



# CAPITALAND COMMERCIAL TRUST

FY 2019 Financial Results

22 January 2020

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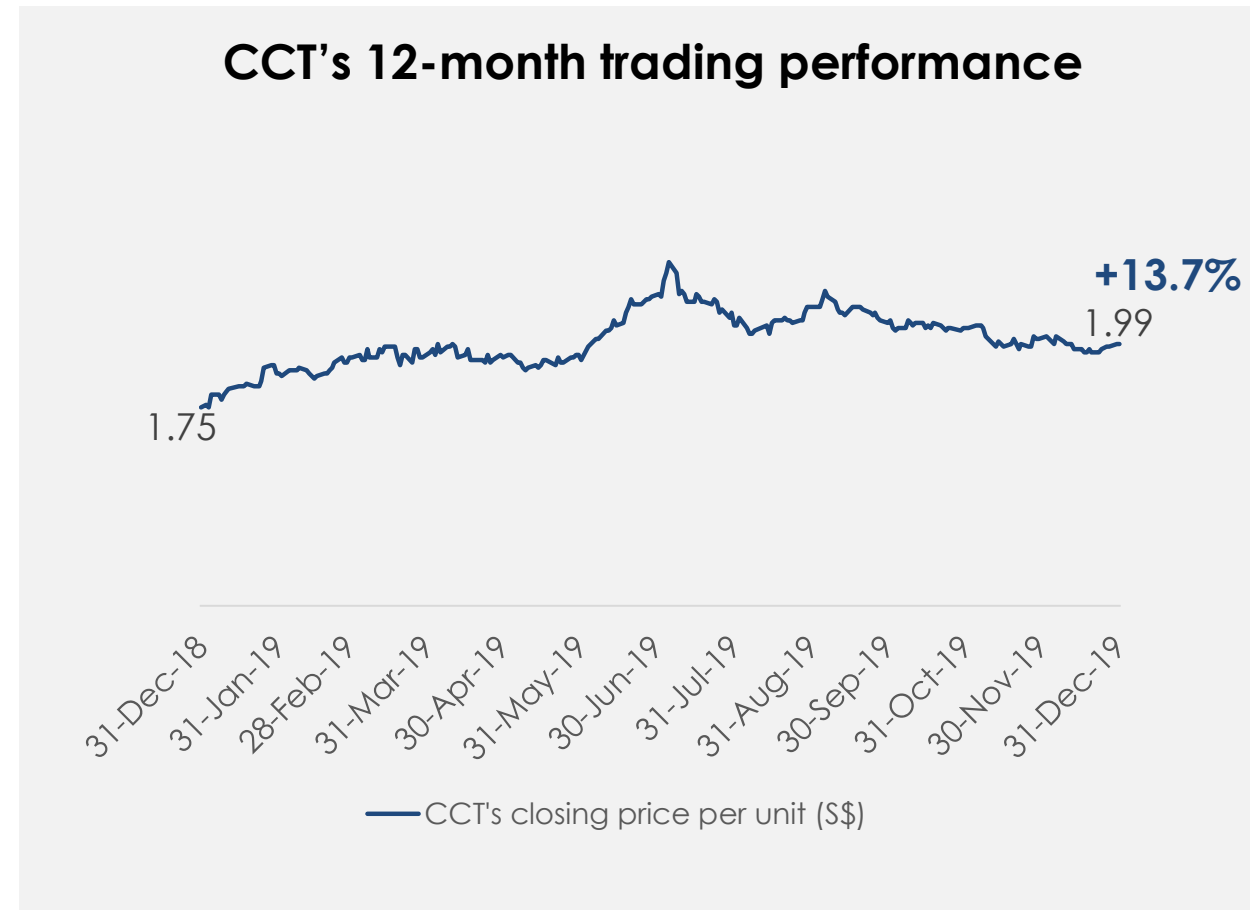
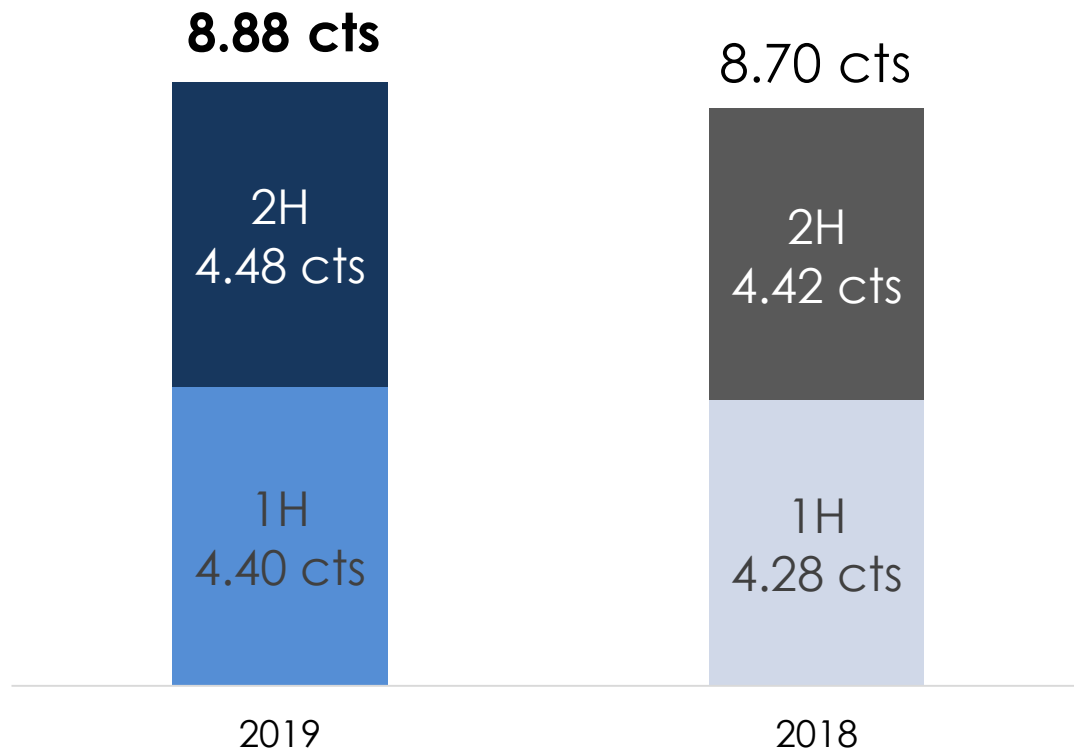
\*Any discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding.

# 1. 2019 Highlights



# Delivered total return of 18.8%<sup>(1)</sup> in FY 2019

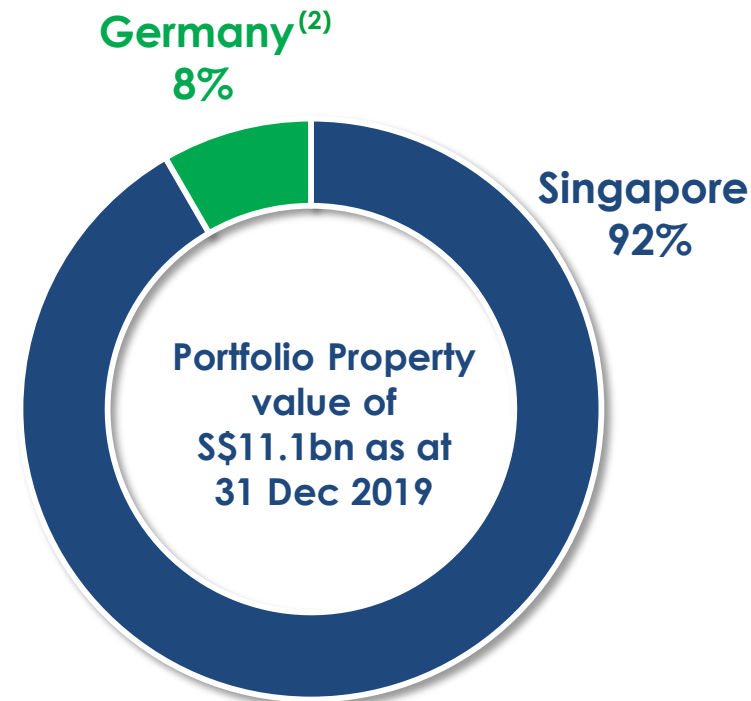
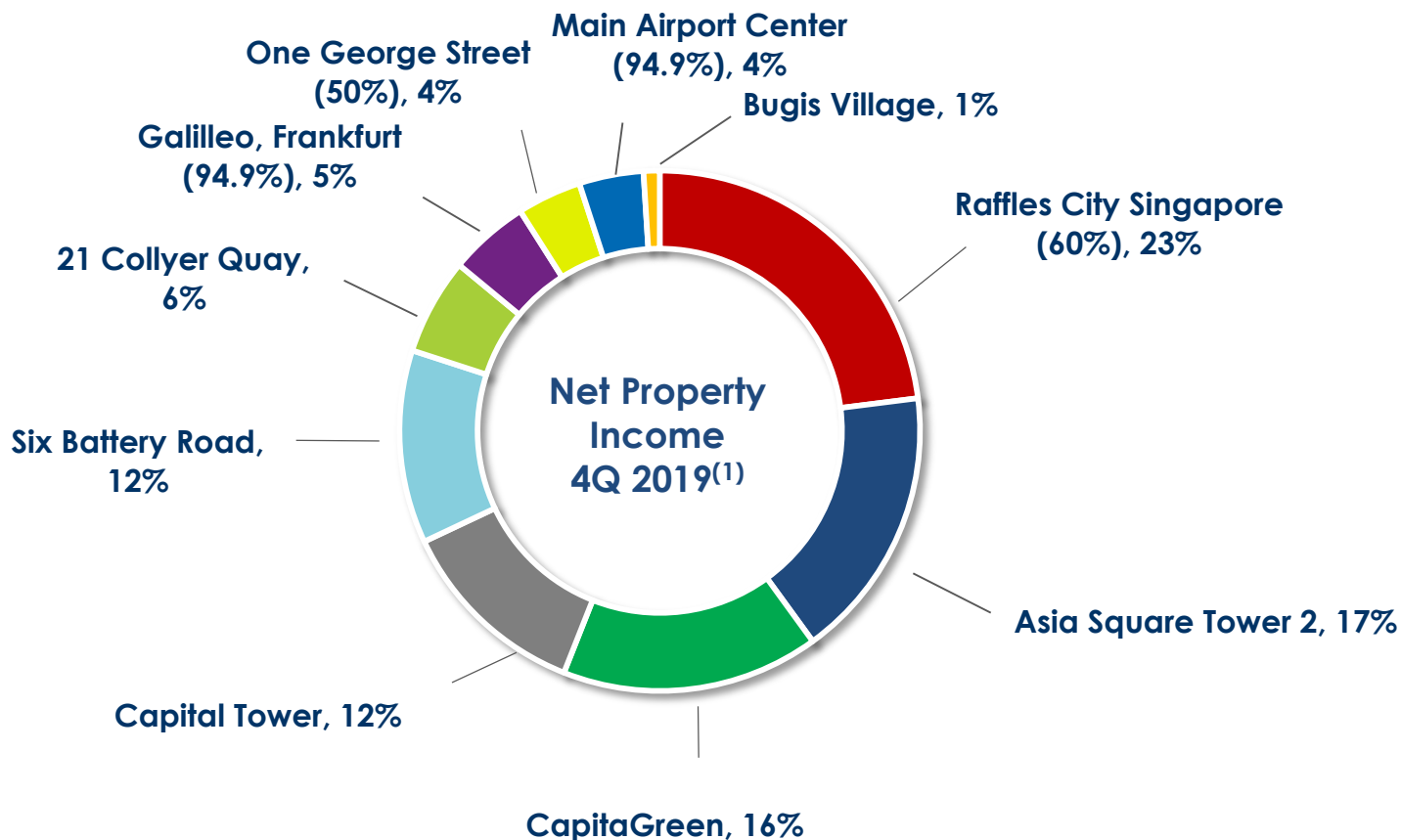
▲ 2.1% YoY



**Note:**

(1) Based on an aggregate of CCT's FY 2019 DPU of S\$0.0888 and capital appreciation of S\$0.24 per unit (difference of closing price on 31 December 2019 and 31 December 2018), over the closing price of S\$1.75 per unit on 31 December 2018.

