ingels Group – Carlo Ratti Associati



VIA 57 West (USA)



Google Mountain View Campus (USA)



Personalized Environment in Agnelli Foundation



Sharing Community in Patrick Henry Village



Proposed integrated development

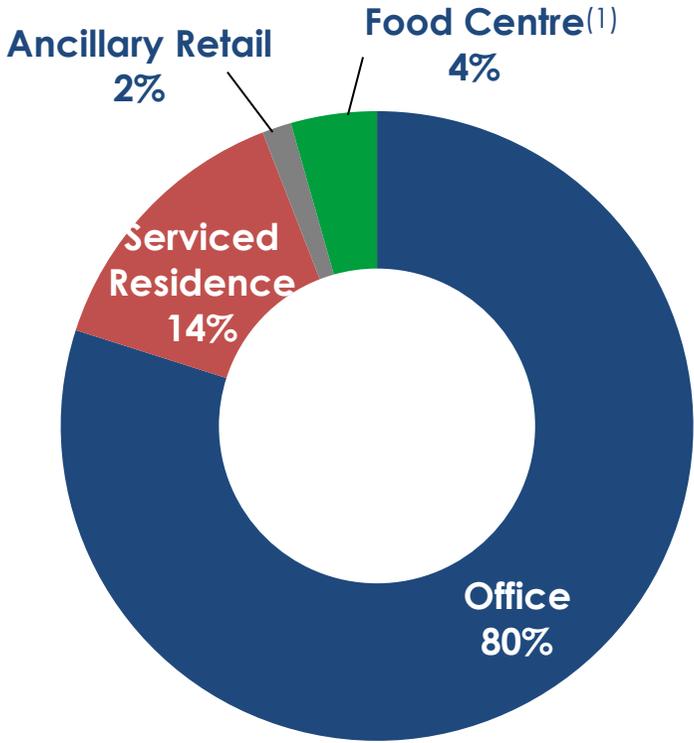
Description	51-storey integrated development comprising Grade A office, serviced residence with 299 rooms, ancillary retail and a food centre
Use	Commercial
Height	280m (on par with tallest buildings in Raffles Place)
Title	Leasehold expiring 31 Jan 2081 (remaining 64 years)
Site Area	65,700 sq ft
Total GFA	1,005,000 sq ft
Office NLA	635,000 sq ft
Ancillary retail NLA	12,000 sq ft
Serviced residence	299 rooms to be managed by Ascott
Food Centre GFA	44,000 sq ft
Car Park	About 350 lots
Target yield on cost	5.0%
Estimated Project Development Expenditure	S\$1.82 billion





Integrated development with GFA of 1 million sq ft

Breakdown of Gross Floor Area



■ Office ■ Serviced Residence ■ Ancillary Retail ■ Food Centre⁽¹⁾

Note:
(1) To be owned by Ministry of Environment and Water Resources



A vertically integrated development

Proposed Building Concept

Roof Top Garden & Restaurant

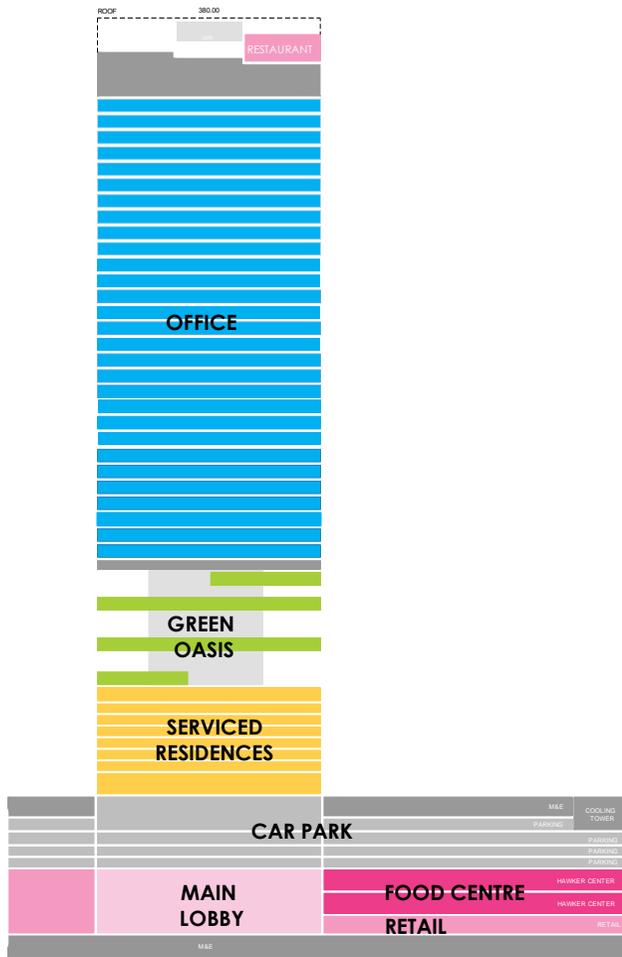
Office
High Rise (L40 to L49)
Mid Rise (L31 to L39)
Low Rise (L21 to L30)

