



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

Macquarie ASEAN Conference 2017

Tuesday, 22 August 2017



# Important Notice

**This presentation shall be read in conjunction with CCT's 2Q 2017 Unaudited Financial Statement Announcement.**

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You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the CCT Manager on future events.



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

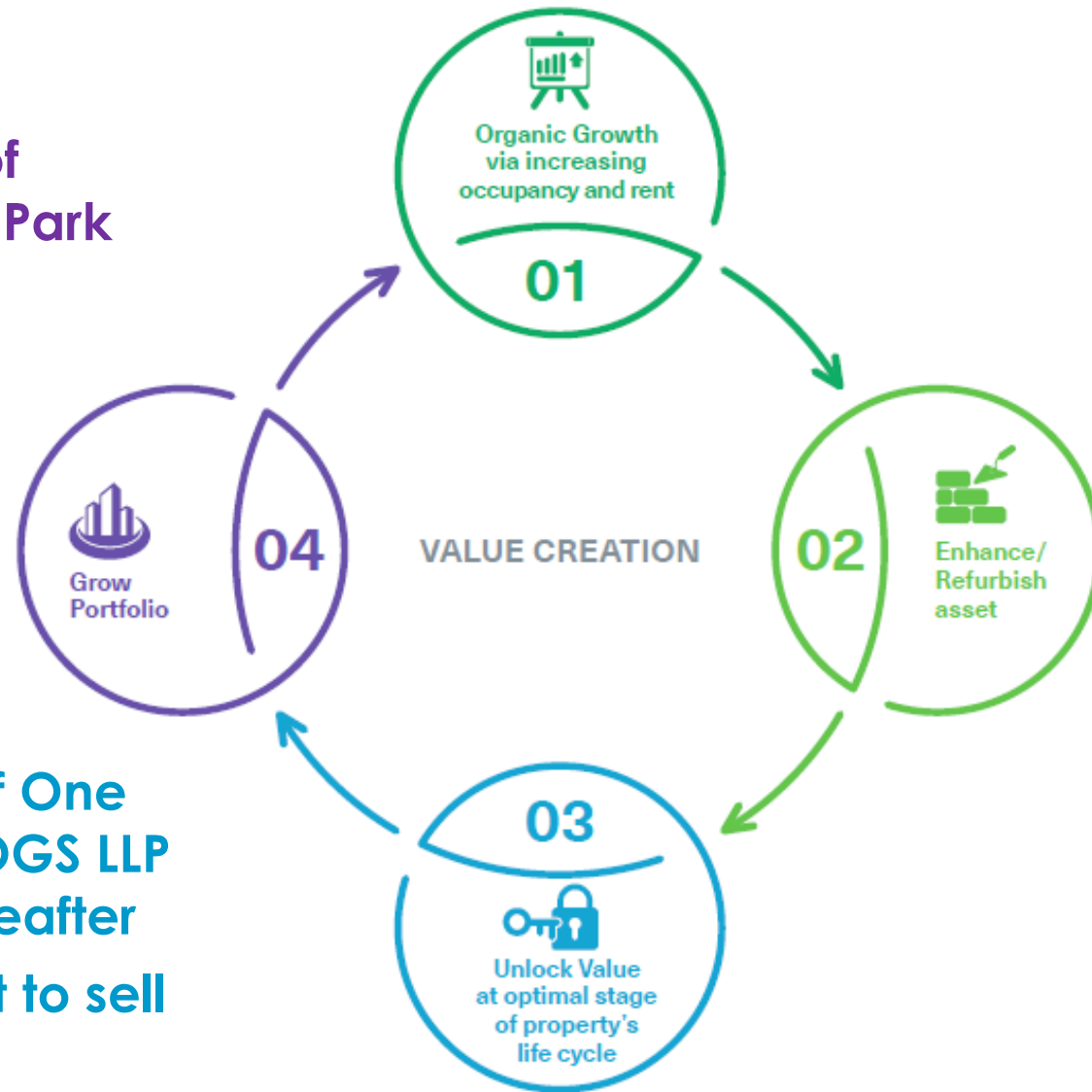
# 1. Portfolio Value Creation

Capita Commercial  
Capita Mall  
Raffles City



# Value creation through portfolio reconstitution strategy

- ✓ Redevelopment of Golden Shoe Car Park through a JV

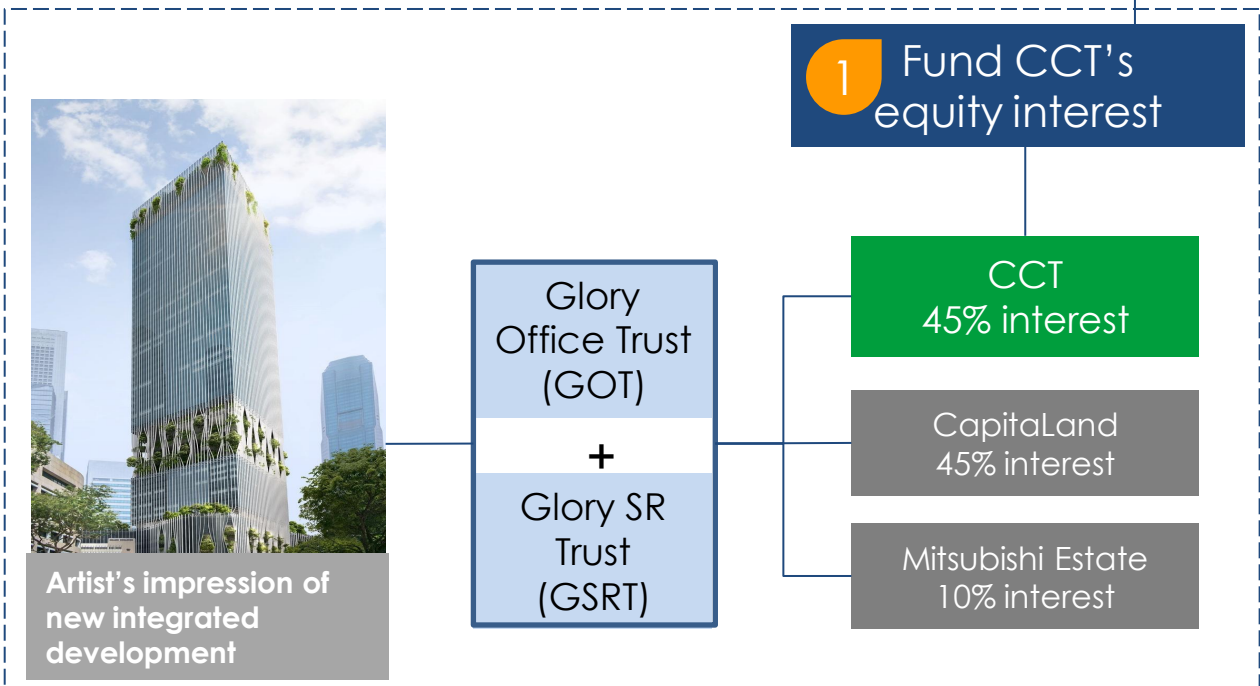


- ✓ Completed sale of One George Street to OGS LLP and own 50% thereafter
- ✓ Signed agreement to sell Wilkie Edge



# Capital recycling with sale proceeds

Announcement Date	Divestment	Net proceeds (\$\$ mil)	Net gain (\$\$ mil)
2 May 2017	50% of OGS LLP	556.0 <sup>(1)</sup>	79.7
3 Jul 2017	Wilkie Edge <sup>(2)</sup>	277.0	72.0
13 Jul 2017	Golden Shoe Car Park	88.0	20.0
	<b>Total</b>	<b>921.0</b>	<b>171.7</b>



**2 Repay borrowings**

**Notes:**  
 (1) Total net proceeds received for the sale of One George Street was S\$877 million. S\$321 million has been used to repay existing borrowings.  
 (2) Completion of sale expected in September 2017



# Redefining Singapore's CBD skyline





# Proposed integrated development

<b>Description</b>	51-storey integrated development comprising Grade A office, serviced residence with 299 rooms, ancillary retail and a food centre
<b>Use</b>	Commercial
<b>Height</b>	280m (on par with tallest buildings in Raffles Place)
<b>Title</b>	Leasehold expiring 31 Jan 2081 (remaining 64 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
<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>Projected yield on cost</b>	5.0%
<b>Estimated Project Development Expenditure</b>	S\$1.82 billion



Artist's impression of new integrated development; target completion in 1H 2021







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

Excellent connectivity to public transportation network and amenities





# A vertically integrated development

## Proposed Building Concept

**Roof Top Garden & Restaurant**

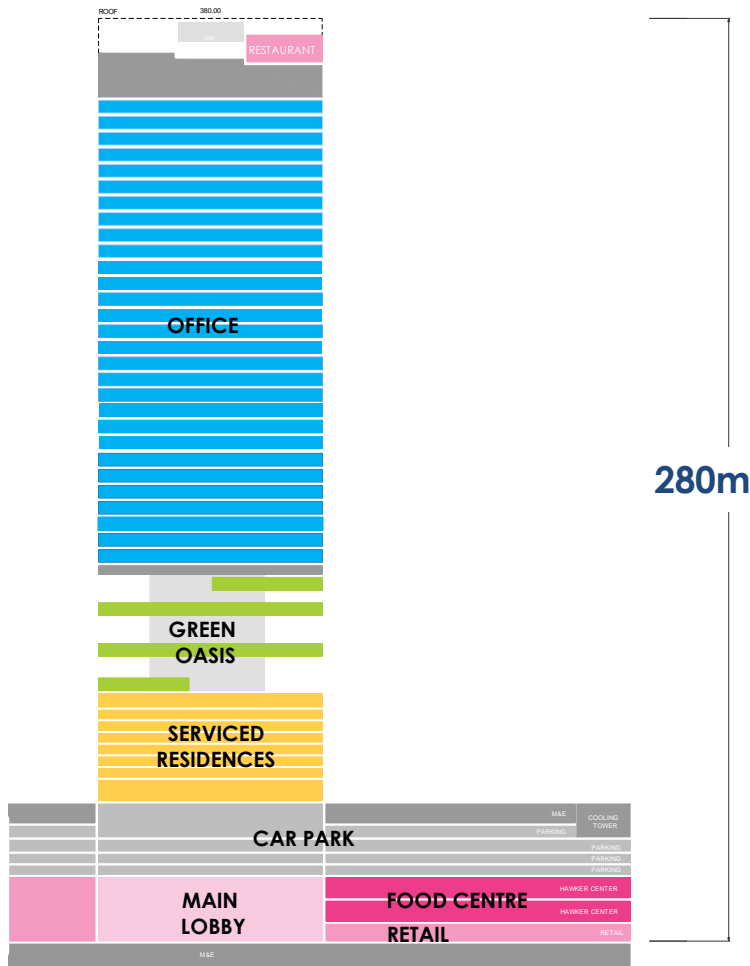
**Office**  
High Rise (L40 to L49)  
Mid Rise (L31 to L39)  
Low Rise (L21 to L30)