# Portfolio diversification through asset contribution and geography



**Notes:**

(1) Based on net property income (“NPI”) for 4Q 2019; including NPI from CCT’s 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Galileo and Main Airport Center, Frankfurt

(2) Guided that overseas exposure in key gateway cities of developed markets will be up to 20% of portfolio property value

# Active leasing activities in CCT's portfolio

**CCT Portfolio <sup>(1)</sup>  
(Singapore & Germany)**

**98.0%**

**CCT Singapore Portfolio <sup>(1)</sup>**  
higher than Singapore Core CBD  
occupancy of **95.8%** (CBRE)

**98.6%**

**FY 2019 new leases and renewals: 1,361,000 sq ft <sup>(2)</sup>**  
(34% are new leases)

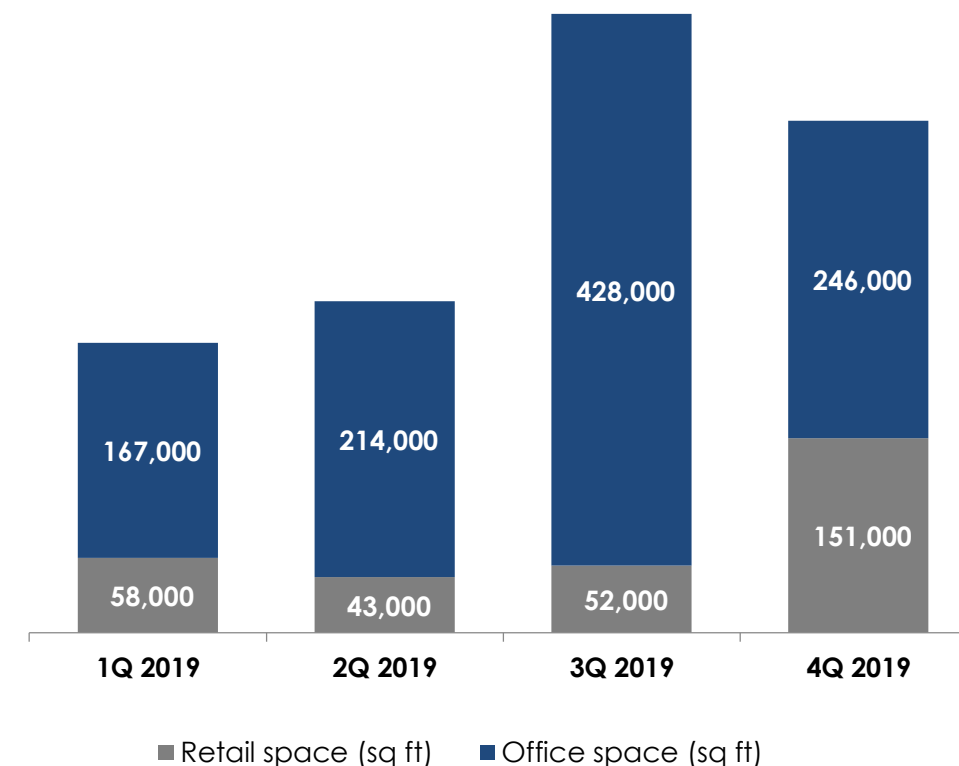
	FY 2018	FY 2019
<b>Total new and renewal leases</b>	1,022,000 sq ft	<b>1,361,000 sq ft</b>
<b>% of new leases</b>	22%	<b>34%</b>
<b>Portfolio occupancy as at 31 Dec</b>	99.4%	<b>98.0%</b>
<b>Tenant retention rate<sup>(3)</sup></b>	77%	<b>82%</b>

**Notes:**

(1) Committed occupancy as at 31 December 2019

(2) Includes WeWork's lease at 21 Collyer Quay

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



# Creating value and positioning portfolio for growth

Deposited property value increased 5.1% Y-o-Y to S\$11.8 billion



- ✓ Completed acquisition of Main Airport Center, Frankfurt, Germany
- ✓ Income contribution from 18 Sep 2019

**2019**

**2020**

- ✓ Embarking on upgrading and asset enhancement initiatives (AEIs) at Six Battery Road and 21 Collyer Quay in 2020
- ✓ Post-AEI income from Six Battery Road and 21 Collyer Quay largely expected from 2021



**2021**

**2022**



- ✓ CapitaSpring (45% interest) expected to contribute from 2022
- ✓ 34.8% committed occupancy as at 31 Dec 2019



# CCT issued first green bond

Sustainability Financing Framework established for ease of future issues

## Sustainability Financing Framework



- Facilitates issuance of sustainable debt to fund investments that meet environmental and social objectives, including select United Nations' Sustainable Development Goals
- Enables CCT to diversify funding sources and widen investor base

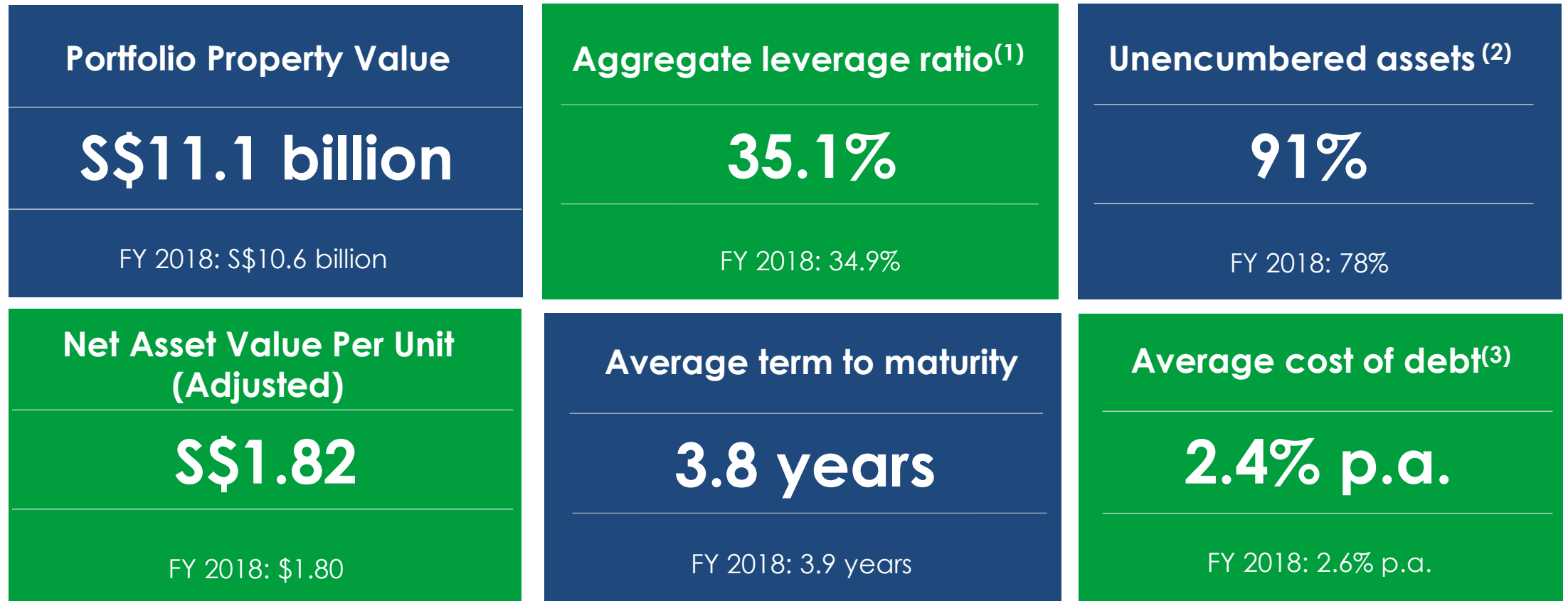
## Issuance of first Green Bond



- Issued JPY10.0 billion of green bonds due 2027 swapped into approximately S\$124.7 million at fixed interest rate of 2.84% p.a.

# Prudent and proactive capital management

Diversified sources of funding and enhanced financial flexibility



**Notes:**

- (1) In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures borrowings and deposited property values are included when computing the aggregate leverage ratio.
- (2) Investment properties at CCT (exclude Joint Ventures) are all unencumbered except for Gallileo and Main Airport Center.
- (3) Ratio of interest expense over weighted average borrowings (excludes joint ventures).



## **2. Positive Financial Results and Proactive Capital Management**

# 4Q 2019 distributable income rose 5.5% YoY



	4Q 2019	4Q 2018	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>107.8</b>	99.0	8.9	Please see note (1)
<b>Property Operating Expenses (\$\$ million)</b>	<b>(25.9)</b>	(19.8)	31.1	
<b>Net Property Income (\$\$ million)</b>	<b>81.9</b>	79.3	3.3	
<b>Distributable Income (\$\$ million)</b>	<b>87.6</b>	83.1	5.5	Please see note (2)
<b>DPU (cents)</b>	<b>2.28</b>	2.22	2.7	

**Notes:**

- (1) Higher gross revenue was largely attributed to higher revenue from 21 Collyer Quay, Capital Tower as well as contributions from Main Airport Center.
- (2) The year-on-year increase was due to better performance of CCT portfolio, higher distribution of tax-exempt income attributable to the acquisition of Main Airport Center.

# FY 2019 distributable income rose 4.9% YoY

	FY 2019	FY 2018	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>412.3</b>	394.0	4.7	Please see note (1)
<b>Property Operating Expenses (\$\$ million)</b>	<b>(91.1)</b>	(79.4)	14.8	
<b>Net Property Income (\$\$ million)</b>	<b>321.2</b>	314.6	2.1	
<b>Distributable Income (\$\$ million)</b>	<b>337.6</b>	321.7	4.9	Please see note (2)
<b>DPU (cents)</b>	<b>8.88</b>	8.70	2.1	

**Notes:**

- (1) Higher gross revenue was largely attributed to better performance from Asia Square Tower 2, 21 Collyer Quay, Capital Tower, Gallileo (FY 2019: full year versus FY 2018: 19 June to 31 Dec 2018) and contribution from the acquisition of Main Airport Center with effect from 18 September 2019, offset by the divestment of Twenty Anson.
- (2) The year-on-year increase was due to better performance of CCT portfolio, higher tax-exempt income arising from the full year of operations of Gallileo in FY2019 (FY 2018: 18 June to 31 December 2018) and the acquisition of Main Airport Center as well as lower interest expense.

# CCT 2H 2019 distribution details

Distribution Period	Distribution Per Unit	Books Closure Date	Payment Date
1 July to 28 July 2019	0.62 cents	N.A.	29 August 2019
<b>29 July to 31 December 2019</b>	<b>3.86 cents</b>	<b>Thursday, 30 January 2020</b>	<b>Friday, 28 February 2020</b>
2H 2019	4.48 cents	-	-

# Singapore property values largely stable

Investment Properties <sup>(1)</sup>	30-Jun-19	31-Dec-18	31-Dec-19	12-month Variance (Dec 2018 to Dec 2019)	12-month Variance (Dec 2018 to Dec 2019)	31-Dec-19	6-month Variance (Jun 2019 to Dec 2019)
	S\$m	S\$m	S\$m	S\$m	%	S\$ per sq foot	%
Asia Square Tower 2	2,182.0	2,143.0	<b>2,186.0</b>	43.0	2.0	2,812	0.2
CapitaGreen	1,643.0	1,638.0	<b>1,646.0</b>	8.0	0.5	2,348	0.2
Capital Tower	1,390.0	1,387.0	<b>1,394.0</b>	7.0	0.5	1,897	0.3
Six Battery Road	1,435.0	1,420.0	<b>1,438.0</b>	18.0	1.3	2,912	0.2
21 Collyer Quay	462.2	461.7	<b>466.1</b>	4.4	1.0	2,325	0.8
Raffles City Singapore (60%)	2,004.0	1,993.2	<b>2,030.4</b>	37.2	1.9	NM	1.3
One George Street (50%)	570.5	569.5	<b>572.0</b>	2.5	0.4	2,566	0.3
CapitaSpring (45%) <sup>(2)</sup>	477.9	472.5	<b>477.9</b>	5.4	1.1	NM	0.0
<b>Singapore Portfolio</b>	<b>10,164.6</b>	<b>10,084.9</b>	<b>10,210.4</b>	<b>125.5</b>	<b>1.2</b>		<b>0.5</b>
Gallileo, Germany (94.9%) <sup>(3)</sup>	525.5	535.2	<b>527.6</b>	-7.6	-1.4	1,275	0.4
Main Airport Center, Germany (94.9%) <sup>(4)</sup>	-	-	<b>385.2</b>	385.2	-	626	-
<b>Portfolio Total</b>	<b>10,690.1</b>	<b>10,620.1</b>	<b>11,123.3</b>	<b>503.2</b>	<b>4.7</b>		<b>4.1</b>

## Notes:

(1) Valuation for Raffles City Singapore, One George Street and CapitaSpring as at 31 December 2019 on a 100% basis were S\$3,384 million, S\$1,144 million and S\$1,062 million respectively.

(2) Based on land value including the differential premium paid for the change of use and increase in plot ratio.

(3) Valuation as at 30 June 2019 and 31 December 2019 for 100% interest in Gallileo was EUR361.3 million and EUR369.8 million respectively. The conversion rates used for the 30 June 2019 and 31 December 2019 valuations were EUR1 = S\$1.533 and EUR1 = S\$1.504 respectively.

(4) Valuation as at 31 December 2019 for 100% interest in Main Airport Center was EUR270.0 million. The conversion rate used for 31 December 2019 valuation was EUR1 = S\$1.504.

(5) NM indicates "Not Meaningful"

# Slight compression in capitalisation rates

- Terminal yields are 0.25% higher than capitalisation rates for the portfolio except for Six Battery Road and 21 Collyer Quay where terminal yields are the same given their 999-year lease tenures.
- Office rent growth rates<sup>(1)</sup> assumed for the discounted cashflow method generally averaged 3.5% over 10 years.