Green Oasis

Serviced Residences
(L9 to L16)

Podium Car Park

Main Lobby



280m

Retail & Food Centre



Office



Green Oasis



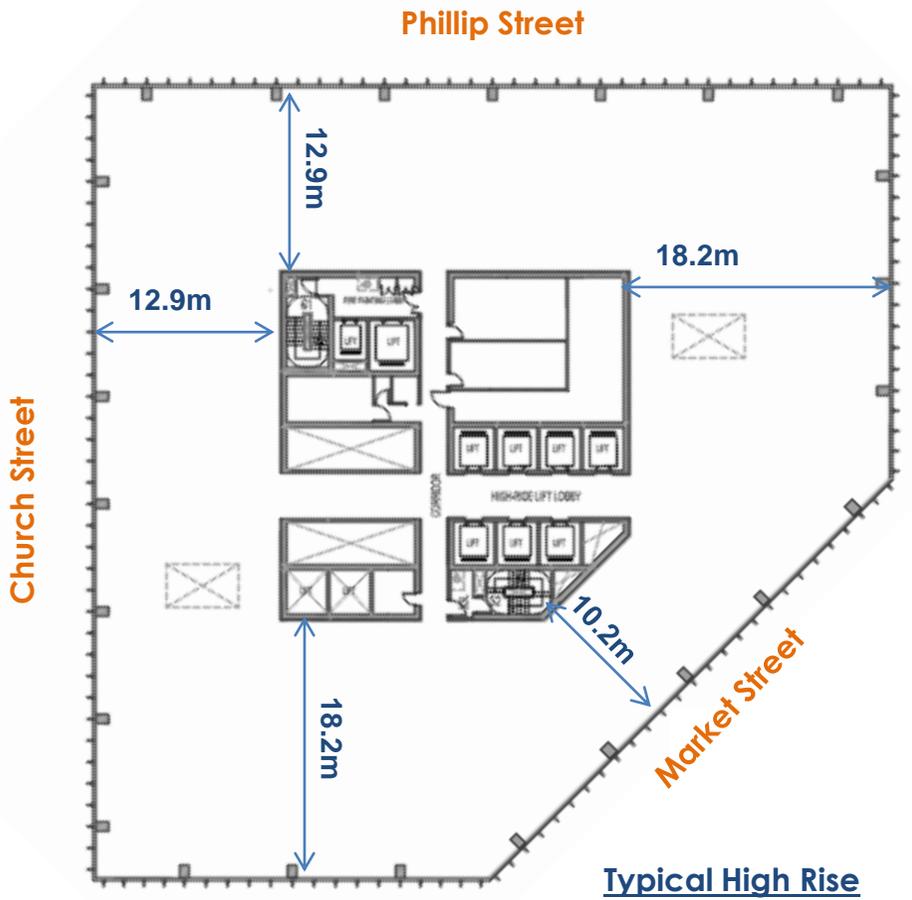
Serviced Residences

Photos for reference only and are not representatives of final spaces



Office component offers regular and efficient office floor

Typical Floor Plate	22,200 to 23,300 sq ft (column-free)
Floors	Low-Rise: L21 to L30 Mid-Rise: L31 to L39 High-Rise: L40 to L49
Occupancy Loading	300 pax per floor
Floor-to-Ceiling Height	3.2 m
Floor-to-Floor Height	4.8 m
Raised Floor	Average 150 mm
Core-to-Window Depth	10 m to 18 m



Incorporating 'future of work' features and redefining work, live and play experience