**Green Oasis**

**Serviced Residences**  
(L9 to L16)

**Podium Car Park**

**Main Lobby**



**Retail & Food Centre**



**Office**



**Green Oasis**



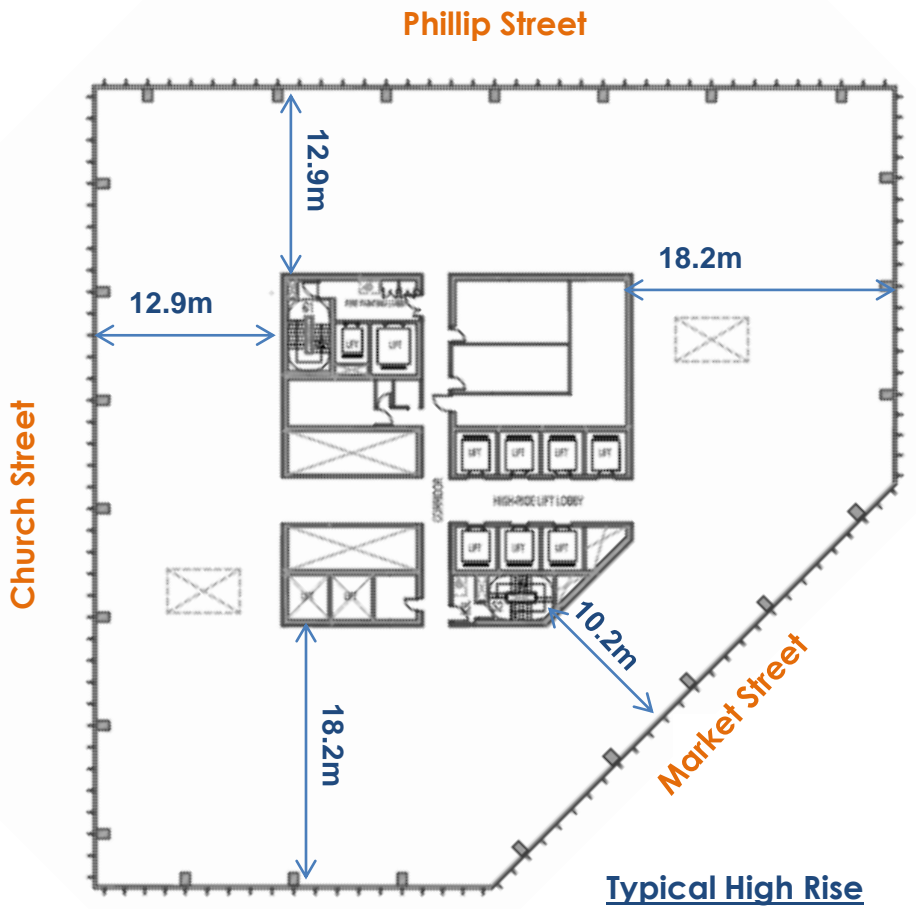
**Serviced Residences**

*Photos for reference only and are not representatives of final spaces*



# Office component offers regular and efficient office floor

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





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



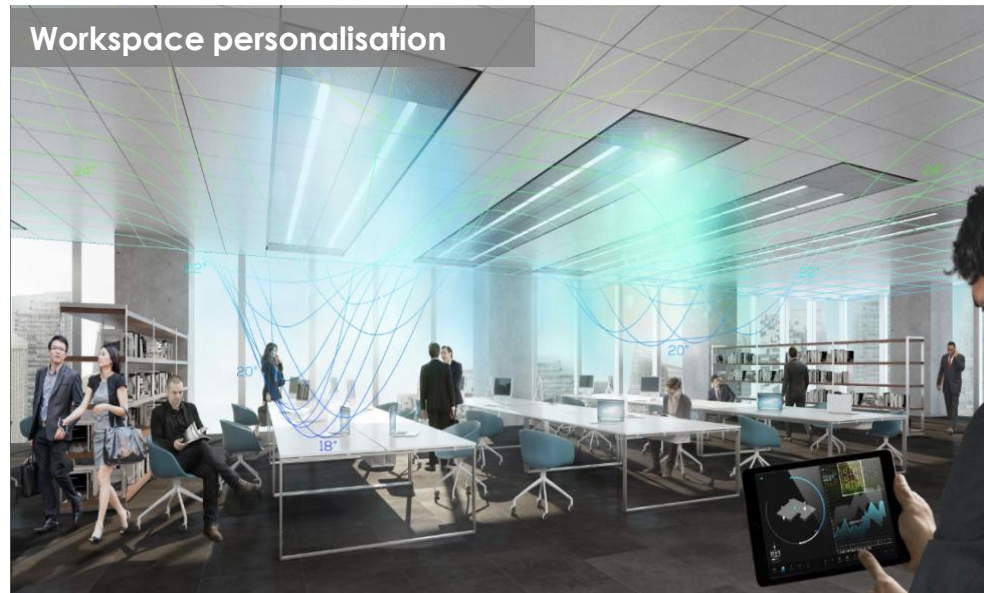
Flexible Offices & Coworking



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

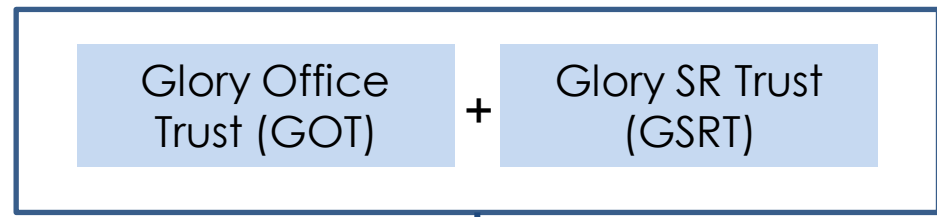


# Joint venture for redevelopment of GSCP

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



**Joint developers**



**Golden Shoe Car Park Redevelopment**

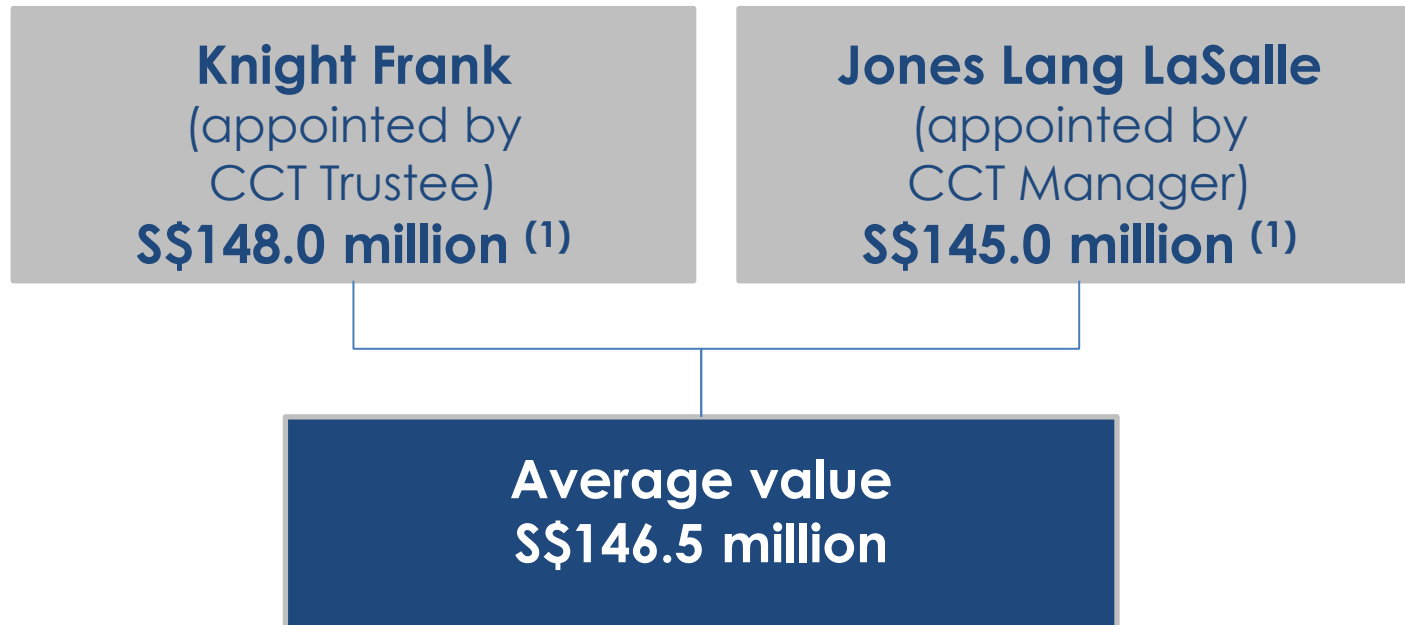
Note:

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





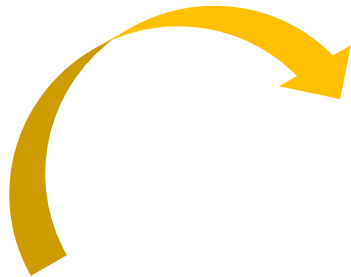
# Independent assessment of residual land value



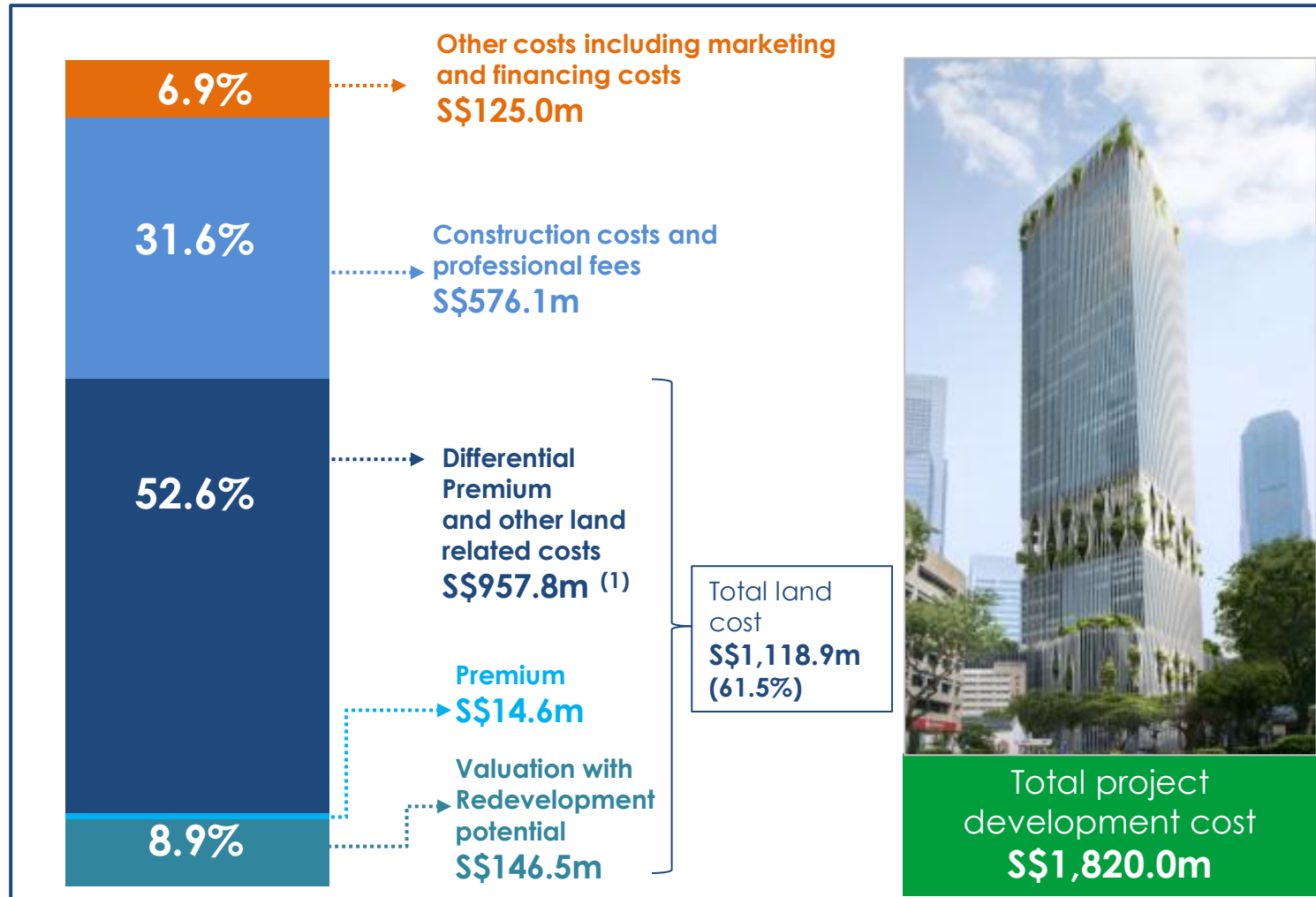
**Note:**  
(1) As at 31 May 2017

# 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





# 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<sup>(1)</sup> for commercial component and drag-along right<sup>(2)</sup> over MEC's units for serviced residence component within 5 years after TOP