	Capitalisation Rates									Discount Rates								
	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19
Asia Square Tower 2	NA	NA	NA	NA	NA	3.50	3.50	3.50	<b>3.45</b>	NA	NA	NA	NA	NA	6.75	6.75	6.75	<b>6.75</b>
CapitaGreen	NA	4.00	4.15	4.15	4.10	4.00	4.00	4.00	<b>3.95</b>	NA	7.25	7.25	7.25	7.00	6.75	6.75	6.75	<b>6.75</b>
Six Battery Road	3.75	3.75	3.75	3.75	3.60	3.50	3.50	3.50	<b>3.45</b>	8.00	7.50	7.25	7.25	7.00	6.75	6.75	6.75	<b>6.75</b>
Capital Tower	3.75	3.85	3.85	3.85	3.70	3.60	3.60	3.60	<b>3.55</b>	8.00	7.50	7.25	7.25	7.00	6.75	6.75	6.75	<b>6.75</b>
21 Collyer Quay	3.75	3.85	3.85	3.75	3.60	3.50	3.50	3.50	<b>3.45</b>	8.00	7.50	7.25	7.25	7.00	6.75	6.75	6.75	<b>6.75</b>
One George Street	3.75	3.85	3.85	3.85	3.70	3.60	3.60	3.60	<b>3.55</b>	8.00	7.50	7.25	7.25	7.00	6.75	6.75	6.75	<b>6.75</b>
Raffles City SG																		
Office	4.25	4.25	4.25	4.25	4.10	4.00	4.00	4.00	<b>3.95</b>	7.35	7.50	7.25	7.25	7.00	6.75	6.75	6.75	<b>6.75</b>
Retail	5.25	5.25	5.25	5.25	4.85	4.70	4.70	4.70	<b>4.70</b>	7.65	7.50	7.50	7.50	7.25	7.00	7.00	7.00	<b>7.00</b>
Hotel	5.55	5.25	5.13	5.11	4.75	4.75	4.75	4.75	<b>4.75</b>	7.75	7.75	7.75	7.40	7.15	7.00	7.00	7.00	<b>7.00</b>

## Notes:

(1) Excludes CapitaSpring; and Gallileo and Main Airport Center, Frankfurt

(2) CBRE was the appointed valuer for Asia Square Tower 2, Six Battery Road, CapitaGreen and Raffles City Singapore;

Cushman & Wakefield was the appointed valuer for Capital Tower, 21 Collyer Quay and Gallileo and Main Airport Center, Frankfurt; and

Knight Frank was the appointed valuer for CapitaSpring and One George Street



# Robust balance sheet

## Statement of Financial Position

As at 31 Dec 2019



	S\$ million		S\$ million
Non-current Assets	9,923.2	<b>Deposited Property <sup>(1)</sup></b>	<b>11,762.8</b>
Current Assets	267.5		
<b>Total Assets</b>	<b>10,190.7</b>	<b>Net Asset Value Per Unit</b>	<b>\$1.86</b>
Current Liabilities	140.9	<b>Adjusted Net Asset Value Per Unit</b>	<b>\$1.82</b>
Non-current Liabilities	2,835.4	<b>(excluding distributable income)</b>	
<b>Total Liabilities</b>	<b>2,976.3</b>		
<b>Net Assets</b>	<b>7,214.4</b>	<b>Credit Rating</b>	
<u>Represented by:</u>		<b>BBB+ by S&amp;P, Outlook Stable</b>	
Unitholders' Funds	7,185.1		
Non-controlling interests	29.3		
<b>Total Equity</b>	<b>7,214.4</b>		

**Units in issue ('000)** **3,857,686**

### Note:

(1) Deposited property (as defined in the Code on Collective Investment Schemes) for CCT Group includes CCT's 60.0% interest in RCS Trust, CCT's 50.0% interest in OGS LLP (which holds One George Street), CCT's 45.0% interest in Glory Office Trust and Glory SR Trust (which holds CapitaSpring), CCT's 94.9% interest in Gallileo and Main Airport Center respectively.

# Robust financial indicators

	3Q 2019	4Q 2019	Remarks
<b>Total Gross Debt <sup>(1)</sup></b>	S\$4,120.4m	<b>S\$4,134.1m</b>	<b>Higher</b> (Higher borrowings)
<b>Aggregate Leverage <sup>(2)</sup></b>	35.5%	<b>35.1%</b>	<b>Lower</b> (Higher deposited property)
<b>Unencumbered Assets as % of Total Assets <sup>(3)</sup></b>	78.5%	<b>91.0%</b>	<b>Higher</b> (Unencumbered CapitaGreen)
<b>Average Term to Maturity <sup>(4)</sup></b>	3.3 years	<b>3.8 years</b>	<b>Longer</b> (Longer dated Bonds and Loans)
<b>Average Cost of Debt (p.a.) <sup>(5)</sup></b>	2.5%	<b>2.4%</b>	<b>Lower</b>
<b>Interest Coverage <sup>(6)</sup></b>	5.8 times	<b>5.6 times</b>	<b>Stable</b>

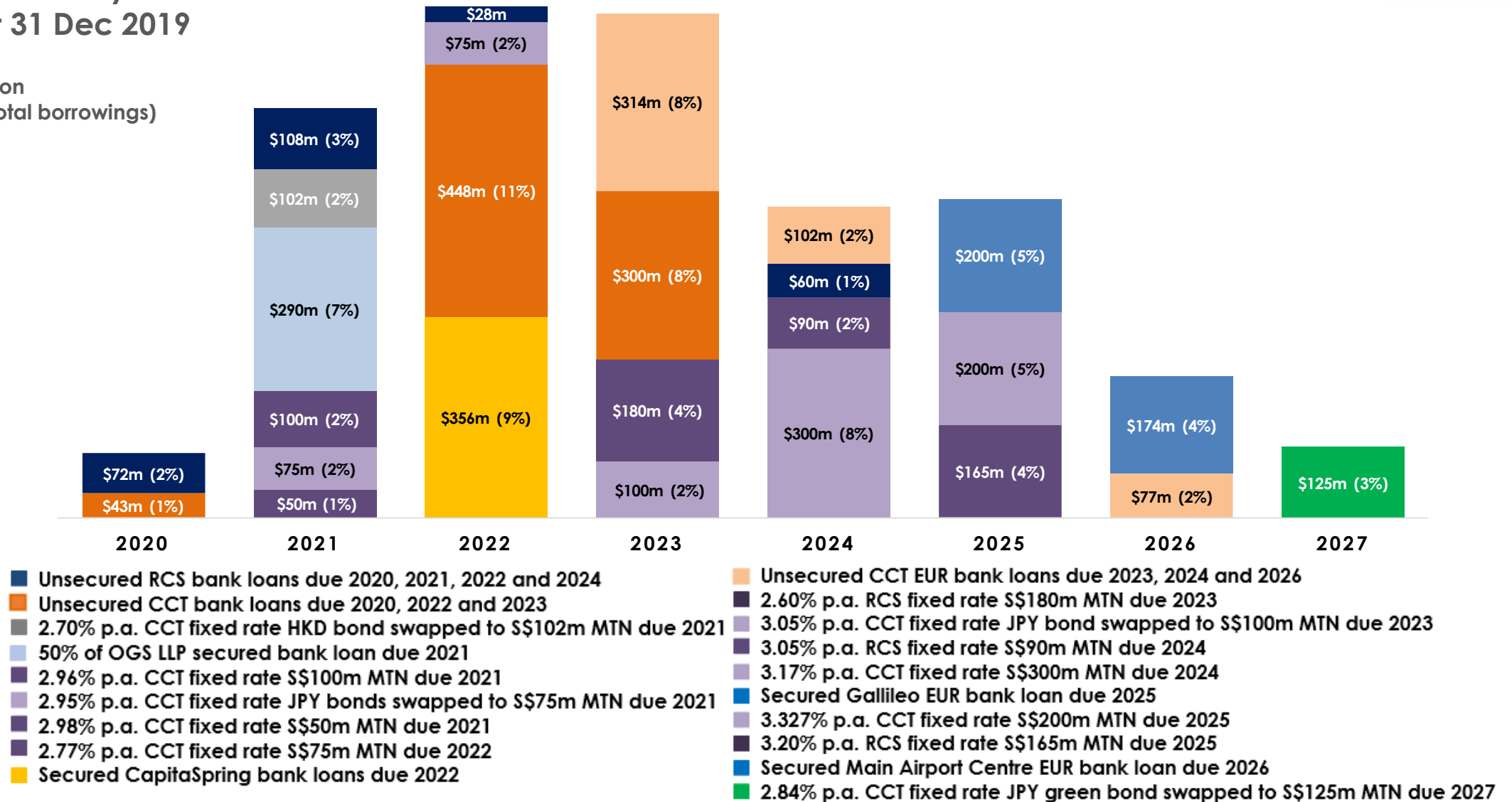
**Notes:**

- (1) Total gross debt includes CCT's proportionate share of joint ventures' borrowings. Higher borrowings quarter-on-quarter due to acquisition of Main Airport Center and additional borrowings from joint ventures.
- (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. The ratio of total gross borrowings to total net assets is 57.3%.
- (3) Investment properties at CCT (exclude Joint Ventures) are all unencumbered except for Gallileo and Main Airport Center.
- (4) Excludes borrowings of joint ventures.
- (5) Ratio of interest expense (excludes amortization of transaction costs) over weighted average gross borrowings.
- (6) Ratio of EBITDA over finance costs includes amortisation of transaction costs.

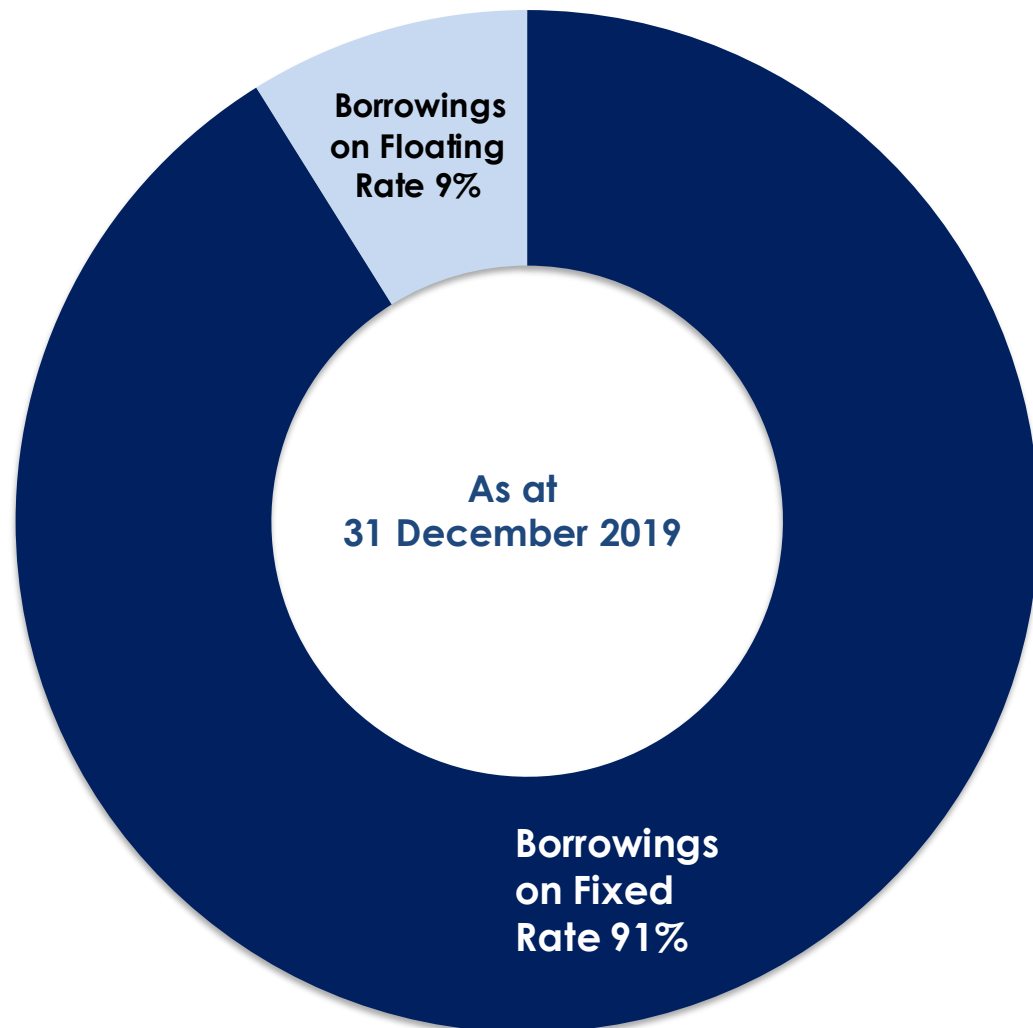
# Proactive capital management

## Debt Maturity Profile as at 31 Dec 2019

S\$ million  
(% of total borrowings)