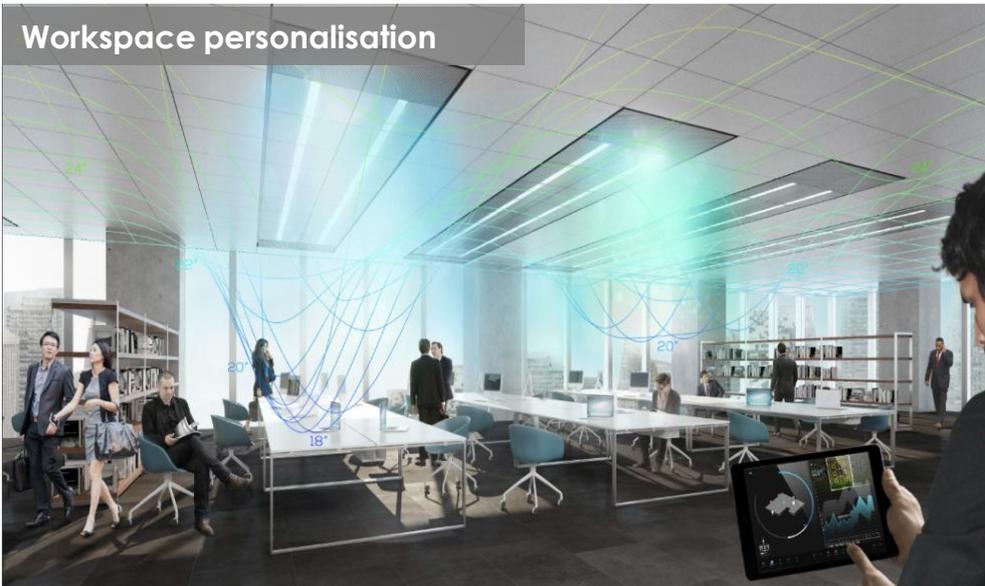
Flexible Offices & Coworking



Latest Building Intelligence



Seamless Security Access



Workspace personalisation

and more...



Green Oasis offers community and flexible space

4-storey high Green Oasis presents possibilities



Activity zones

WORK

- Meeting rooms
- Conference facilities
- Executive dining
- Collaborative workspaces

PLAY

- Botanical walkway
- Outdoor Terrace
- Wellness and recreational activity area

LIVE

- Café
- Sky garden
- Kids' play area
- Social space



Meeting rooms & conference facilities



Garden & botanical walkway

3. Joint Venture

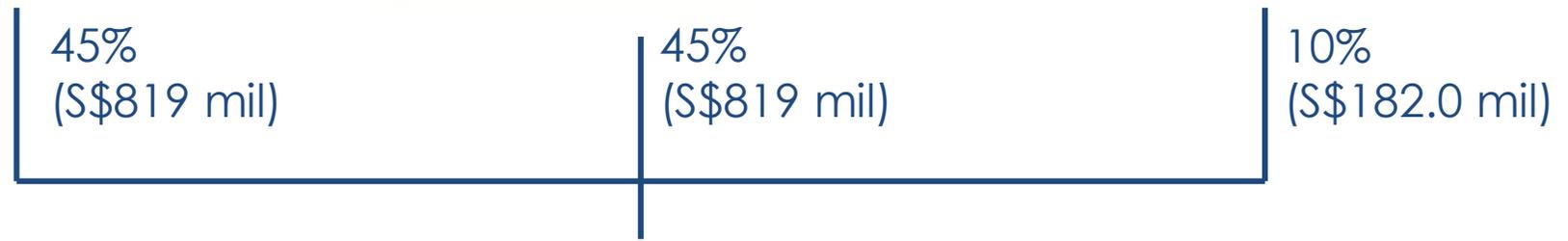


Golden Shoe Car Park, Singapore

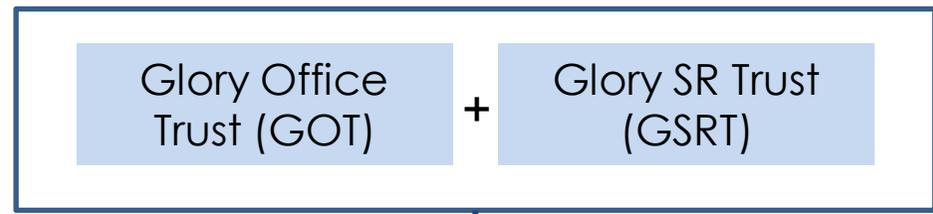


Joint venture for redevelopment of GSCP

CCT to hold 45.0% interest in the project - about 9% of deposited property⁽¹⁾ - within development limit of 10%