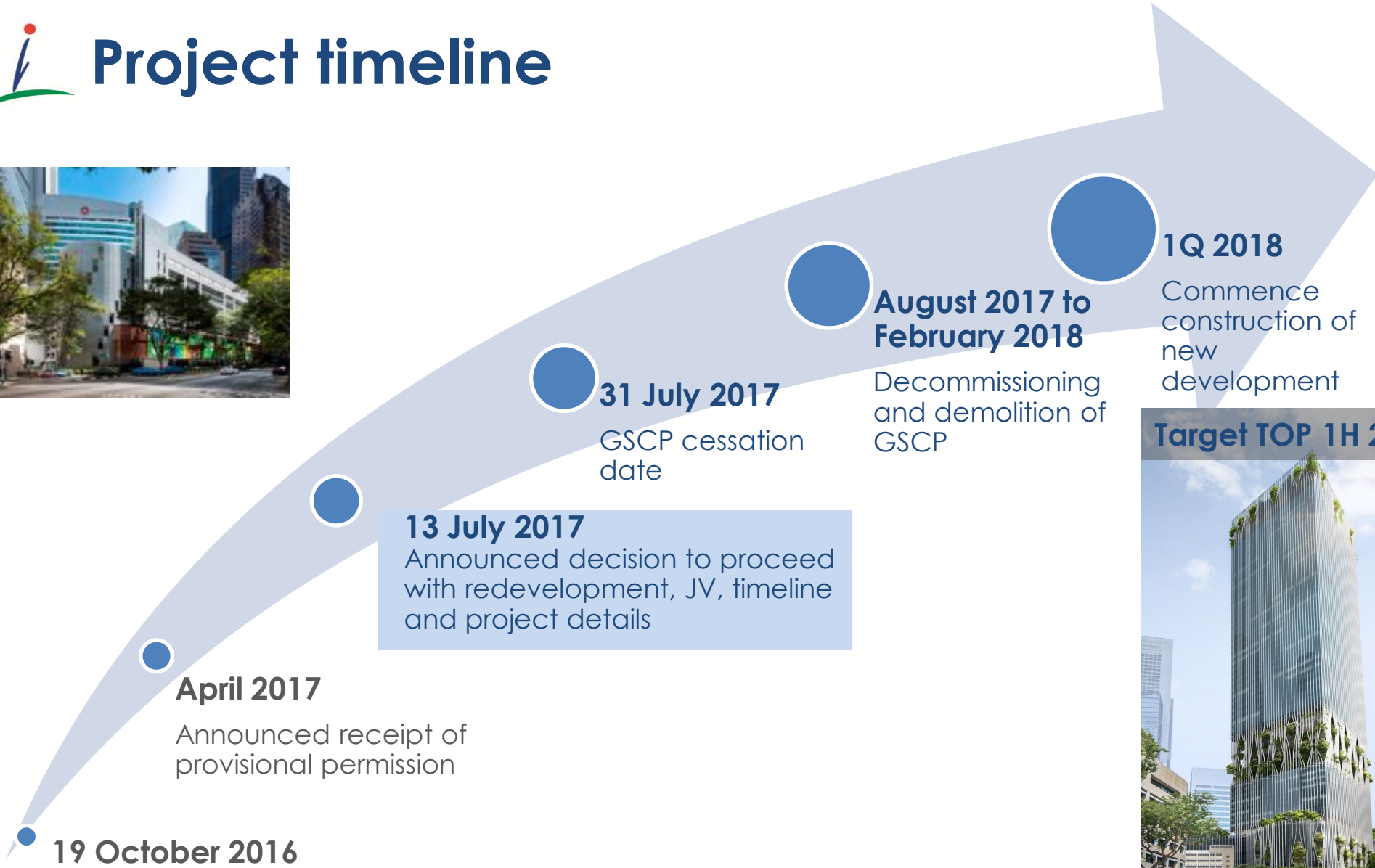
**Notes:**

(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..



# 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

**Target TOP 1H 2021**

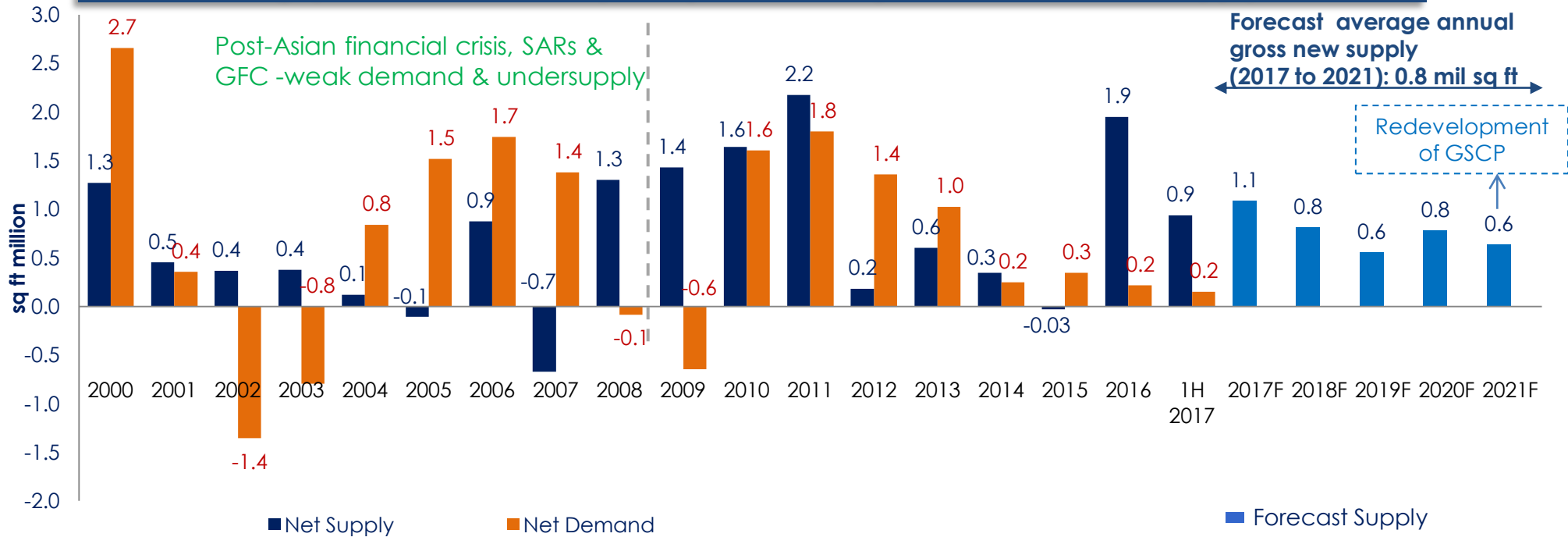


## 2. Singapore office market



# Annual new supply to average 0.8 mil sq ft over 5 years; CBD Core occupancy at 94.1% as at end Jun 2017

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



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2007 – 2016 (through 10-year property market cycles)	0.9 mil sq ft	0.7 mil sq ft
2012 – 2016 (five-year period post GFC)	0.6 mil sq ft	0.6 mil sq ft
2017 – 2021 (forecast gross new supply)	0.8 mil sq ft	N.A.

### Notes:

- (1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'
- (2) Supply is calculated as net change of stock over the quarter and may include office stock removed from market due to conversions or demolitions.
- (3) Source: Historical data from URA statistics as at 2Q 2017; Forecast supply from CBRE Pte. Ltd. as at 2Q 2017.

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

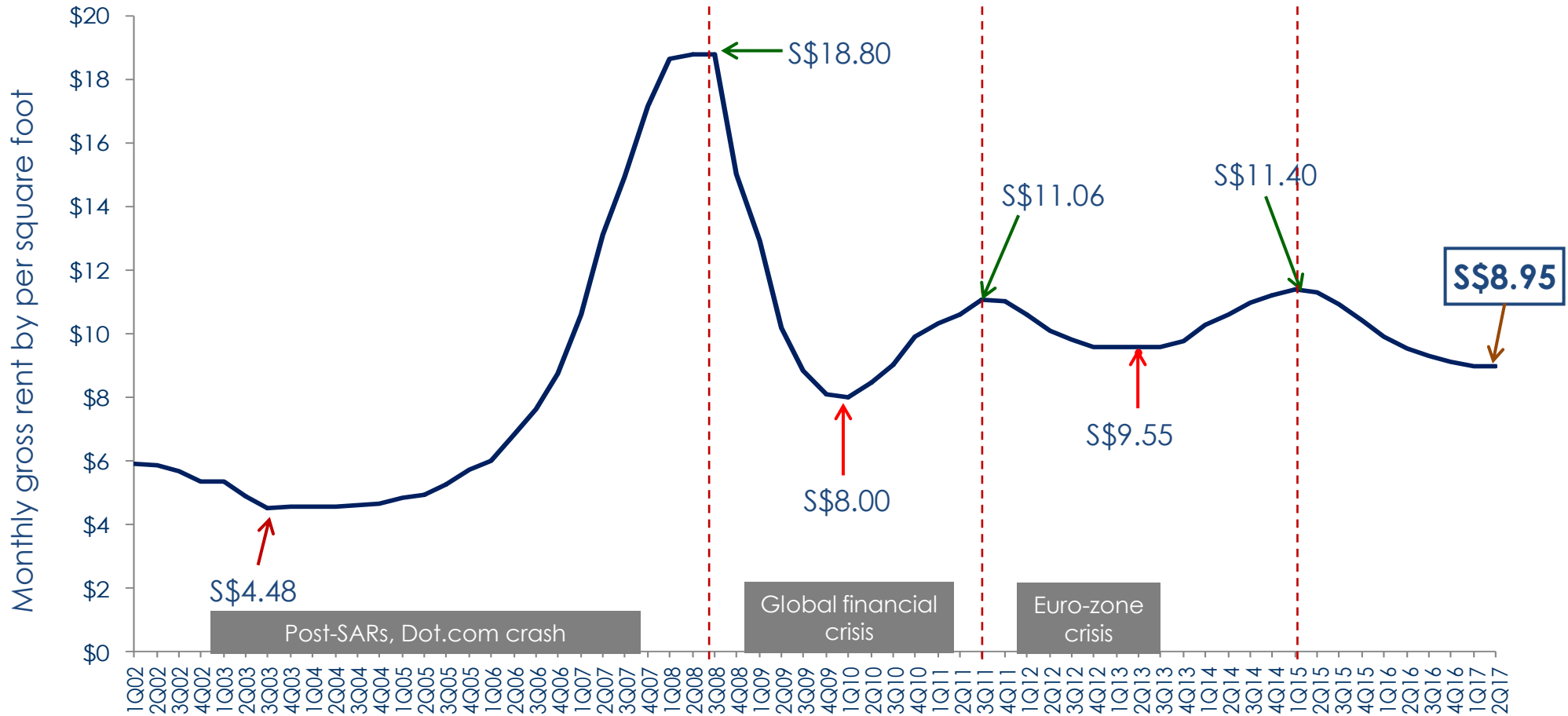
Expected completion	Proposed Office Projects	Location	NLA (sq ft)
3Q 2017	Marina One (West Tower) <sup>(1)</sup>	Marina Bay	984,000
2017	EON Shenton (Strata Office)	Shenton Way	101,000
		<b>Subtotal (2017):</b>	<b>1,085,000</b>
1Q 2018	Redevelopment of International Factors Building and Robinson Towers	Robinson Road	145,000
2Q 2018	Fraser's Tower <sup>(2)</sup>	Shenton Way	663,000
		<b>Subtotal (2018):</b>	<b>808,000</b>
4Q 2019	Redevelopment of Funan Digitalife Mall	Beach Road/City Hall	204,000
2019	Park Mall Redevelopment	Orchard Road	352,000
		<b>Subtotal (2019):</b>	<b>556,000</b>
1H 2020	79 Robinson Road (former CPF Building) <sup>(3)</sup>	Robinson Road	500,000
1H 2020	Hub Synergy Point Redevelopment	Anson Road	128,000
2020	Afro-Asia Building Redevelopment	Shenton Way	154,000
		<b>Subtotal (2020):</b>	<b>782,000</b>
2021	Redevelopment of Golden Shoe Car Park	Raffles Place	635,000
		<b>Subtotal (2021 and beyond):</b>	<b>635,000</b>
<b>TOTAL FORECAST SUPPLY (2017-2021 and beyond)</b>			<b>3,866,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>3,765,000</b>