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



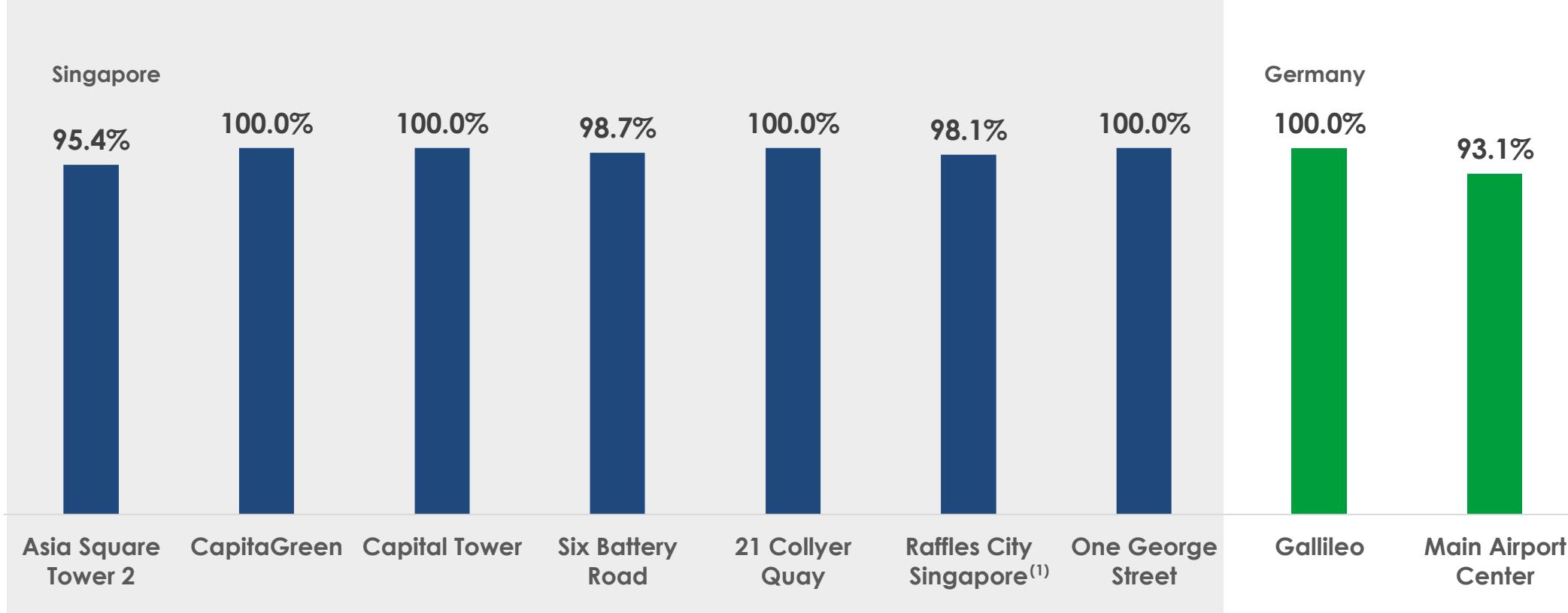
Proforma impact on:	Assuming +0.5% p.a. increase in interest rate
Estimated additional annual Interest expense	+\$1.8 million p.a.
FY 2019 DPU	-0.05 cents (0.5% of FY 2019 DPU)

# 3. Steady Portfolio Performance

# High portfolio occupancy of 98.0%

Singapore Portfolio occupancy: **98.6%**  
 Singapore Core CBD occupancy: **95.8%**

Germany Portfolio occupancy: **95.9%**  
 Frankfurt office market occupancy: **92.9%**<sup>(2)</sup>



**Notes:**

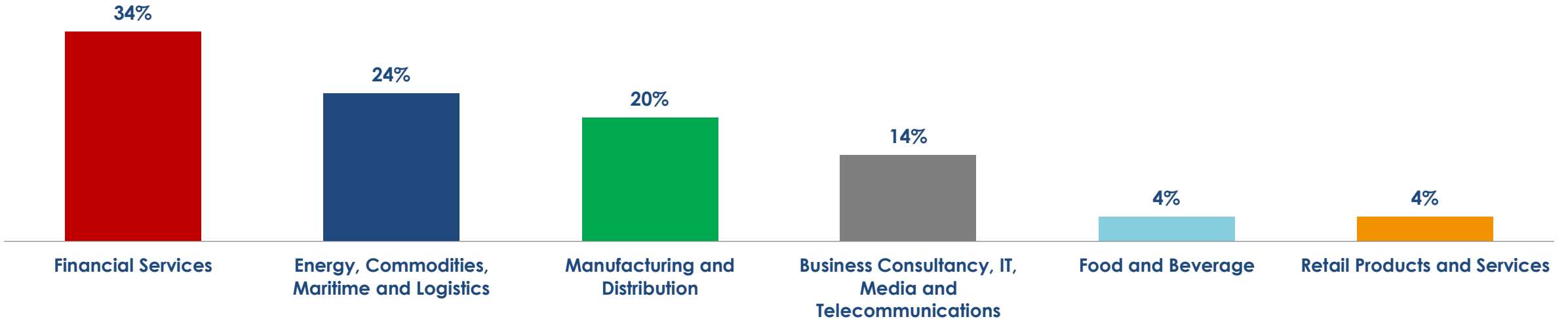
(1) Office occupancy is at 97.2% while retail occupancy is at 98.9%

(2) Frankfurt office market occupancy as at 3Q 2019

(3) All occupancy rates are as at 31 December 2019

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

Trade mix of new leases signed in 4Q 2019



**Notes:**

(1) Based on net lettable area ("NLA") of new leases committed and using 100.0% basis for Raffles City Singapore and One George Street

(2) NLA of new leases committed in 4Q 2019 is approximately 81,000 square feet, excluding German properties

# Continued positive reversion trend for most leases signed in 4Q 2019

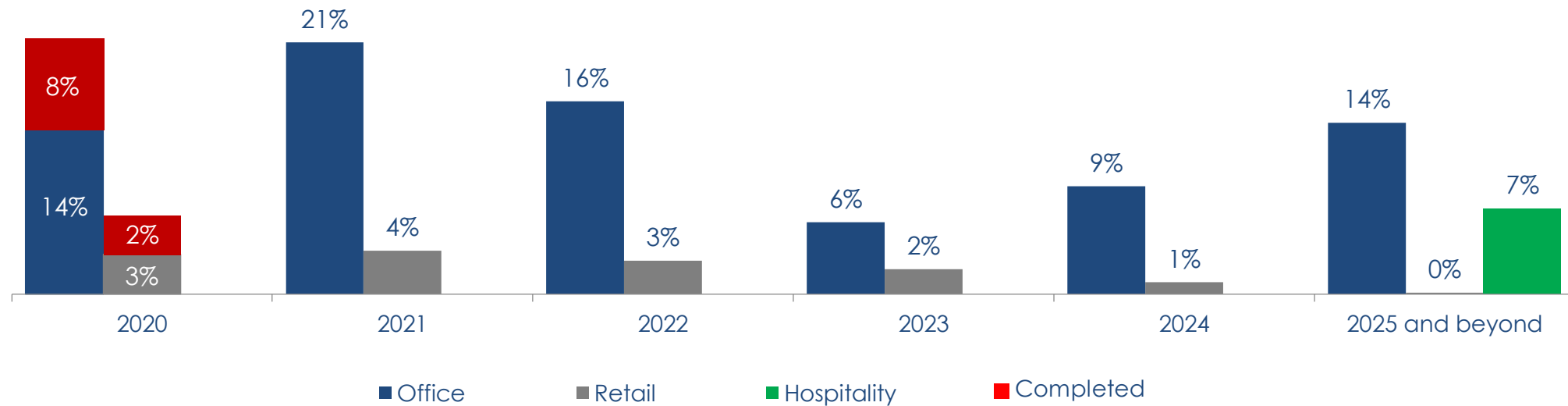
Building	Average Expired Rents (\$\$)	Committed Rents <sup>(1)</sup> (\$\$)	Sub-Market	Market Rents of Comparative Sub-Market (\$\$)	
				Cushman & Wakefield <sup>(2)</sup>	Knight Frank <sup>(3)</sup>
Asia Square Tower 2	12.69	11.50 – 12.00	Grade A Marina Bay	12.64	12.10 – 12.60
Six Battery Road	11.67	11.90 – 14.00	Grade A Raffles Place	10.92	10.10 – 10.60
CapitaGreen	9.83	11.00 – 12.60	Grade A Raffles Place	10.92	10.10 – 10.60
Raffles City Tower	9.07	9.20 – 11.00	City Hall / Marina Centre	10.30	9.80 – 10.30

- Notes:**
- (1) Renewal/new leases committed in 4Q 2019
  - (2) Source: Cushman & Wakefield 4Q 2019
  - (3) Source: Knight Frank 3Q 2019; 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 2019 Grade A rent is S\$11.55 psf per month and they do not publish sub-market rents



# Well spread portfolio lease expiry profile

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



**Portfolio Weighted Average Lease term to Expiry (WALE)  
by NLA as at 31 December 2019 = 5.7 years**

**Note:**  
**(1) Excludes retail and hotel turnover rent**

# Committed one-third of expiring 2020 leases

Proactive engagement with tenants to manage their requirements

Total Office Portfolio<sup>(1)</sup> Lease Expiry Profile as at 31 December 2019

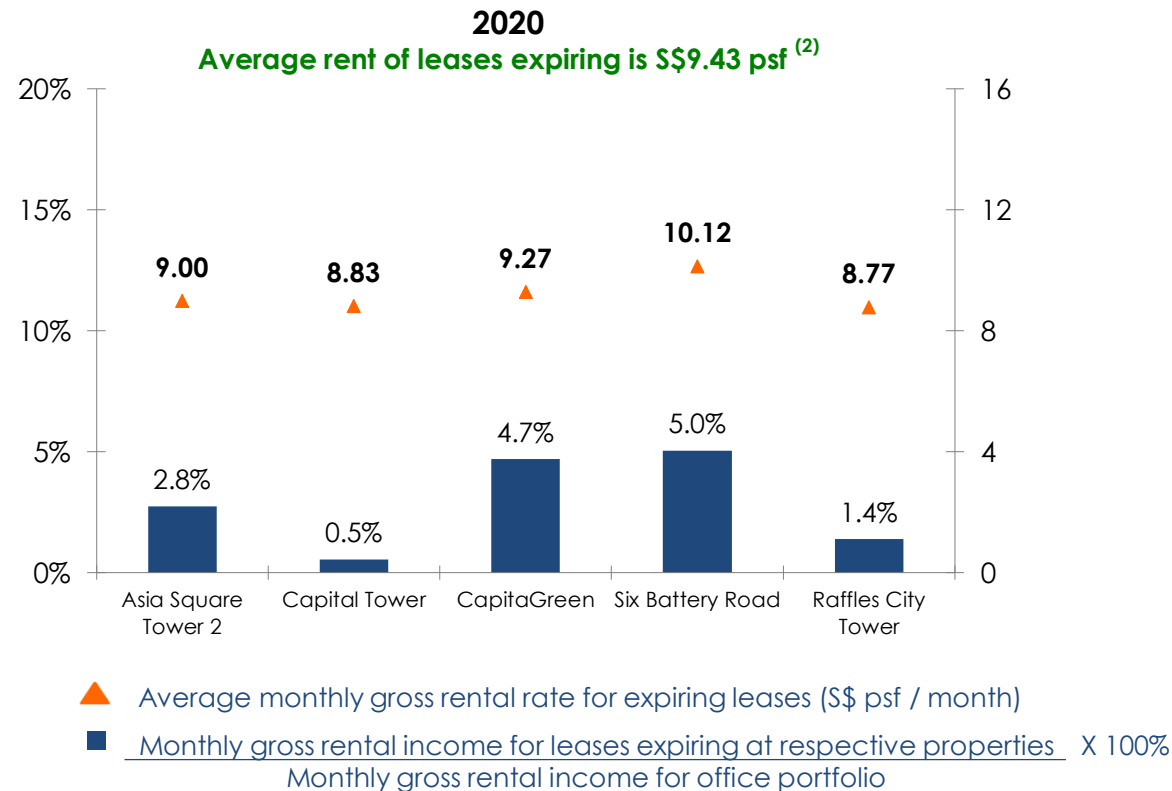


**Notes:**

- (1) Includes Gallileo and Main Airport Center's leases
- (2) Includes WeWork's 7-year lease for 21 Collyer Quay which is expected to commence in 2Q 2021
- (3) Includes JPM's lease which constitutes 4% of total office NLA

# Major leases due in 2020 are under advanced negotiation

4Q 2019 Grade A office market rent at S\$11.55 psf per month<sup>(1)</sup>



Period	1H 2020		2H 2020	
	% of Expiring Leases	Rental Rates of Expiring Leases	% of Expiring Leases	Rental Rates of Expiring Leases
Asia Square Tower 2	0.0%	-	2.7%	S\$9.00
Capital Tower	0.1%	S\$10.83	0.4%	S\$8.28
CapitaGreen	0.1%	S\$10.80	4.6%	S\$9.25
Six Battery Road	3.9%	S\$9.68	1.2%	S\$11.94
Raffles City Tower	0.2%	S\$9.93	1.2%	S\$8.58
<b>Total / Weighted Average</b>	<b>4.3%</b>	<b>S\$9.75</b>	<b>10.1%</b>	<b>S\$9.29</b>