Joint developers



Golden Shoe Car Park Redevelopment

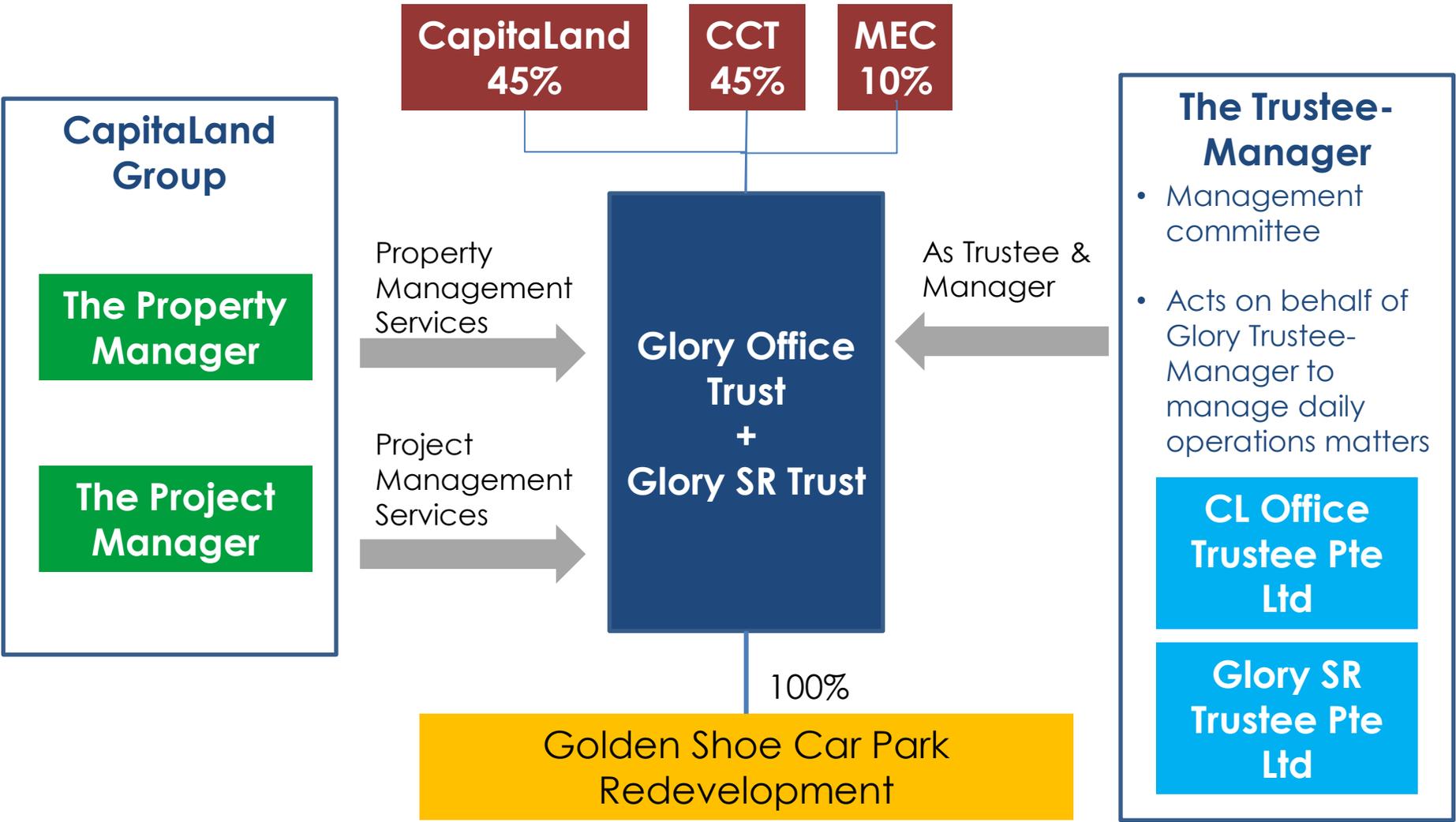
Note:

(1) Deposited property is S\$8,960.6 million including the valuation of investment properties as at 30 Jun 2017