## Notes:

- (1) East Tower of Marina One granted TOP in 2Q 2017
- (2) According to marketing agents CBRE and JLL, companies have committed to rent or have submitted leasing proposals for about 30 percent of Fraser's Tower's NLA. Reported in The Straits Times dated 8 Feb 2017.
- (3) Ascendas-Singbridge's redevelopment of CPF Building to feature over 500,000 sq ft of Grade A office space, according to Business Times & Today reports dated 5 Oct 2016.
- (4) Sources: CBRE Pte. Ltd. and respective media reports

# Grade A office market rent declined 5.8% YoY and was flat QoQ

	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17
Mthly rent (S\$ / sq ft )	11.30	10.90	10.40	9.90	9.50	9.30	9.10	8.95	<b>8.95</b>
% change	-0.9%	-3.5%	- 4.6%	- 4.8%	- 4.0%	- 2.1%	- 2.2%	-1.6%	<b>0.0%</b>



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

# 3. Resilient Portfolio



Raffles City Singapore



# Active portfolio leasing activities for CCT

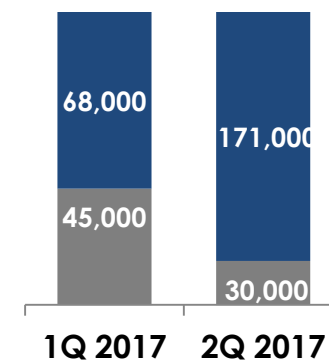
CCT portfolio  
committed  
occupancy  
as at 30 Jun 2017

97.6%

Core CBD  
market  
occupancy

94.1%

Leases signed in 2Q: 201,000 sq ft  
(39% are new leases)



■ Retail space ■ Office space

- For 2Q 2017, new and renewed tenants include:

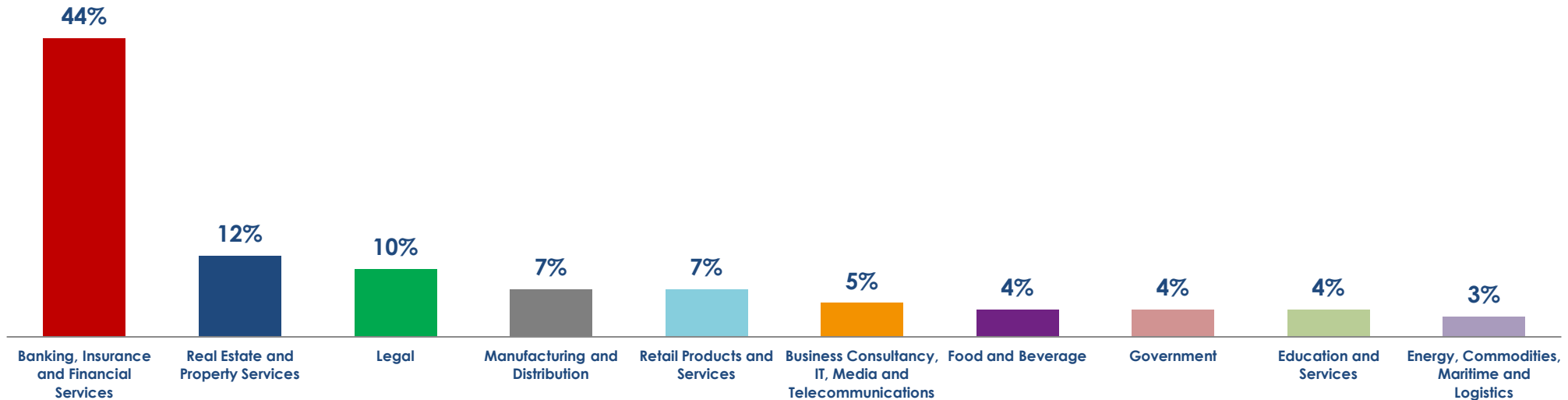
Tenant	Trade Sector	Building
Mizuho Asia Partners Pte. Ltd.	Banking, Insurance and Financial Services	Capital Tower
Nagashima Ohno & Tsunematsu Singapore LLP	Legal	Six Battery Road
A.M. Best Asia-Pacific (Singapore) Pte. Ltd.	Banking, Insurance and Financial Services	Six Battery Road
AEW Asia Pte Ltd	Banking, Insurance and Financial Services	Six Battery Road
Funding Societies Pte. Ltd.	Education and Services	Bugis Village
Escape Group Pte. Ltd.	Education and Services	Bugis Village





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

Business sectors of new leases are largely from Banking, Insurance and Financial Services, Real Estate and Property Services; and Legal<sup>(1)</sup>

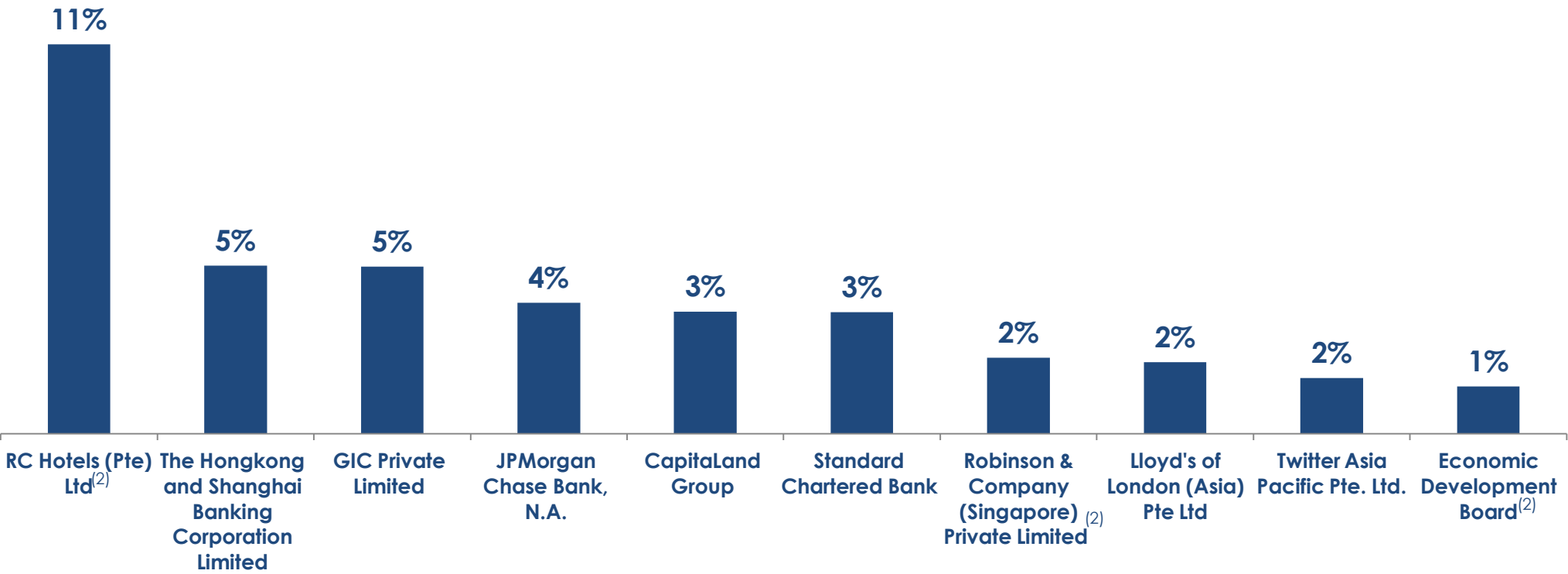


**Note:**

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



# Top 10 tenants contribute 37% of monthly gross rental income<sup>(1)</sup>



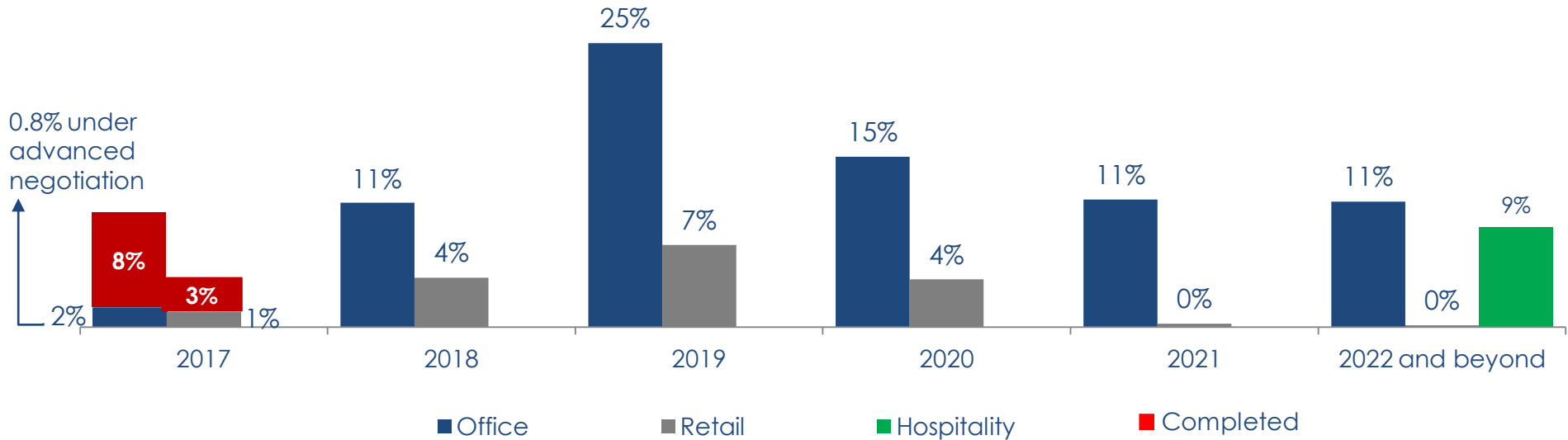
**Notes:**

- (1) Based on monthly gross rental income of top ten tenants as at 30 Jun 2017, excluding retail turnover rent. Total percentage may not add up due to rounding
- (2) Based on CCT's 60.0% interest in Raffles City Singapore
- (3) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017