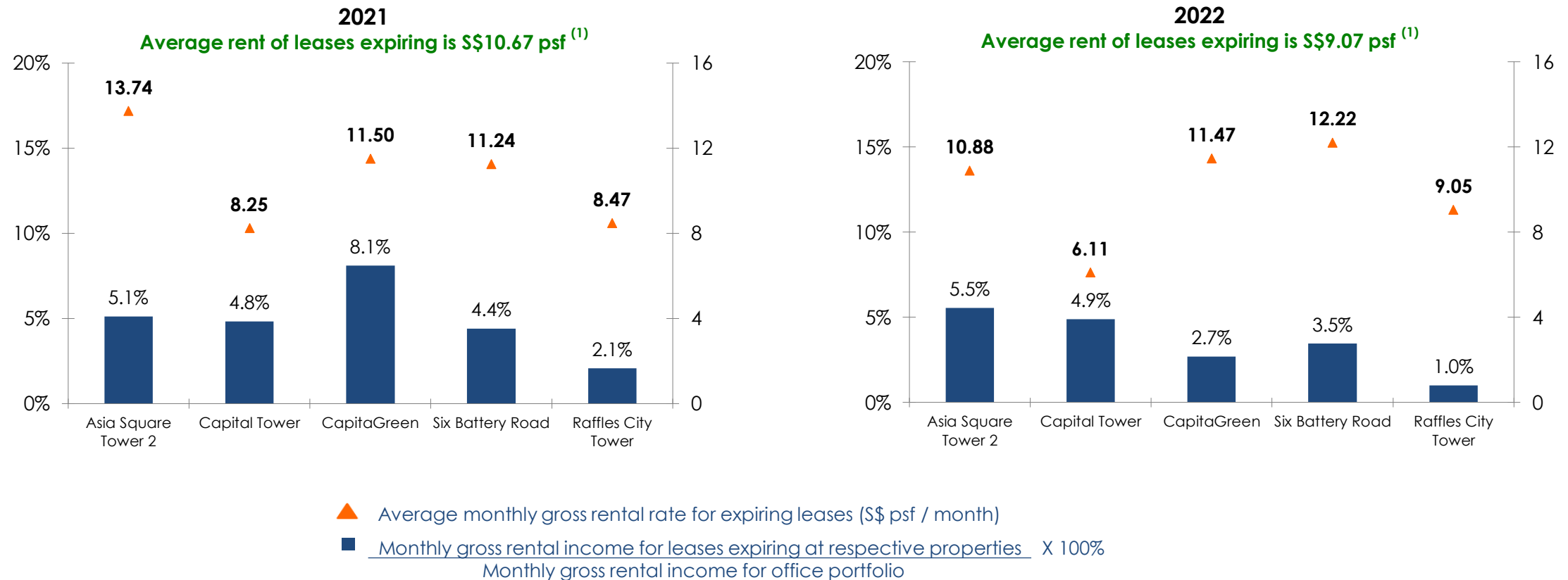
**Notes:**

(1) Source: CBRE Pte. Ltd. as at 4Q 2019

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

(3) Total percentage may not add up due to rounding

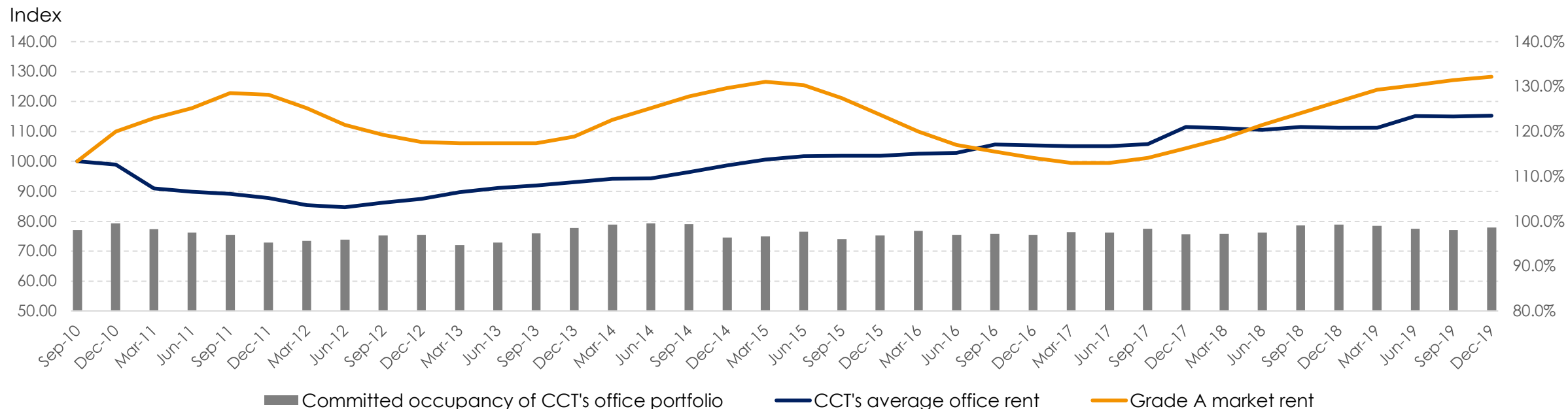
# Continue to proactively manage major leases expiring in the next 3 years



**Note:**

(1) Four Grade A buildings and Raffles City Tower only

# CCT's in place average portfolio rent has grown steadily despite Grade A office market rent cycle

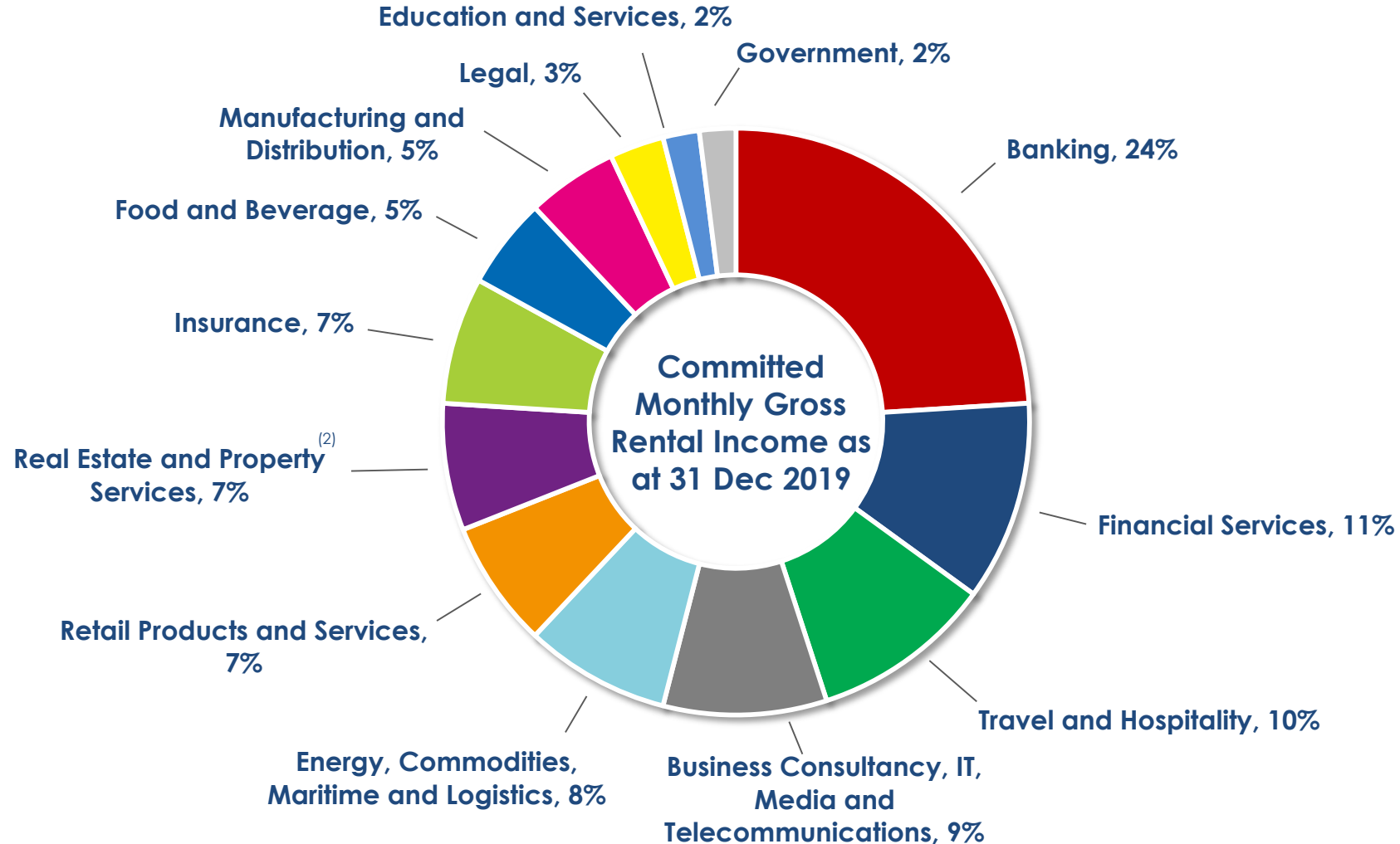


As at 31 December 2019	
CCT's average office rent	<b>S\$10.08 psf</b>
Grade A market rent	<b>S\$11.55 psf</b>
CCT committed occupancy	<b>98.6%</b>

**Notes:**  
 (1) Average gross rent per month for office portfolio (S\$ psf) =  $\frac{\text{Actual gross rent for occupied office} + \text{Committed gross rent for vacant office}}{\text{Committed area of office}}$

- (2) Excludes German properties
- (3) Grade A market rent information: CBRE, 4Q 2019

# Diverse tenant mix in CCT's portfolio



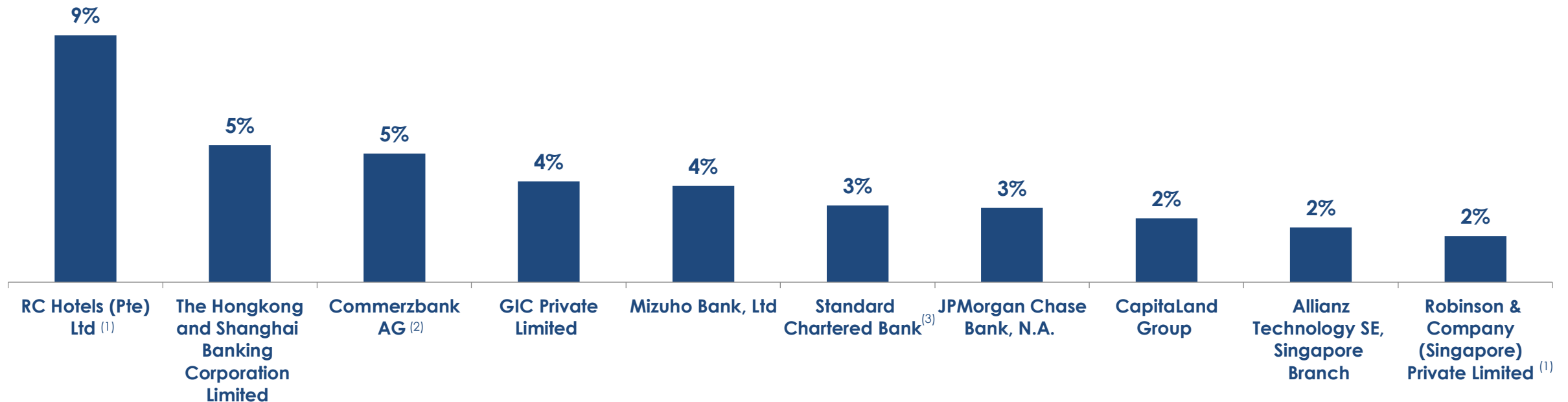
**Notes:**

(1) Based on committed monthly gross rental income of tenants as at 31 December 2019, including CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Gallileo and Main Airport Center (with effect from 18 September 2019), Frankfurt; and excluding retail turnover rent

(2) Excludes WeWork Singapore as lease expected to commence in 2Q 2021

# Top 10 tenants contribute 37% of monthly gross rental income

Based on monthly gross rental income as at 31 December 2019, excluding retail turnover rent



## Notes:

(1) Based on CCT's 60.0% interest in Raffles City Singapore

(2) Based on CCT's 94.9% interest in Gallileo, Frankfurt

(3) Standard Chartered Bank's lease expired in early January 2020; after which, Mitsui Group (approximately 2%) will be one of the top 10 tenants

(4) Total percentage may not add up due to rounding

# Looking ahead: 2020



## Portfolio

- Proactive asset management and leasing to drive organic growth
- Partial closure of Six Battery Road from 1Q 2020 and complete closure of 21 Collyer Quay by May 2020 for refurbishment



## Singapore market

- New supply remains limited while vacancy is low



## Frankfurt market

- Healthy demand while new supply is being taken up



## Growth

- Seeking opportunities in Singapore and Germany

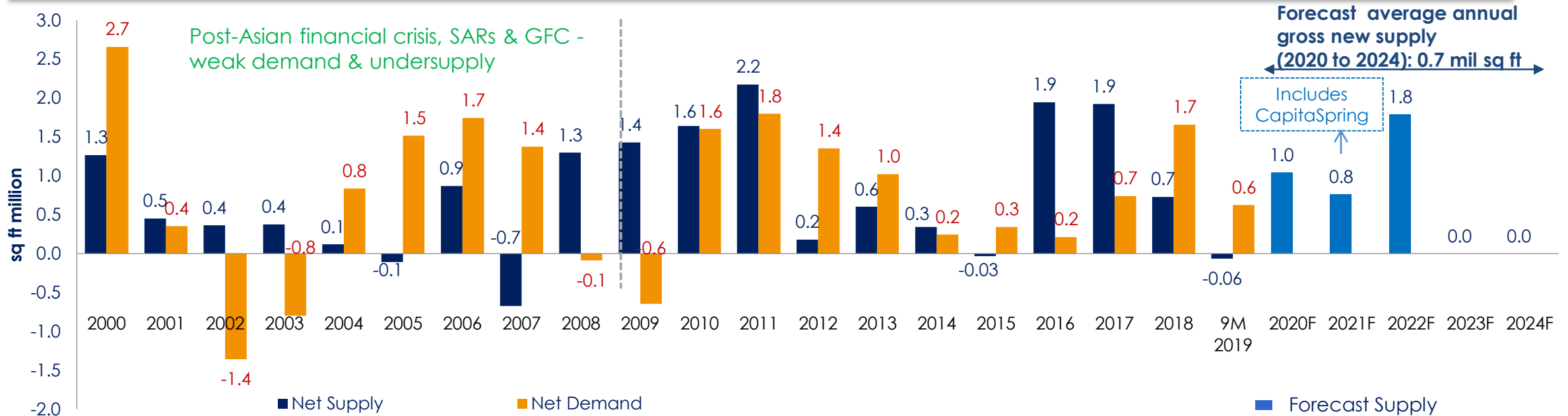


# 4. Market Information

# Annual new supply to average 0.7 mil sq ft over 5 years; CBD Core occupancy at 95.8% as at end Dec 2019



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



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2009 – 2018 (through 10-year property market cycles)	1.1 mil sq ft	0.8 mil sq ft
2014 – 2018 (five-year period post GFC)	1.0 mil sq ft	0.6 mil sq ft
2020 – 2024 (forecast gross new supply)	0.7 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 3Q 2019; Forecast supply from CBRE Research as at 3Q 2019.