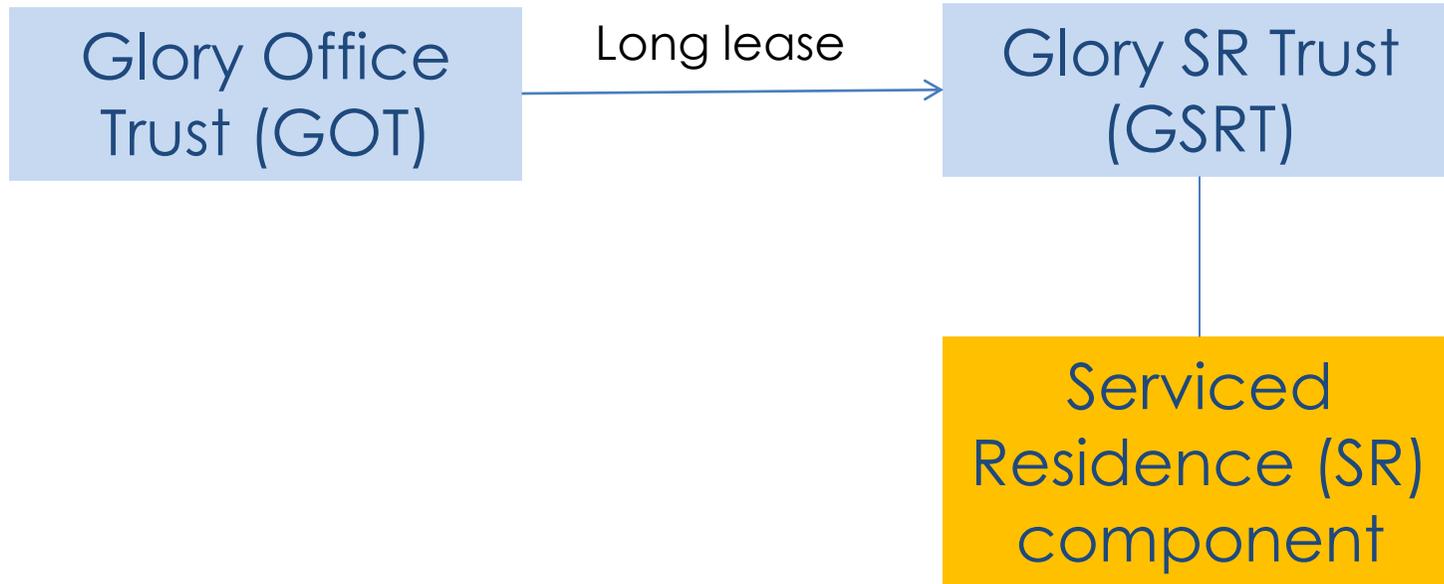
Trust structure of GSCP redevelopment





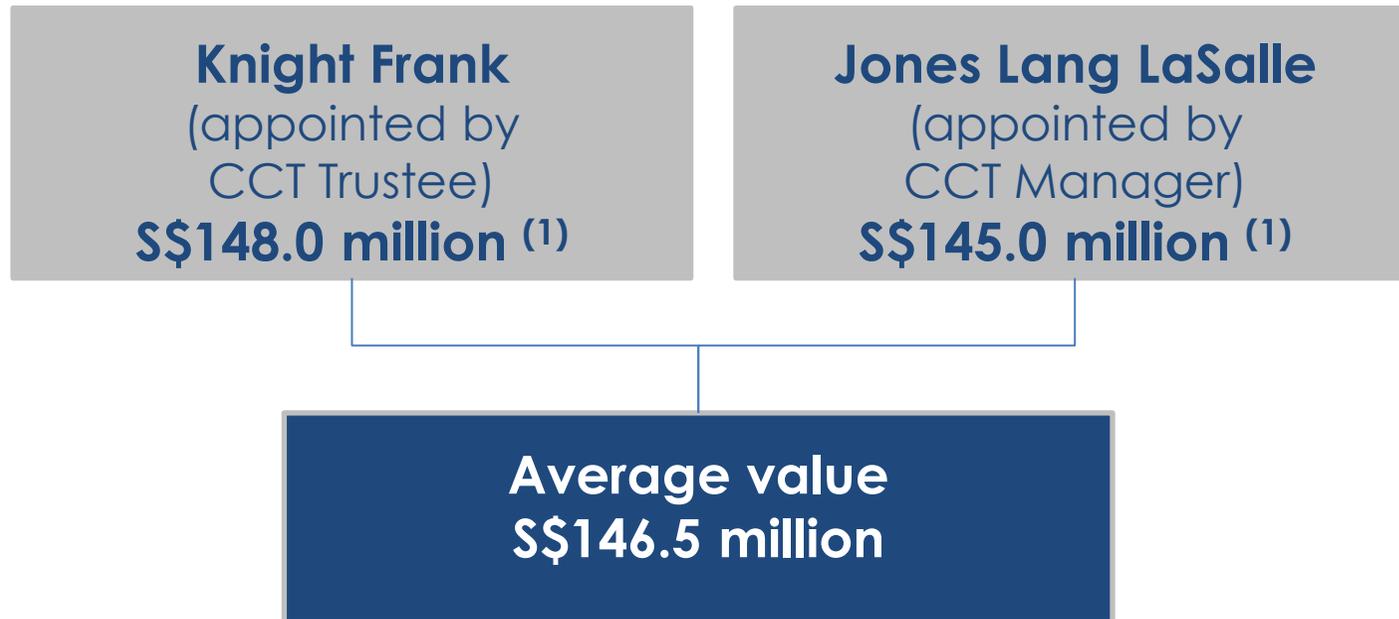
Serviced Residence component on long term lease