# Well spread portfolio lease expiry profile

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



**Portfolio WALE<sup>(2)</sup> by NLA as at end Jun 2017 = 6.5 years**

**Notes:**

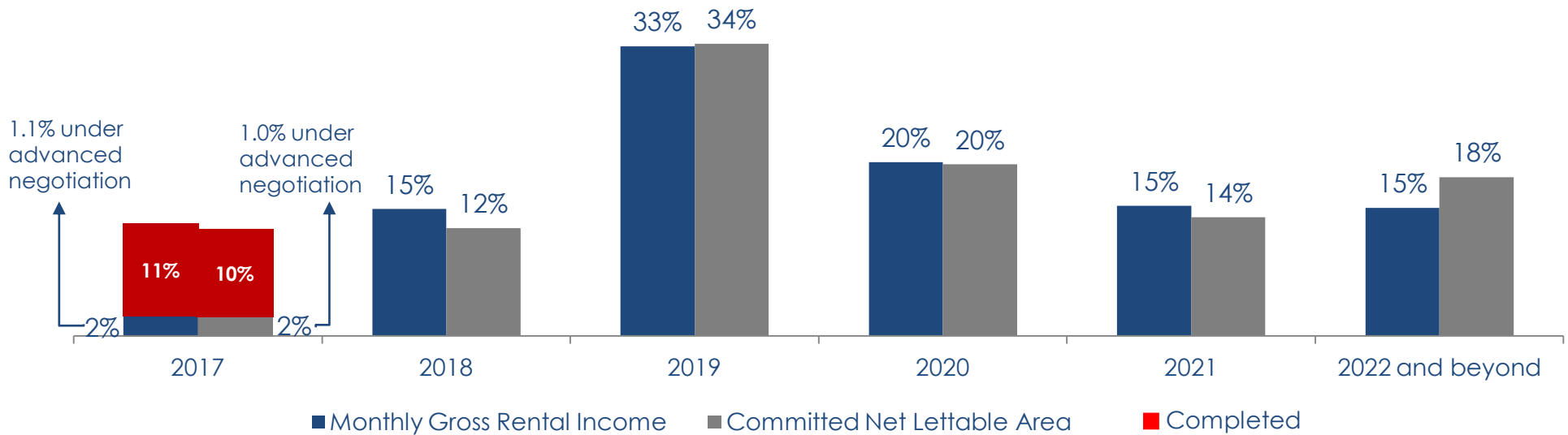
- (1) Excludes retail and hotel turnover rent, as at 30 Jun 2017
- (2) WALE: Weighted Average Lease Term to Expiry on committed basis
- (3) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017





# 2017 lease renewals largely completed

Mitigating office leasing risk by tenant retention and forward renewals



**Notes:**

- (1) Office lease expiry profile as at 30 Jun 2017
- (2) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017



# Above market office rents in 2Q 2017 but lower than expiring rents

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>
Six Battery Road	12.37	10.40 – 13.80	Grade A Raffles Place	8.76	9.32
One George Street	9.71	8.65 – 10.40	Grade A Raffles Place	8.76	8.27

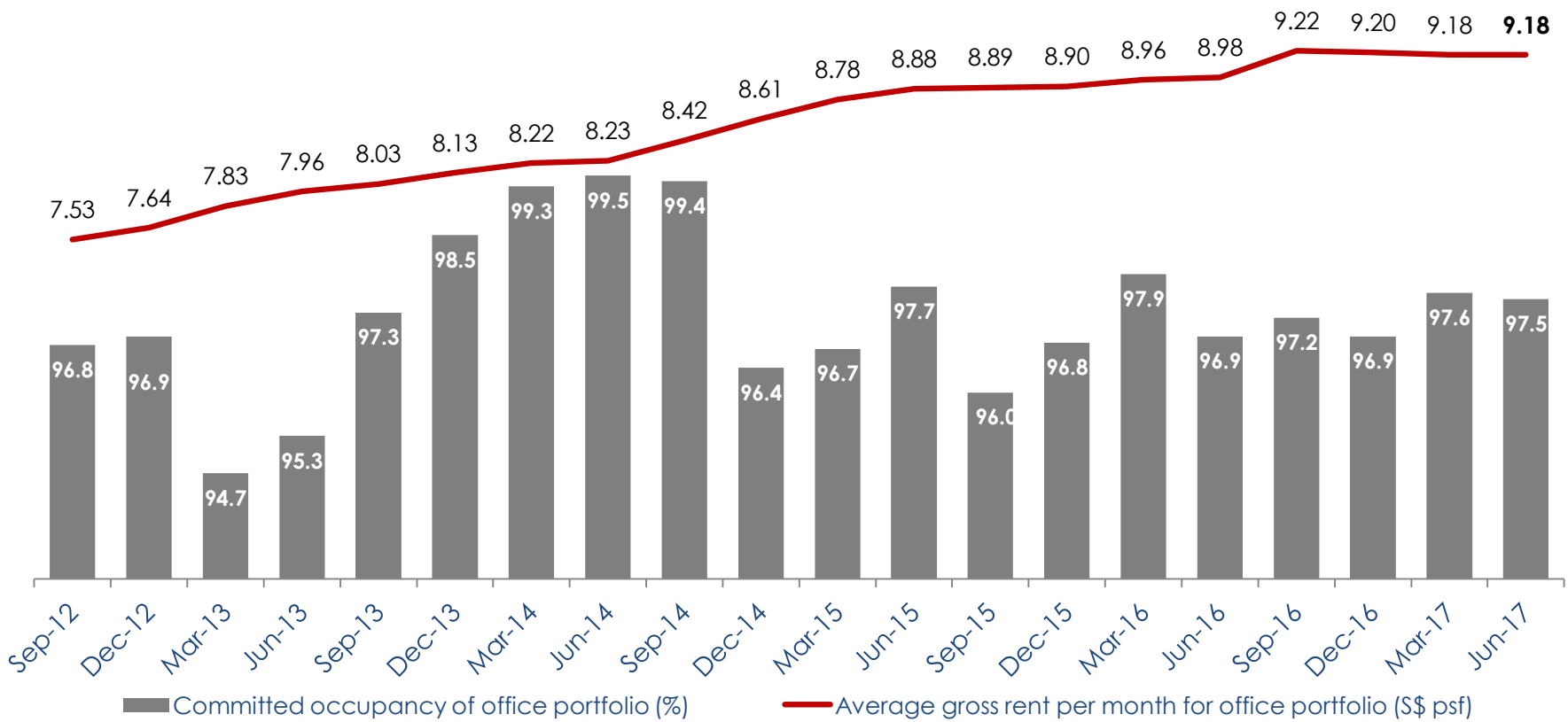
**Notes:**

- (1) Renewal/new leases committed in 2Q 2017
- (2) Source: Cushman & Wakefield 2Q 2017
- (3) Source: Knight Frank 1Q 2017; 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 2Q 2017 Grade A rent is S\$8.95 psf per month and they do not publish sub-market rents



# Negative rental reversions flowing into CCT's average office portfolio rent<sup>(1)</sup>

Committed rents are generally lower than expiring rents



**Notes:**

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

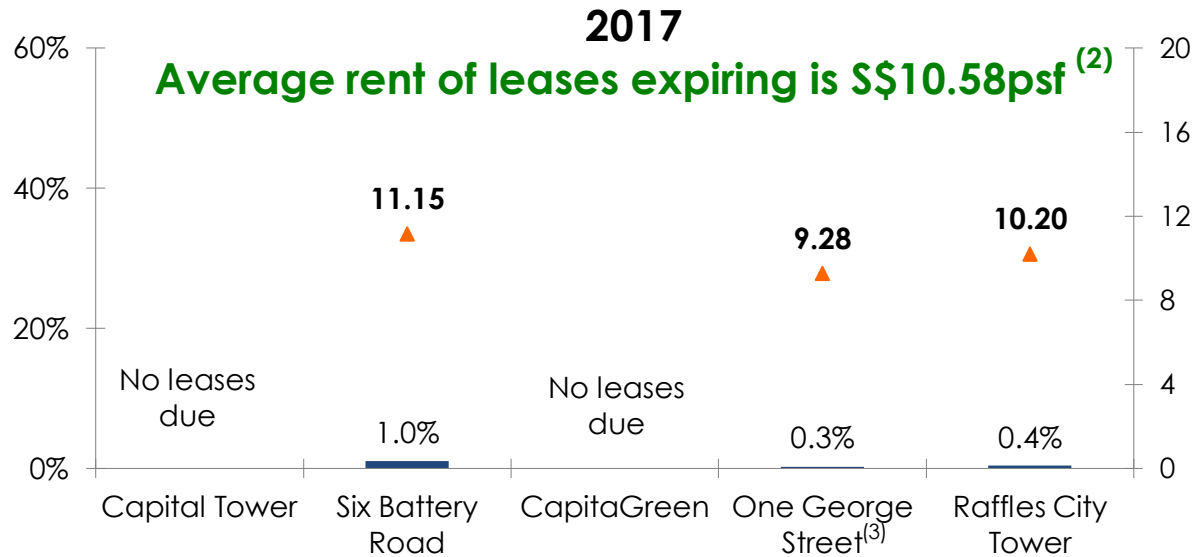
(2) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017





# 2017 lease renewals largely completed

2Q 2017 Industry Statistics<sup>(1)</sup> –  
Grade A Office Average Market Rent: S\$8.95 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 2Q 2017

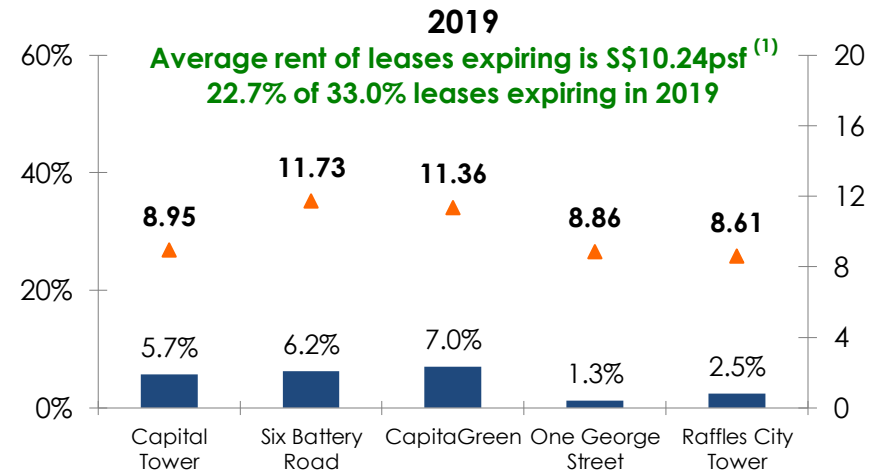
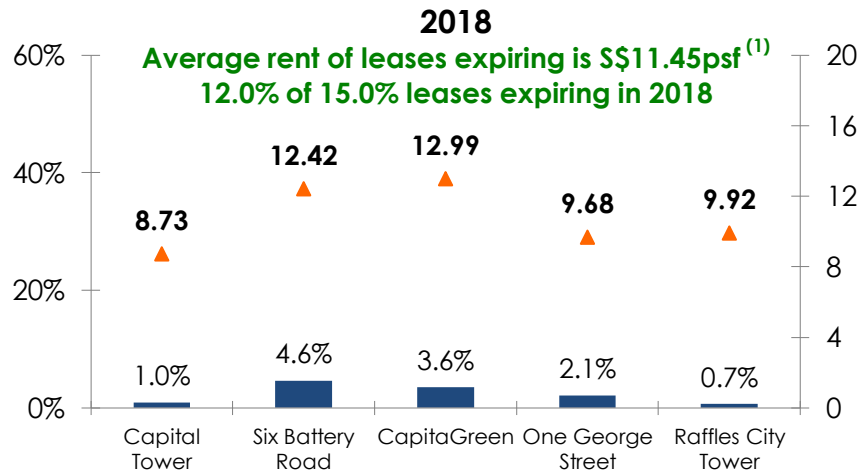
(2) Four Grade A buildings and Raffles City Tower only