# Known future office supply in Central Area (2020 – 2022)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
1 Q 2020	55 Market Street (asset enhancement initiative)	Raffles Place	76,000
1 Q 2020	30 Raffles Place (Chevron House asset enhancement initiative)	Raffles Place	313,000
1 H 2020	79 Robinson Road <sup>(2)</sup>	Robinson Road	514,000
1 H 2020	Afro-Asia I-Mark	Shenton Way	140,000
		<b>Subtotal (2020):</b>	<b>1,043,000</b>
1 H 2021	CapitaSpring <sup>(3)</sup>	Raffles Place	635,000
2021	Hub Synergy Point Redevelopment	Anson Road	128,000
		<b>Subtotal (2021):</b>	<b>763,000</b>
2022	Land parcel at Central Boulevard (Central Boulevard Towers)	Raffles Place/Marina	1,138,000
2022	Guoco Midtown	City Hall	650,000
		<b>Subtotal (2022):</b>	<b>1,788,000</b>
<b>TOTAL FORECAST SUPPLY (2020-2022)</b>			<b>3,594,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>3,594,000</b>

## Notes:

- (1) According to The Straits Times dated 17 Apr 2019, the Park Mall Redevelopment is fully committed with UBS taking up 381,000 sq ft of NLA
- (2) According to BT Report dated 13 July 2018, about 50,000 sq ft has been committed.
- (3) CapitaSpring reported committed take-up for 34.8% of the development's office NLA as at 31 December 2019
- (4) Sources: CBRE Research and respective media reports

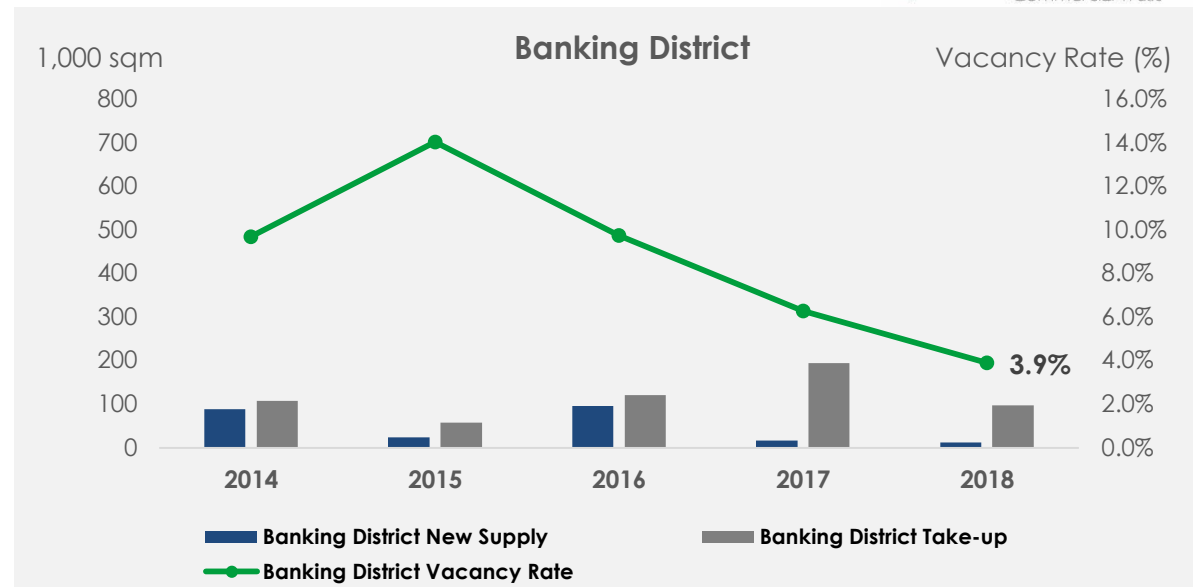
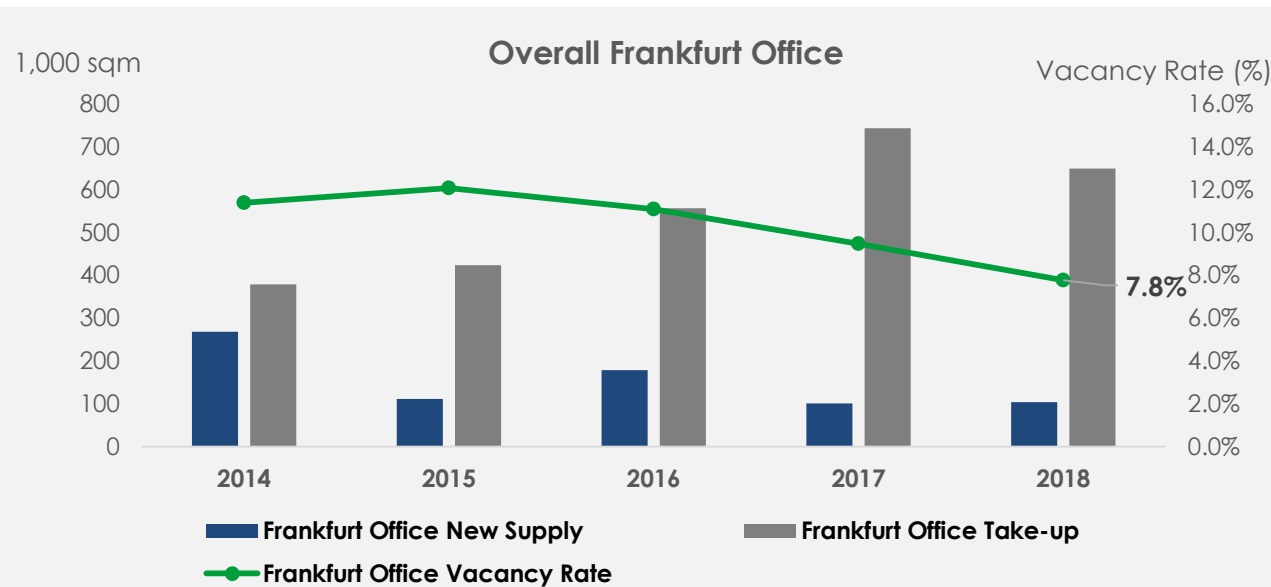
# Grade A office market rent up 0.9% QoQ and 6.9% YTD

	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19	4Q 19
Mthly rent (S\$ / sq ft )	9.10	9.40	9.70	10.10	10.45	10.80	11.15	11.30	11.45	11.55
% change	1.7%	3.3%	3.2%	4.1%	3.5%	3.3%	3.2%	1.3%	1.3%	0.9%

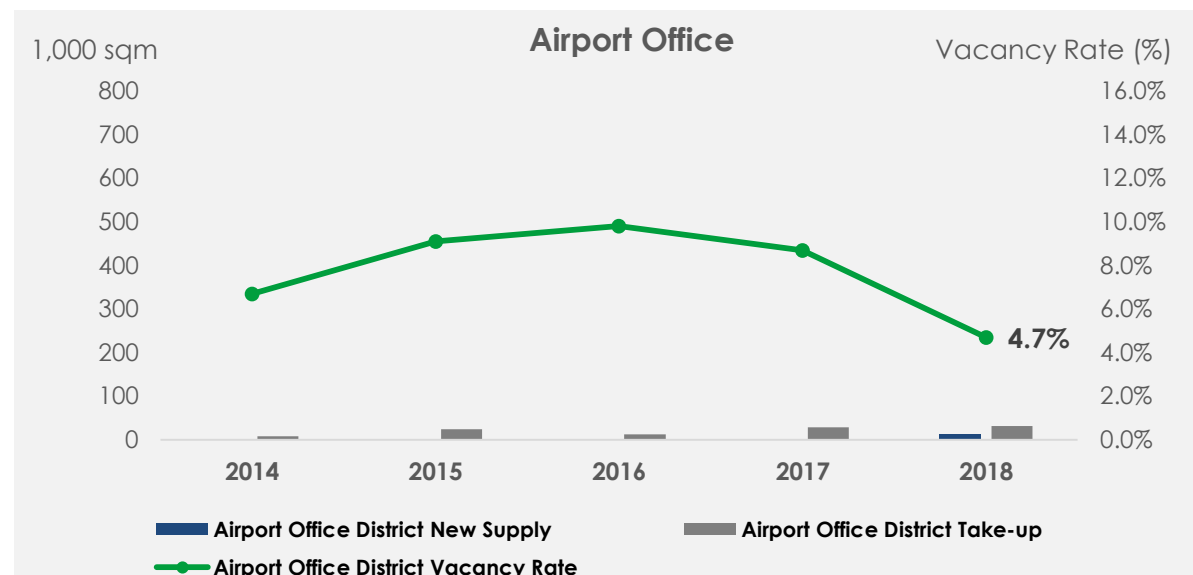


Source of data: CBRE Research (figures as at end of each quarter).

# Frankfurt and two submarkets take-up and supply



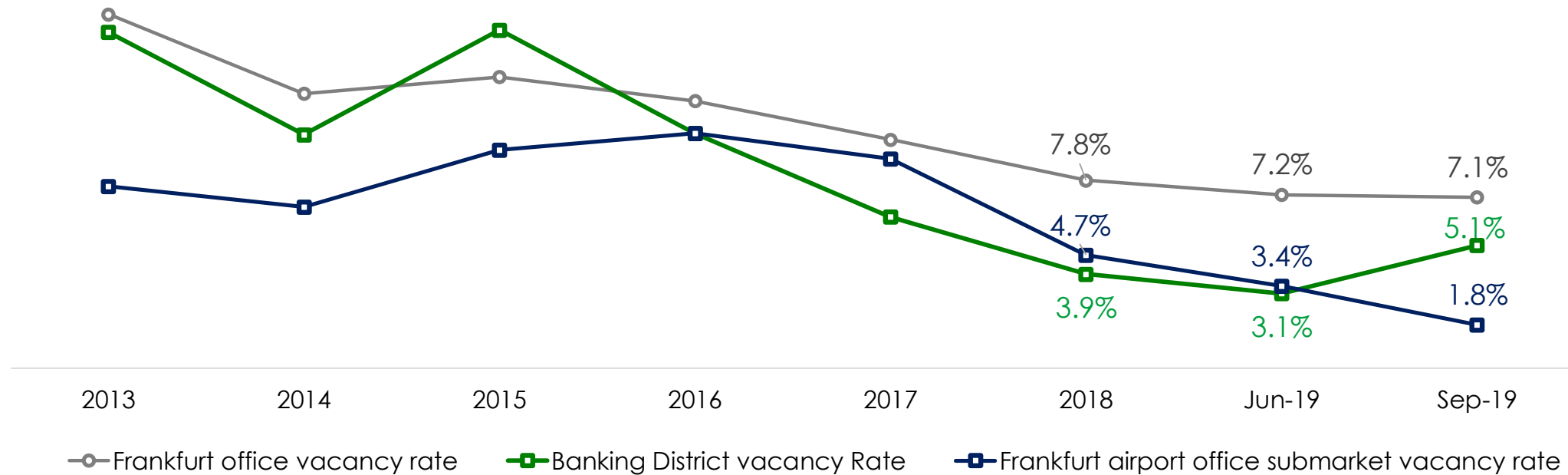
As at end-2018	Total stock	Percentage
<b>Overall Frankfurt Office</b>	<b>11.3 mil sqm</b>	<b>100.0%</b>
Banking District	1.4 mil sqm	12.8%
Airport Office	0.7 mil sqm	6.4%
Rest of Frankfurt Office	9.1 mil sqm	80.8%