- GOT will grant long term lease to GSRT upon receipt of temporary occupation permit
- Lease to GSRT will expire one day before expiry of State Lease





Independent assessment of residual land value



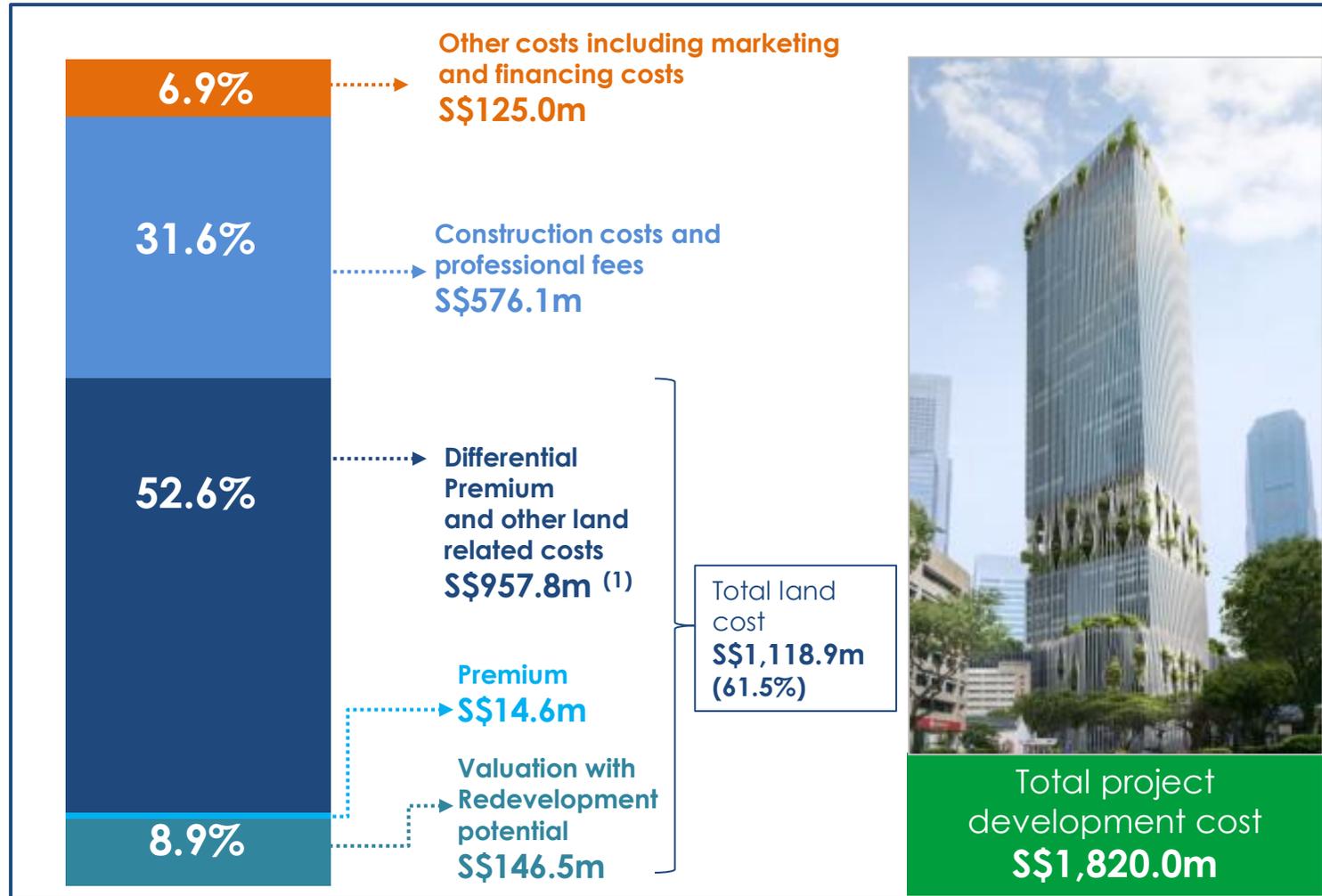
Note:
(1) As at 31 May 2017

JV pays for 100% enhancement in land value which makes up about 50% of total PDE

Value enhancement from car park to integrated development



Valuation as a car park
S\$141.0m



Total project development cost
S\$1,820.0m

Note:

(1) The differential premium and other land related costs are paid to the government authorities



Land and land related cost for GSCP redevelopment comparable with market transactions

Transaction year	Land site	Lease term (years)	Land Cost (\$ mil)	GFA (sq ft)	Price/Cost psf GFA (\$)
2017	Market Street (GSCP)	64	1,119	1,005,000	1,113 ⁽¹⁾
2016	Central Boulevard	99	2,569	1,520,874	1,689 ⁽²⁾
2015	79 Robinson Road (ex-CPF Building)	52	550	606,088	1,032
2013	Cecil Street	99	924	830,564	1,112 ⁽²⁾
2011	Market Street (CapitaGreen)	63	728	887,000	821 ⁽³⁾

Notes:

- (1) Assuming that the leasehold of GSCP site is on 99-year leasehold, the cost psf GFA is estimated to be S\$1,351 as guided by Singapore Land Authority (SLA)'s leasehold table
- (2) These prices do not include other land related cost
- (3) Assuming that the leasehold of Market Street (now CapitaGreen) is on 99-year leasehold, the cost psf GFA is estimated to be S\$1,003 as guided by SLA's leasehold table