(3) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017





# Pressure on rental revenue expected to continue in 2018 given relatively high expiring rents



- ▲ 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:**

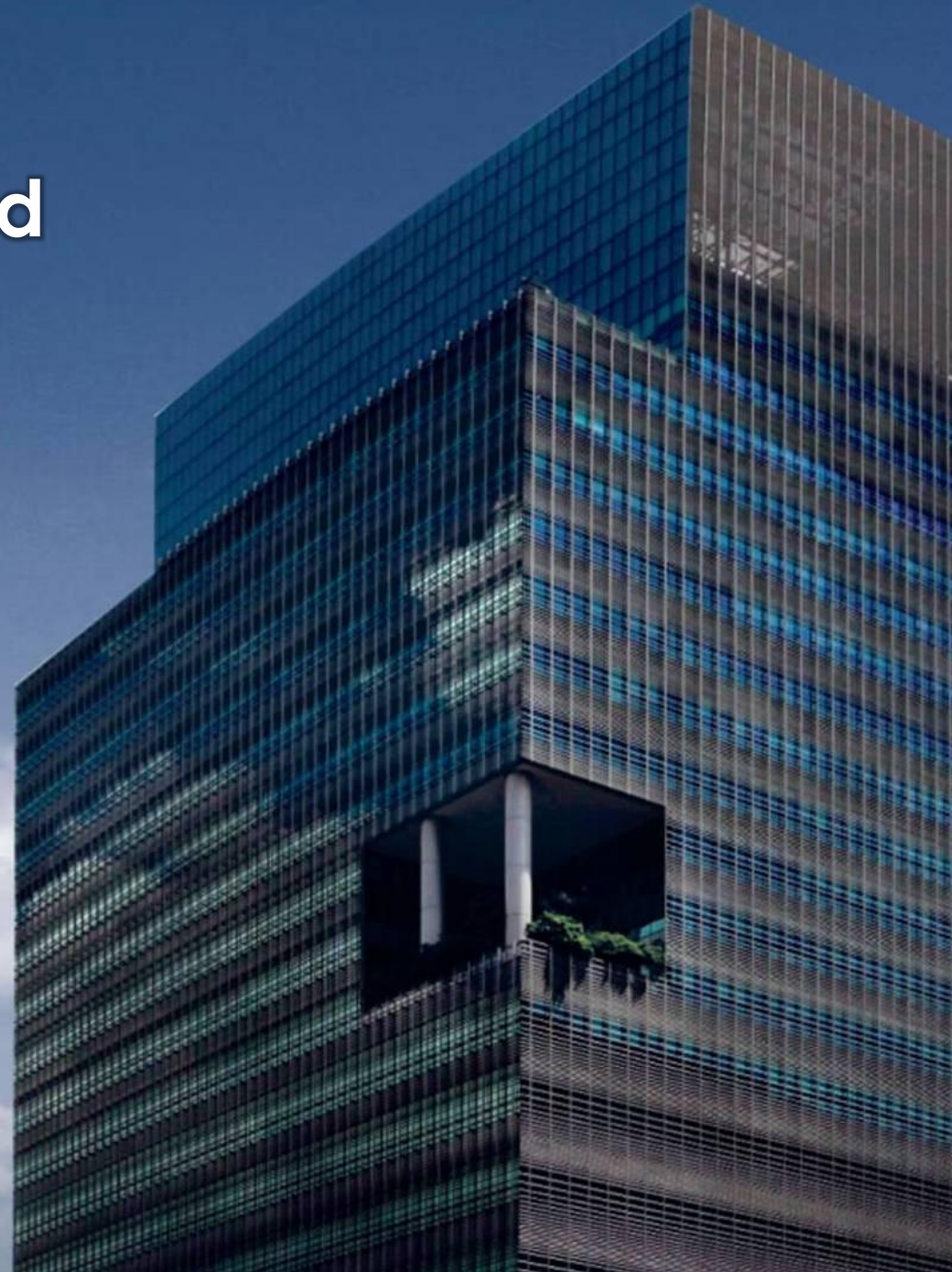
(1) Four Grade A buildings and Raffles City Tower only

(2) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017



# 4. Financial Results and Proactive Capital Management

One George Street, Singapore





# 2Q 2017 distributable income rose 6.7% YoY

	2Q 2017	2Q 2016	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>87.5</b>	67.6	29.5	
<b>Property Operating Expenses (\$\$ million)</b>	<b>(18.4)</b>	(16.1)	14.1	Please see note (1)
<b>Net Property Income (\$\$ million)</b>	<b>69.1</b>	51.5	34.3	
<b>Distributable Income (\$\$ million)</b>	<b>69.5</b>	65.1	6.7	Please see note (2)
<b>DPU (cents)</b>	<b>2.25</b>	2.20	2.3	Please see note (3)

**Notes:**

- (1) Higher revenue, operating expenses and net property income mainly contributed by CapitaGreen.
- (2) Higher distribution from MSO Trust which holds CapitaGreen and RCS Trust which holds Raffles City Singapore.
- (3) 2Q 2017 DPU of 2.25 cents adjusted to include additional 79.0 million CCT units issued after 30 June 2017 arising from the conversion of S\$112.75 million principal amount of CCT's convertible bonds due September 2017 (CB 2017) at conversion price of S\$1.4265.



# 1H 2017 distributable income rose 8.3% YoY

	1H 2017	1H 2016	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>177.0</b>	134.4	31.7	
<b>Property Operating Expenses (\$\$ million)</b>	<b>(38.1)</b>	(31.0)	23.0	Please see note (1)
<b>Net Property Income (\$\$ million)</b>	<b>139.0</b>	103.5	34.3	
<b>Distributable Income (\$\$ million)</b>	<b>140.8</b>	129.9	8.3	Please see note (2)
<b>Adjusted DPU (cents)</b>	<b>4.56</b>	4.39	3.9	Please see note (3)

**Notes:**

- (1) Higher revenue, operating expenses and net property income mainly contributed by CapitaGreen.
- (2) Higher distribution from MSO Trust which holds CapitaGreen and RCS Trust which holds Raffles City Singapore.
- (3) 1H 2017 DPU of 4.56 cents adjusted to include additional 79.0 million CCT issued after 30 June 2017 arising from the conversion of S\$112.75 million principal amount of CCT's CB 2017 at conversion price of S\$1.4265. Payment of 1H 2017 DPU of 4.56 cents expected on 25 August 2017.

# Property values largely higher

Investment Properties	31-Dec-16	30-Jun-17	Variance	Variance	30-Jun-17
	S\$m	S\$m	S\$m	%	\$ per sq foot
Capital Tower	1,325.0	1,361.0	36.0	2.7	1,845
Six Battery Road	1,371.0	1,401.0	30.0	2.2	2,830
One George Street (50%)	507.0	558.1	51.1		2,500
One George Street (100%) <sup>(2)</sup>	1,014.0	1,116.2	102.2	10.1	
HSBC Building	455.0	456.0	1.0	0.2	2,275
Wilkie Edge	201.0	205.0	4.0	2.0	1,328
Golden Shoe Car Park	141.0	141.0	-	-	NM <sup>(1)</sup>
Bugis Village <sup>(3)</sup>	48.5	47.0	-1.5	-3.1	384
Twenty Anson	432.0	433.0	1.0	0.2	2,094
CapitaGreen	1,603.0	1,616.0	13.0	0.8	2,302
Raffles City (60%)	1,901.4	1,950.0	48.6		
Raffles City (100%)	3,169.0	3,250.0	81.0	2.6	NM <sup>(1)</sup>

<b>Portfolio Total (60% RCS &amp; 100% OGS<sup>(2)</sup>)</b>	<b>8,491.9</b>	<b>8,726.2</b>	<b>234.3</b>	<b>2.8</b>	
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<b>Portfolio Total (60% RCS &amp; 50% OGS<sup>(2)</sup>)</b>	<b>-</b>	<b>8,168.1</b>	<b>-</b>	<b>-</b>	
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Notes:

- (1) NM indicates "Not Meaningful"
- (2) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017
- (3) 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



# Positive impact on valuation due to cap and discount rates compression

- Terminal yields are 0.25% higher than capitalisation rates for the portfolio except for Six Battery Road and HSBC Building where terminal yields are the same given their 999-year lease tenures.
- Office rent growth rates<sup>(1)</sup> assumed for the discounted cashflow method averaged 3.9% over 10 years.

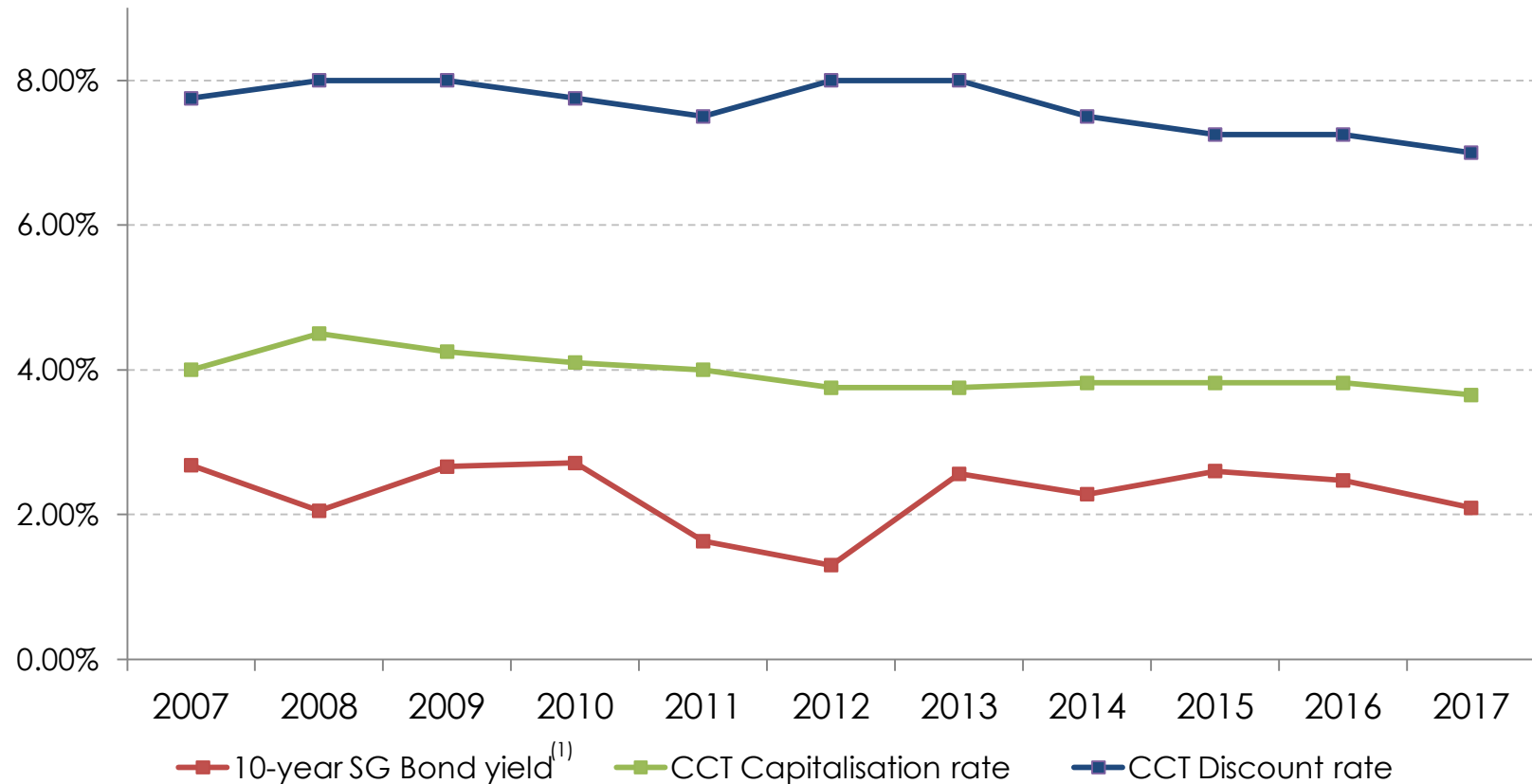
	Capitalisation Rates							Discount Rates						
	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17
Capital Tower	4.00	3.75	3.75	3.85	3.85	3.85	<b>3.70</b>	7.50	8.00	8.00	7.50	7.25	7.25	<b>7.00</b>
Six Battery Road	4.00	3.75	3.75	3.75	3.75	3.75	<b>3.60</b>	7.50	8.00	8.00	7.50	7.25	7.25	<b>7.00</b>
One George Street	4.00	3.75	3.75	3.85	3.85	3.85	<b>3.75</b>	7.50	8.00	8.00	7.50	7.25	7.25	<b>7.20</b>
HSBC Building	4.00	3.75	3.75	3.85	3.85	3.75	<b>3.60</b>	7.50	8.00	8.00	7.50	7.25	7.25	<b>7.00</b>
Twenty Anson	NA	3.75	3.75	3.85	3.85	3.85	<b>3.70</b>	NA	8.00	8.00	7.50	7.25	7.25	<b>7.00</b>
Wilkie Edge	4.40	4.25	4.25	4.25	4.25	4.25	<b>4.10</b>	7.75	8.00	8.00	7.50	7.25	7.50	<b>7.25</b>
CapitaGreen	NA	NA	NA	4.00	4.15	4.15	<b>4.10</b>	NA	NA	NA	7.25	7.25	7.25	<b>7.00</b>
Raffles City SG														
Office	4.50	4.25	4.25	4.25	4.25	4.25	<b>4.10</b>	7.50	7.50	7.35	7.50	7.25	7.25	<b>7.00</b>
Retail	5.40	5.40	5.25	5.25	5.25	5.25	<b>4.85</b>	7.75	7.80	7.65	7.50	7.50	7.50	<b>7.25</b>
Hotel	5.75	5.75	5.55	5.25	5.13	5.11	<b>4.75</b>	7.75	8.00	7.75	7.75	7.75	7.40	<b>7.15</b>