Source: CBRE Research, 2018

# Overall office vacancy remains tight in Frankfurt

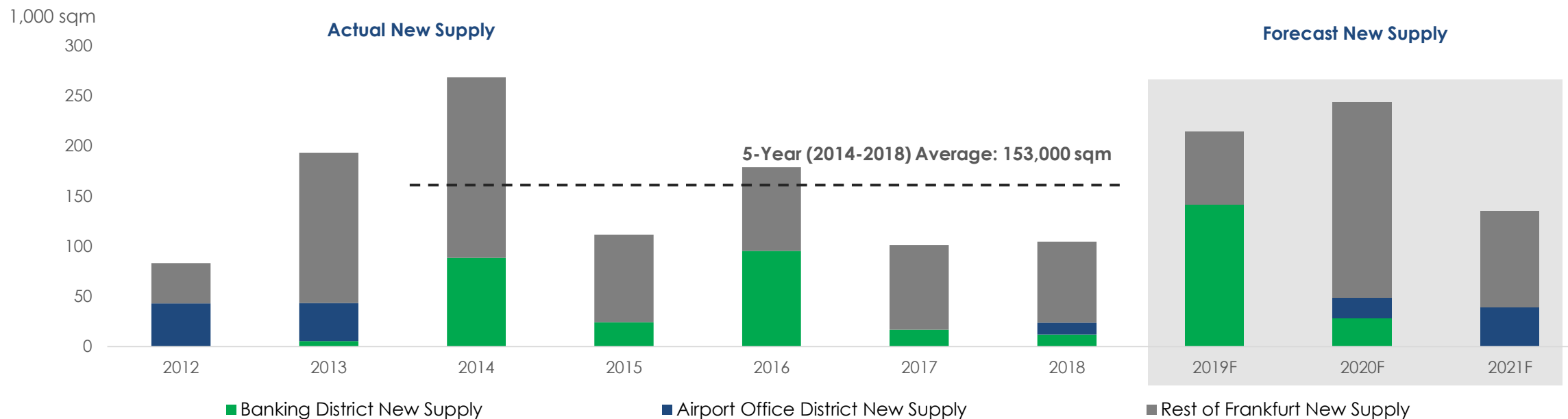
Banking District vacancy rose in 3Q 2019 due to completion of new office space; there is continuing high demand for centrally located and modern office space; further reduction of the vacancy rate can be expected



Source: CBRE Research, 3Q 2019

# New office supply in Frankfurt

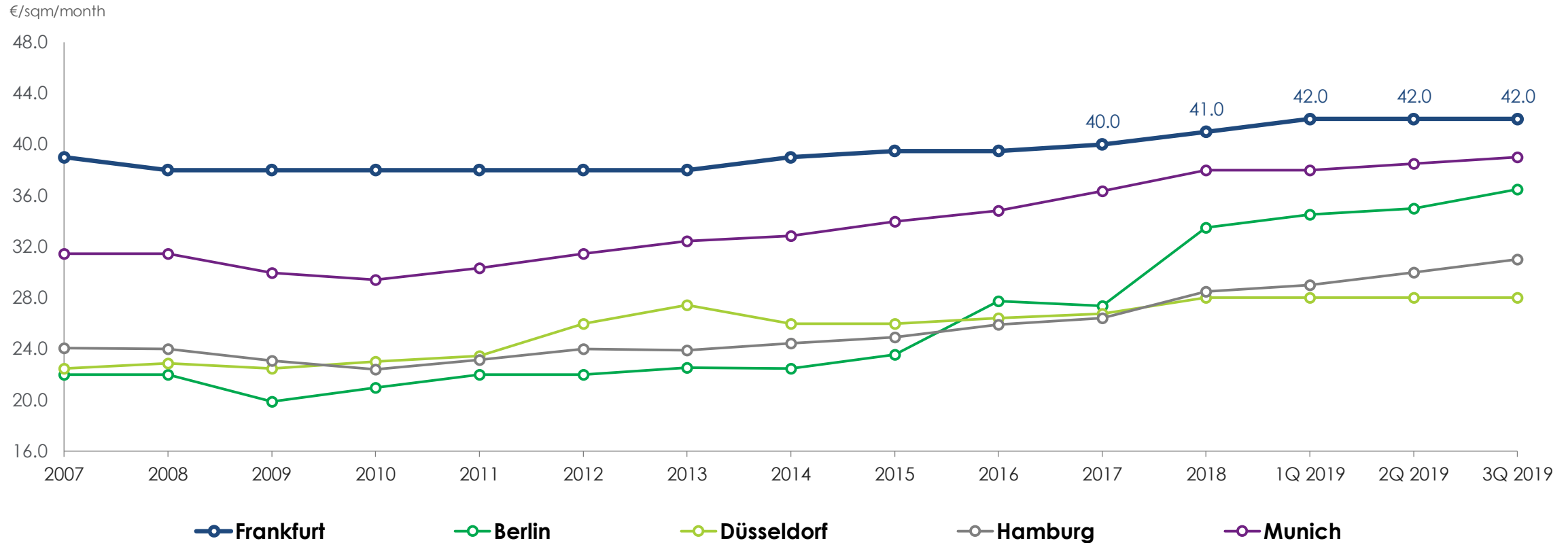
About 65% of new supply in 2019F and 2020F has been committed



Source: CBRE Research, Frankfurt Q2 2019

# Frankfurt's office market is characterised by stable and resilient rents

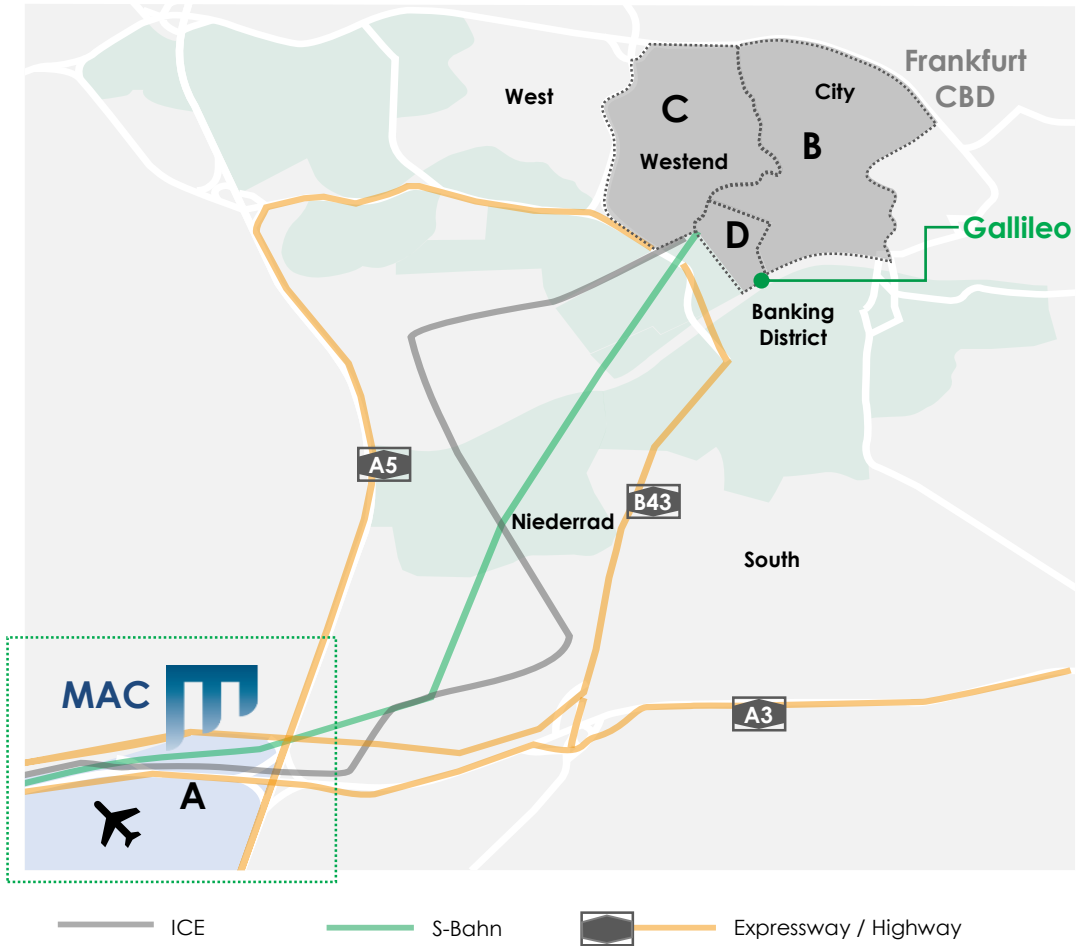
- Frankfurt has the highest prime office rent in comparison to other major cities in Germany
- Prime office rent in Frankfurt has been resilient through property and economic cycles
- Positive supply-demand dynamics expected to support prime office rents



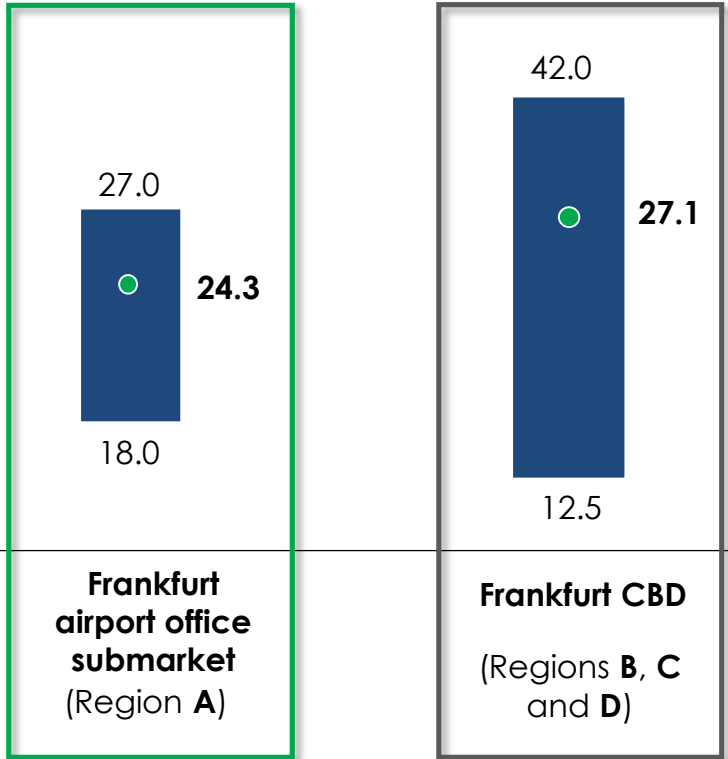
Source: CBRE Research, Frankfurt Q3 2019



# Rental range in Frankfurt airport office submarket and Frankfurt CBD districts



Rental range by submarket (€ / square metre / month)



Source: CBRE Research, Frankfurt Q2 2019

# 5. Committed to Sustainability

# CCT Sustainability Value Creation Model

Guided by CapitaLand's core values, CCT strives to add value through our business approach



## Our Resources

Financial

Properties

Environment

People

Stakeholders  
&  
Communities

## Our Business Approach



## Our Value Drivers

- Generate Organic Growth
- Enhance/Refurbish assets
- Capital recycling
- Grow Portfolio
- Proactive capital management

- Maximise potential and enhance portfolio
- Enhance accessibility (Social integration)
- Embrace innovation

- Manage resources efficiently
- Upkeep green buildings (Climate resilience)
- Ensure health and safety

- Upkeep high standards of corporate governance
- Engage employees regularly
- Encourage learning and development

- Create delightful customer experience
- Engage stakeholders regularly
- Engage supply chain

## Outcomes

**Sustainable returns** (See results slides 4 to 34)

**Quality assets & differentiated offerings**

**Mitigate climate change**

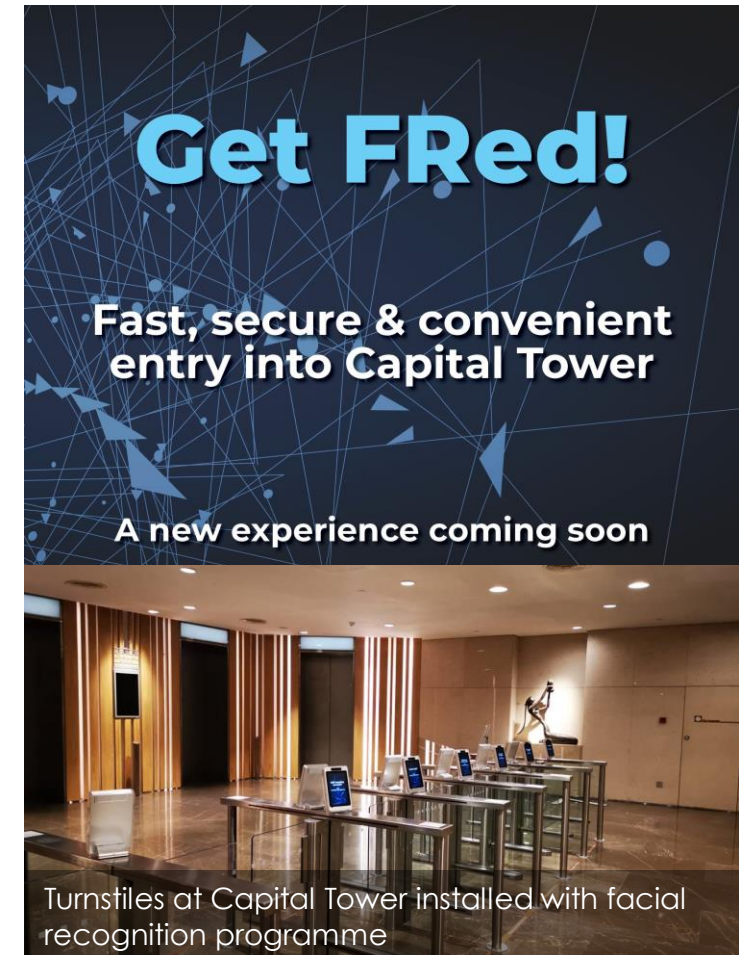
**High-performance culture**

**Landlord of choice & thriving communities**

# Innovation & Technology – Introduction of Facial Recognition

To provide fast, secure and convenient access to tenants

- First rolled out at Capital Tower and official enrollments started on 6 January 2020
- Benefits:
  - Fast** – Reduce physical interaction at turnstiles
  - Secure** – Enhanced security as facial metadata is unique to individual
  - Convenient** – Handsfree access to enter the building
- Active engagement with tenants to familiarise and raise awareness of facial recognition:
  - Get FRED! (Get Facially Recognised) Campaign
  - B2B engagement with tenant office managers
  - Enrollment roadshows at Capital Tower



# Stakeholder engagement – CL Starter Series

To promote Level 9 of Capital Tower as a Learning, Lifestyle and Wellness Hub while increasing awareness of available amenities in the property

- CL Starter Series is aimed at encouraging tenants to pick up new hobbies and take care of their mental and physical well-being by organising activities.
- We have partnered well-known brands and social enterprises to bring various events to support causes for differently abled persons, fair trade goods and sustainable behaviour.