- (4) Source: URA, media and analyst reports



Sale of GSCP to JV with call option to buy completed commercial component within five years after TOP

LAND

- Sale of GSCP to JV at S\$161.1 million, 10.0% above average value
- JV pays for differential premium

DEVELOPMENT

- Joint venture between CL, CCT & MEC to redevelop GSCP into an integrated development
- Target TOP in 1H 2021

FUTURE ACQUISITION

- CCT has call option⁽¹⁾ for commercial component and drag-along right⁽²⁾ over MEC's units for serviced residence component within 5 years after TOP

Notes:

(1) Price at market value. The purchase price must be higher than a base price calculated as the total development costs incurred by GOT on the commercial component less any net property income attributable to GOT compounded quarterly at 6.3% p.a..

(2) Price at agreed value. The agreed value must be higher than a base price calculated as the total development costs incurred by GSRT on the SR component less any net property income attributable to GSRT compounded quarterly at 5.0% p.a..

4. Funding and timeline



CCT funding through debt and divestment proceeds

Estimated funding proportion ⁽¹⁾	Project financing loan to value of 60% ⁽¹⁾ (\$\$ mil)	Equity investment 40% ⁽¹⁾ (\$\$ mil)	Total (\$\$ mil)
Golden Shoe Car Park Redevelopment	1,092.0	728.0	1,820.0
CCT (45% interest)	491.4 ⁽²⁾	327.6 ⁽³⁾	819.0