**Notes:**

- (1) Excludes Golden Shoe Car Park and Bugis Village, and calculated on a simple average basis
- (2) Knight Frank was the appointed valuer for Capital Tower, Six Battery Road, HSBC Building, Twenty Anson, CapitaGreen and Raffles City Singapore, while JLL was the appointed valuer for Golden Shoe Car Park, Bugis Village and Wilkie Edge. One George Street valuation was certified by Cushman & Wakefield.



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



**Notes:**

(1) Source: Monetary Authority of Singapore (MAS)

(2) Changes in capitalisation rates and discount rates due to varying assumptions used by different valuers



# Robust balance sheet

## Statement of Financial Position

As at 30 Jun 2017

	S\$ million
Non-current Assets	6,866.56
Current Assets	1,088.97
<b>Total Assets</b>	<b>7,955.53</b>
Current Liabilities	269.57
Non-current Liabilities	2,139.17
<b>Total Liabilities</b>	<b>2,408.74</b>
<b>Net Assets</b>	<b>5,546.79</b>
<b>Unitholders' Funds</b>	<b>5,546.79</b>

	S\$ million
<b>Deposited Properties<sup>(1)</sup></b>	<b>8,960.61</b>
<b>Net Asset Value Per Unit</b>	<b>\$1.85</b>
<b>Adjusted Net Asset Value Per Unit (excluding distributable income)</b>	
as at 30 June 2017	\$1.80
as at 27 July 2017 <sup>(3)</sup>	\$1.75

### Units in issue (million)

as at 30 June 2017	3,006.28
as at 27 July 2017 <sup>(2)</sup>	3,085.32

### Credit Rating

A- by S&P  
Outlook Stable

#### Note:

(1) Deposited properties for CCT Group includes CCT's 60.0% interest in RCS Trust and CCT's 50.0% interest in OGS LLP

(2) 80.4 million CCT units were issued after 30 Jun 2017 arising from the conversion of S\$114.75 million principal amount of CB 2017 at the conversion price of S\$1.4265

(3) The adjusted net asset value per unit of S\$1.75 is based on the units in issue as at 27 July 2017



# Key financial ratios

	1Q 2017	2Q 2017	Remarks
<b>Total Gross Debt<sup>(1)</sup></b>	S\$3,312.0m	<b>S\$3,229.0m</b>	<b>S\$3,114.3m</b> (After \$114.75m CB conversion) <sup>(7)</sup>
<b>Aggregate Leverage<sup>(2)</sup></b>	38.1%	<b>36.0%</b>	<b>34.8%</b> (After \$114.75m CB conversion) <sup>(7)</sup>
<b>Unencumbered Assets as % of Total Assets<sup>(3)</sup></b>	80%	<b>80%</b>	<b>Stable</b>
<b>Average Term to Maturity<sup>(4)</sup></b>	3.0 years	<b>2.9 years</b>	<b>Stable</b>
<b>Average Cost of Debt (p.a.)<sup>(5)</sup></b>	2.6%	<b>2.6%</b>	<b>Stable</b>
<b>Interest Coverage<sup>(6)</sup></b>	4.8 times	<b>4.9 times</b>	<b>Stable</b>

**Notes:**

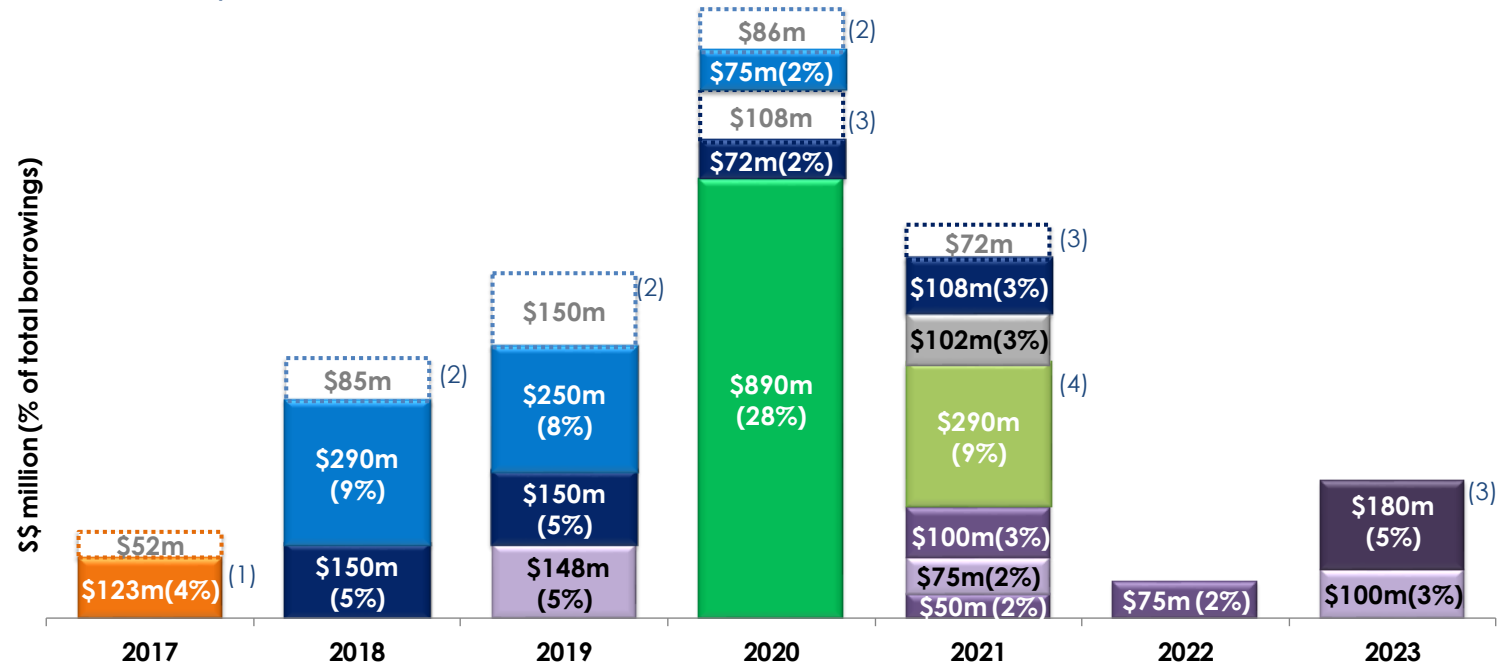
- (1) Total gross debt includes CCT's 60.0% interest of Raffles City Singapore borrowings and CCT's 50% interest of OGS LLP borrowings.
- (2) In accordance with Property Funds Appendix, CCT's proportionate share of its joint venture borrowings and deposited property values are included when computing aggregate leverage.
- (3) Investment properties at CCT are all unencumbered except for CapitaGreen.
- (4) Excludes borrowings of RCS Trust and OGS LLP.
- (5) Ratio of interest expense (excludes amortisation and transaction costs) over weighted average gross borrowings (excludes borrowings of RCS Trust and OGS LLP).
- (6) Ratio of EBITDA over finance costs includes amortisation and transaction costs (excludes borrowings of RCS Trust and OGS LLP).
- (7) S\$114.75 million principal amount of CB 2017 was converted into CCT units after 30 June 2017. Accordingly, total gross debt was reduced to S\$3,114.3 million and aggregate leverage dropped to 34.8%.





# Diversify and extend debt maturity profile

Debt Maturity Profile as at 30 June 2017



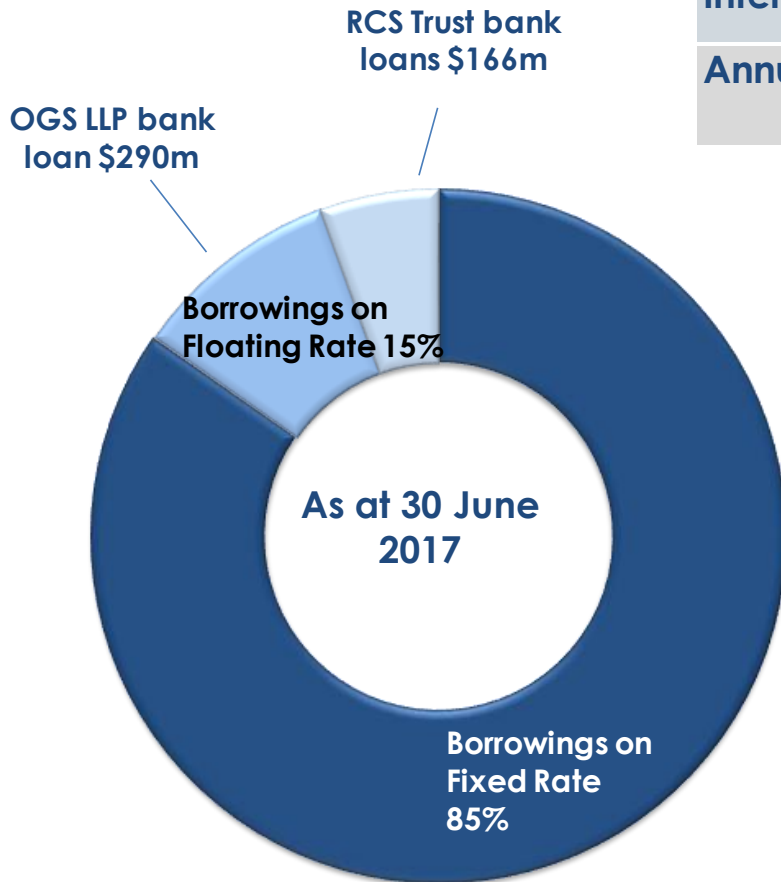
- CCT Convertible bonds at 2.5% p.a. due 2017
- Unsecured CCT bank loans due 2018 to 2020
- Unsecured RCS bank loans due 2018 to 2021
- 2.89% p.a. CCT fixed rate JPY bond swapped to \$148m MTN due 2019
- CapitaGreen secured bank loan due 2020
- 50% of OGS LLP secured bank loan due 2021
- Repayment of bank loans or conversion of CB
- 2.70% p.a. CCT fixed rate HKD bond swapped to \$102m MTN due 2021
- 2.96% p.a. CCT fixed rate \$100m MTN due 2021
- 2.95% p.a. CCT fixed rate JPY bonds swapped to \$75m MTN due 2021
- 2.98% p.a. CCT fixed rate \$50m MTN due 2021
- 2.77% p.a. CCT fixed rate \$75m MTN due 2022
- 2.60% p.a. RCS fixed rate \$180m MTN due 2023
- 3.05% p.a. CCT fixed rate JPY bond swapped to \$100m MTN due 2023