Organised



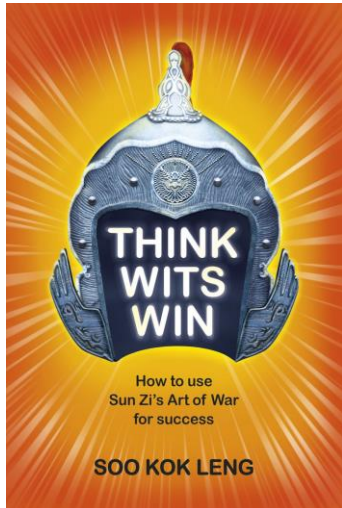
Over 25  
Activities

Engaged



Over 370  
Participants

# Stakeholder Engagement – Leadership Series, Tenant Treats & Christmas Caroling



- Organised a talk “Think Wits Win” under CCT Leadership Series by book author, Mr Soo Kok Leng, for the senior management members of our tenants
- Participants learnt how concepts of Sun Tzu’s dialectical thinking and ambidextrous leadership as well as how these approaches can help build and sustain a winning business in a fast and everchanging marketplace.

- As part of our bi-annual treats to tenants, CCT distributed Haus Brew bottled tea to our tenants at seven CCT properties in October 2019.
- Surprise Christmas Treats were held at seven CCT properties in December, along with Christmas caroling at Capital Tower, CapitaGreen, One George Street and Six Battery Road to spread Christmas cheer and inject vibrancy at the office lobbies.



# Stakeholder Engagement – Gifts of Joy 2019



A community outreach programme that aims to bring the CCT tenant community together to bring joy to the underprivileged

- Tenants were invited to fulfil wishes, volunteer their time to wrap and distribute gifts and/or take the students on a fun day out at the Children’s Biennale art exhibition at National Gallery.
- CapitaLand Hope Foundation and CCT raised S\$7,810 for Rainbow Centre Singapore’s Empowerment, Development and Innovation Fund



# 6. Value creation strategy for sustainable returns

- I. Asset enhancement initiatives
- II. Development



# CCT's value creation strategy

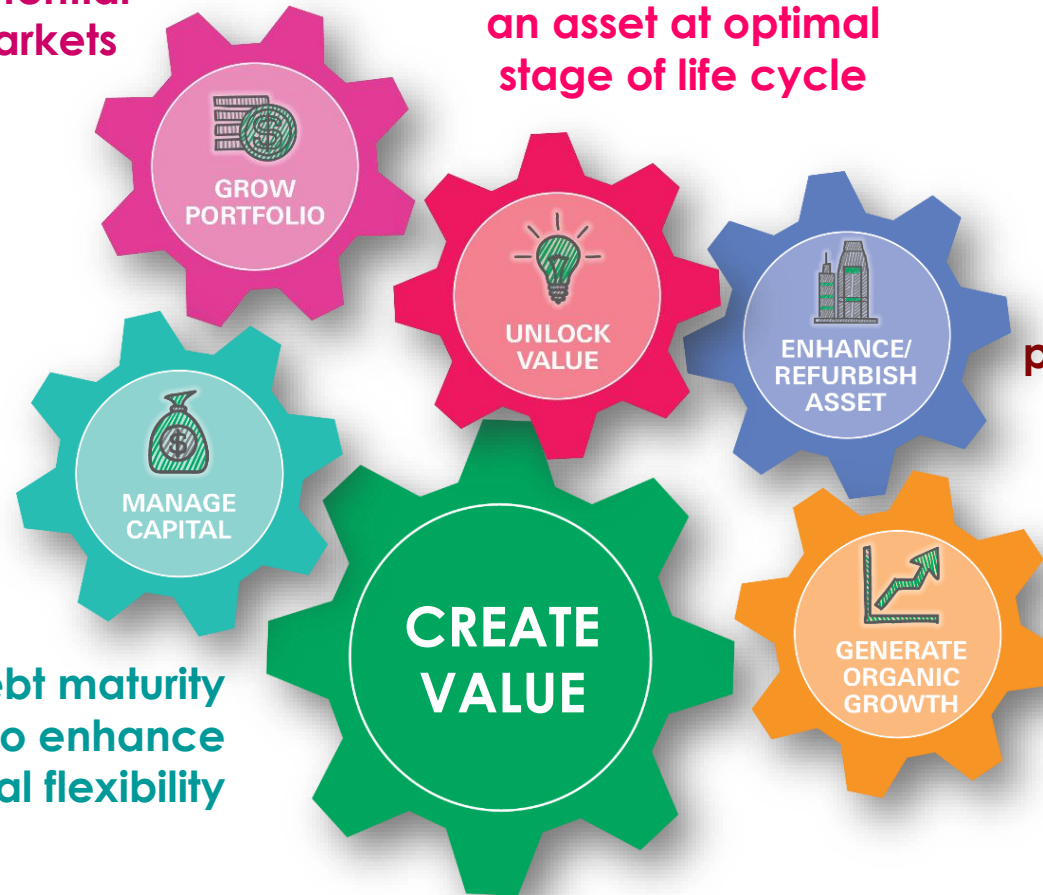
Acquire quality assets  
with growth potential  
in identified markets

Unlock value from  
an asset at optimal  
stage of life cycle

Enhance value and  
positioning of assets to  
stay competitive

Optimise asset value  
and performance

Manage debt maturity  
profile to enhance  
financial flexibility



# Six Battery Road: Refreshing podium

Connecting Raffles Place to Singapore River with new F&B offerings and Standard Chartered Bank's flagship branch



- ~S\$35 million AEI to be completed in phases from 1 Q 2020 to 3Q 2021 while office tower remains in operation
- Target return on investment of ~8%

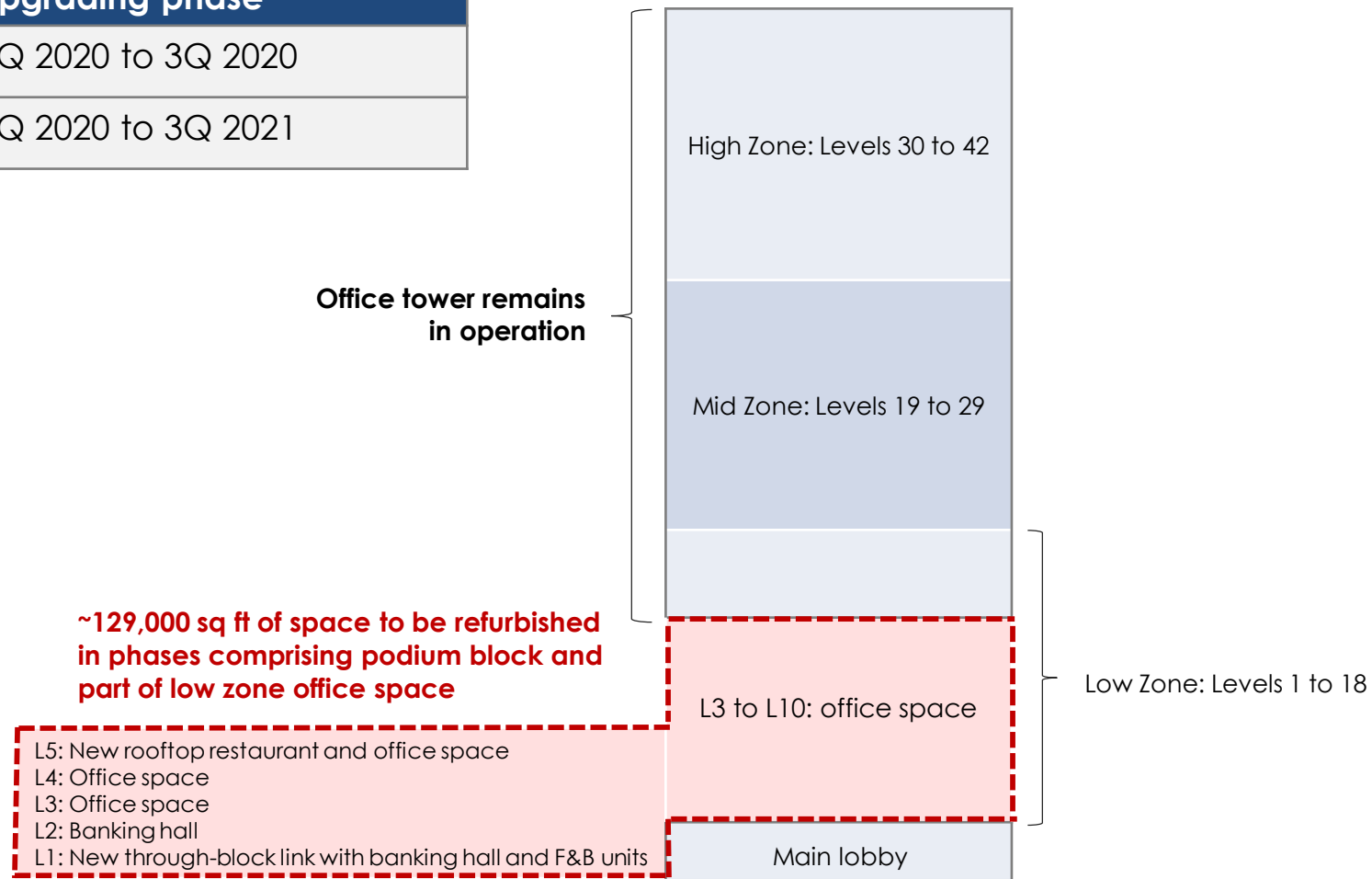
*Note: Artists' impressions of Six Battery Road subject to changes*

# Six Battery Road: Opportunity to create value by reconfiguring space

Standard Chartered remains an anchor tenant, leasing over 30k sq ft of office and retail space for their flagship branch at Six Battery Road

Levels	Upgrading phase
L1 to L2, L6 to L10	1Q 2020 to 3Q 2020
L3 and L5	3Q 2020 to 3Q 2021

Cross section of property



# 21 Collyer Quay: New occupier from early 2021 and upgrading during transitional downtime



21 Collyer Quay is on 999-year leasehold, NLA of approximately 200,000 sq ft

- HSBC lease expires end April 2020
  - Entire building leased to WeWork Singapore for 7 years from early 2Q 2021
- ~S\$45 million upgrading works:
    - ✓ Capitalise on transitional downtime
    - ✓ Entire building will be closed for upgrading from 2Q 2020 to 4Q 2020
    - ✓ Works include enhancements to essential equipment, common and lettable areas and to achieve BCA Green Mark Gold<sup>PLUS</sup> rating
    - ✓ Target return on investment of ~9%


# CapitaSpring – new integrated development at Market Street

<b>Description</b>	51-storey integrated development comprising Grade A office, serviced residence with 299 rooms, ancillary retail and a food centre
<b>Joint Venture Interest</b>	CCT (45%), CapitaLand (45%), Mitsubishi Estate (10%)
<b>Height</b>	280m (on par with tallest buildings in Raffles Place)
<b>Title</b>	Leasehold expiring 31 Jan 2081 (remaining 61 years)
<b>Site Area</b>	65,700 sq ft
<b>Total GFA</b>	1,005,000 sq ft
<b>Office NLA</b>	635,000 sq ft (34.8% pre-committed)
<b>Ancillary retail NLA</b>	12,000 sq ft
<b>Serviced residence</b>	299 rooms to be managed by Ascott
<b>Food Centre GFA</b>	44,000 sq ft
<b>Car Park</b>	About 350 lots
<b>Target yield on cost</b>	5.0%
<b>Estimated Project Development Expenditure</b>	S\$1.82 billion



Artist's impression of CapitaSpring; target completion in 1H 2021

# CapitaSpring drawn down S\$63.0 mil in 4Q 2019 – CCT's 45.0% share amounts to S\$28.4 mil

	CCT's 45% interest	CCT's 45% interest in Glory Office Trust and Glory SR Trust	Drawdown as at Dec 2019	Balance <sup>(2)</sup>
	Debt at Glory Office Trust and Glory SR Trust <sup>(1)</sup>	S\$531.0m	(\$356.4m)	S\$174.6m
	Equity inclusive of unitholder's loan	S\$288.0m	(\$245.3m)	S\$42.7m
CapitaSpring - Development remains on track for completion in 1H 2021	<b>Total</b>	<b>S\$819.0m</b>	<b>(\$601.7m)</b>	<b>S\$217.3m</b>

**Notes:**

- (1) Glory Office Trust and Glory SR Trust have obtained borrowings amounting to S\$1,180.0m (100% interest)
- (2) Balance capital requirement until 2021



# Thank you

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