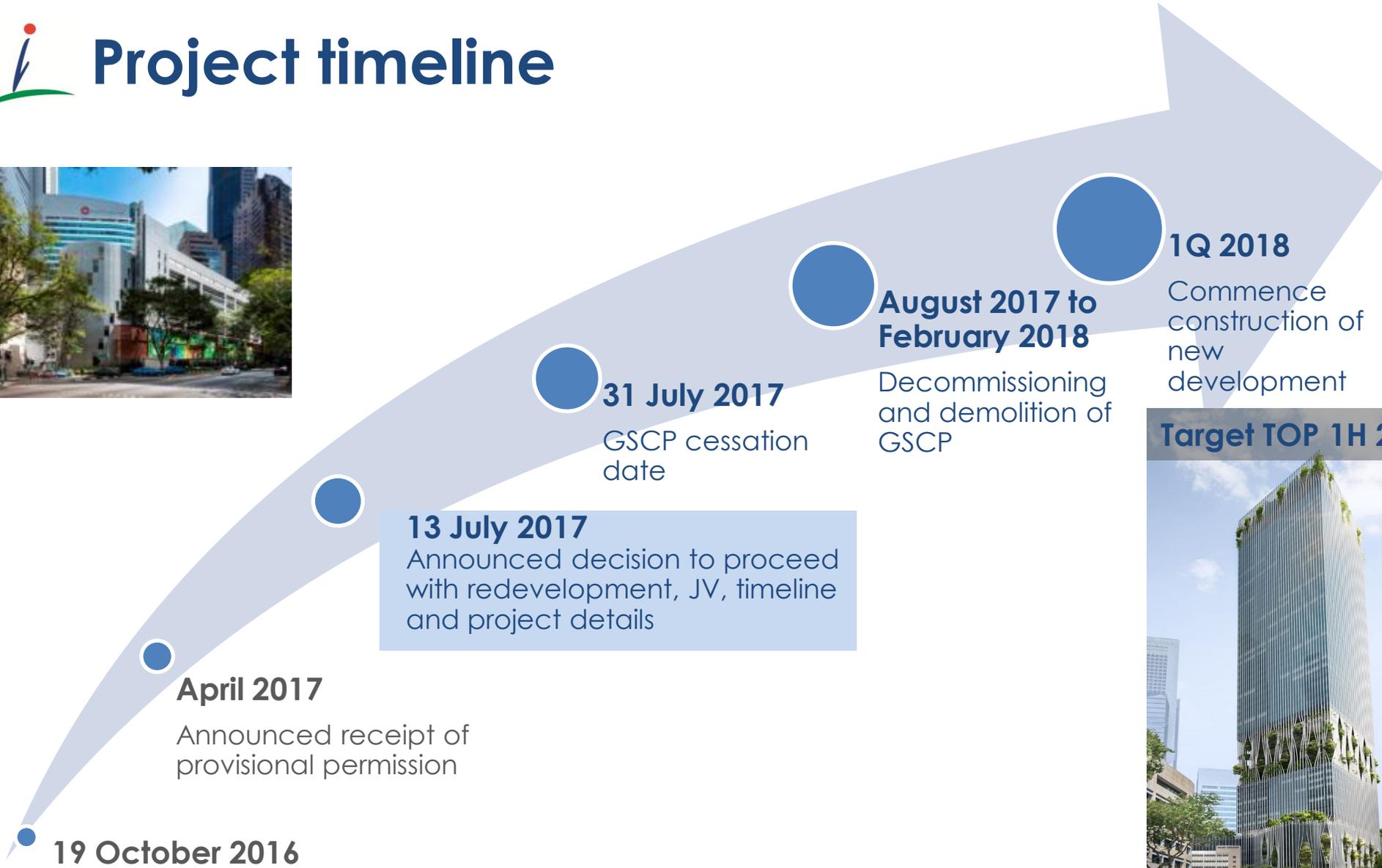
CCT's proforma aggregate leverage to be about 35%⁽²⁾

Notes:

- (1) Percentage ratio for project financing and equity investment is subject to changes
- (2) CCT's proforma aggregate leverage expected to be about 35% after taking on its proportionate stake of project financing and assuming all proceeds from asset divestments including 50% of One George Street and Golden Shoe Car Park are used to repay CCT's borrowings or fund the equity investment of Glory sub-trusts and that the S\$175.0 mil convertible bonds due 2017 are all converted into CCT units. Deposited property is S\$8,960.6 million including the valuation of investment properties as at 30 Jun 2017.
- (3) Assumed funding by proceeds from asset divestments



Project timeline



19 October 2016
Announced intent to redevelop GSCP subject to authorities approval and feasibility study

April 2017
Announced receipt of provisional permission

13 July 2017
Announced decision to proceed with redevelopment, JV, timeline and project details

31 July 2017
GSCP cessation date

August 2017 to February 2018
Decommissioning and demolition of GSCP

1Q 2018
Commence construction of new development





CapitaLand
Commercial Trust

Thank you

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