**Notes:**

- (1) As at 30 June 2017, the CB 2017 balance was S\$123.25 million out of S\$175.0 million. After 30 June 2017, S\$114.75 million of the CB 2017 were converted into CCT units. Remaining balance of CB 2017 was S\$8.5 million as at 18 August 2017.
- (2) CCT repaid S\$321 million of borrowings due 2018 to 2020 with proceeds from divestment of One George Street to OGS LLP
- (3) RCS Trust refinanced part of borrowings due 2020 and 2021 with 6-year 2.6% p.a. medium term note due 2023 of S\$300.0 million (CCT's 60% interest is S\$180.0 million)
- (4) OGS LLP drew down S\$580.0 million secured borrowings due 2021 (CCT's 50.0% interest is S\$290.0 million)



# 85% of borrowings on fixed rate provides certainty of interest expense



Proforma impact on:	Assuming +0.5% p.a. increase in interest rate
Interest expense	+\$2.3 million p.a.
Annualised 1H 2017 DPU	-0.08 cents (0.8% of annualised DPU)

A low-angle photograph of the Capital Tower in Singapore, showing its distinctive tiered structure and glass facade against a blue sky with scattered white clouds. The tower's design features a series of horizontal bands and a unique top section.

## 5. About CCT

Capital Tower, Singapore



# CapitaLand Commercial Trust

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

**S\$5.3b<sup>#</sup>**

Market Capitalisation

**10**

Properties in Singapore's Central Area

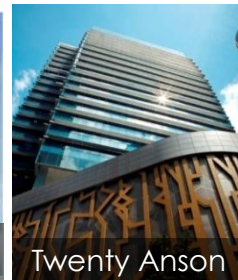
**S\$9.0b<sup>\*</sup>**

Deposited Properties

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

**32%**

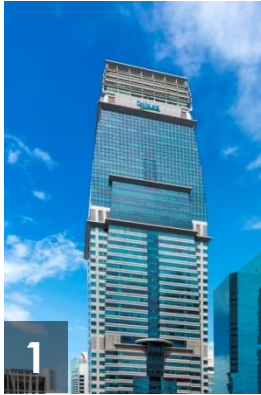
Owned by CapitaLand Group



**# Market Capitalisation as at 31 Jul 2017**

**\* Deposited Properties as at 30 Jun 2017**

# Owns 10 centrally-located quality commercial properties



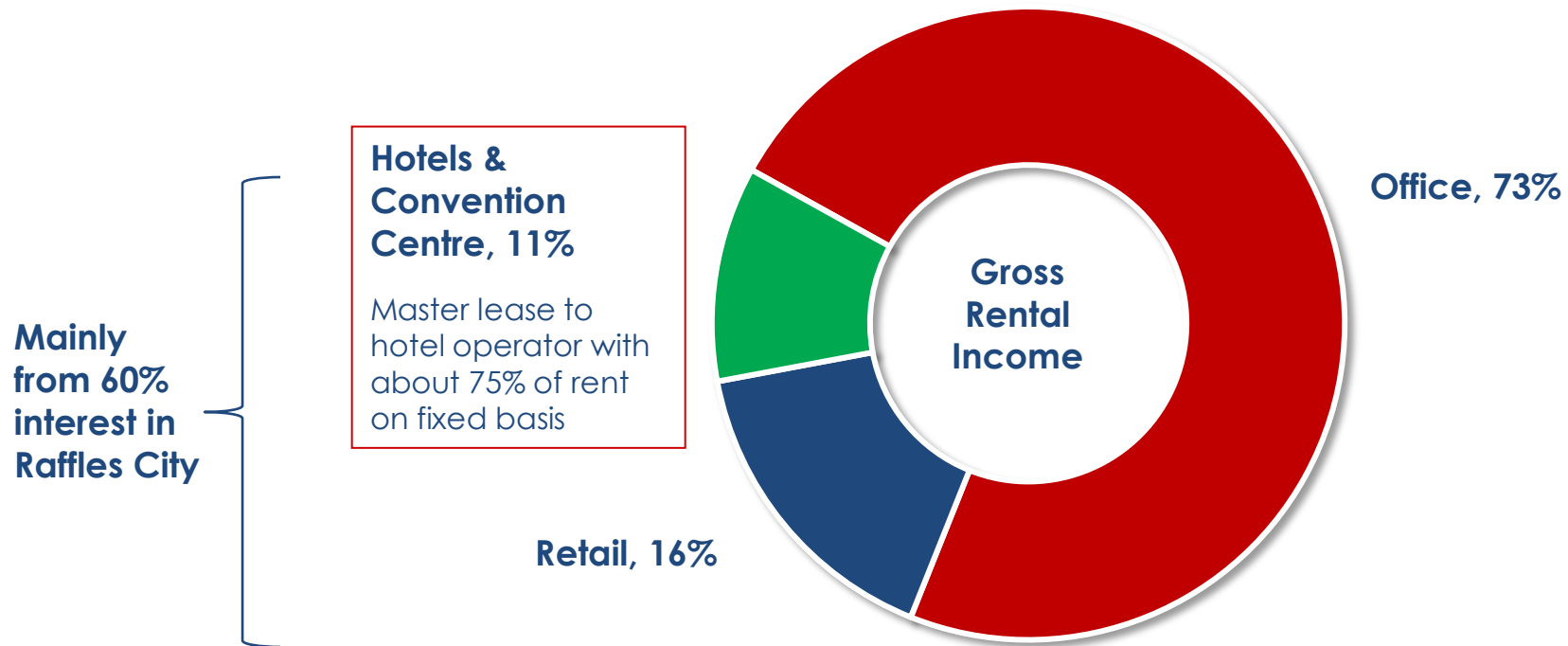
- |  |   |
|--|---|
| 1. Capital Tower                           | 6. Twenty Anson   |
| 2. CapitaGreen                             | 7. HSBC Building  |
| 3. Six Battery Road                        | 8. Wilkie Edge  |
| 4. One George Street                       | 9. Bugis Village  |
| 5. Raffles City Singapore (50.0% interest) | 10. Redevelopment of Golden Shoe Car Park <sup>(1)</sup> (45.0% interest) |

45 **Note:**  
(1) Golden Shoe Car Park ceased operations on 31 July 2017



# 73% of gross rental income<sup>(1)</sup> contributed by office and 27% by retail and hotel & convention centre

## CCT's income contribution by sector



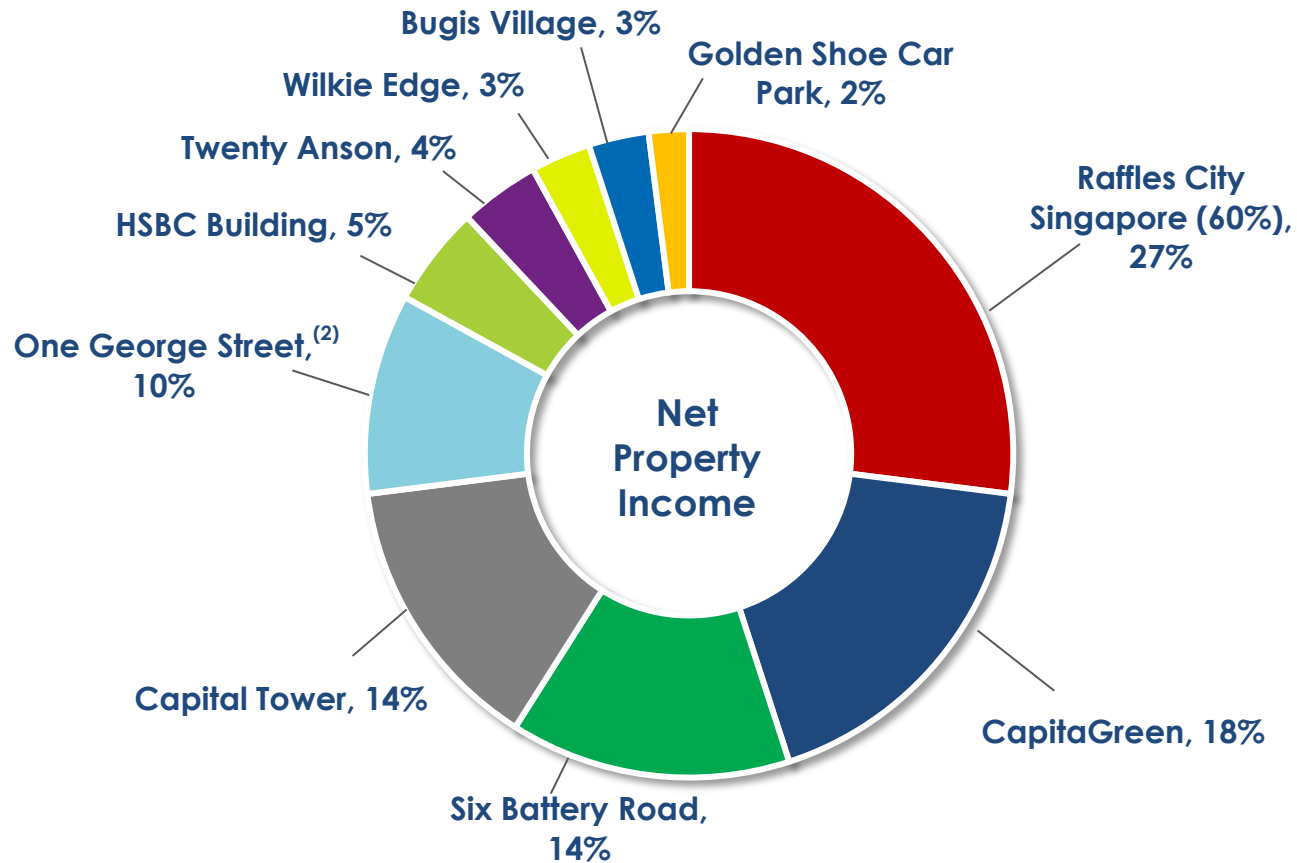
### Notes:

- (1) Based on gross rental income from 1 Jan 2017 to 30 Jun 2017; including gross rental income from CCT's 60.0% interest in Raffles City Singapore and corresponding interest in One George Street; and excluding retail turnover rent
- (2) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017



# Portfolio diversification with income contribution from 10 properties<sup>(1)</sup>

## 1H 2017 portfolio NPI



**Notes:**

(1) For reference only: Based on respective properties' proportionate net property income contribution from 1 Jan 2017 to 30 Jun 2017. NPI from CCT's wholly owned properties was S\$120.2 million, while NPI from its 60.0% interest in Raffles City Singapore and corresponding interest in One George Street was S\$52.3 million and S\$19.3 million respectively.

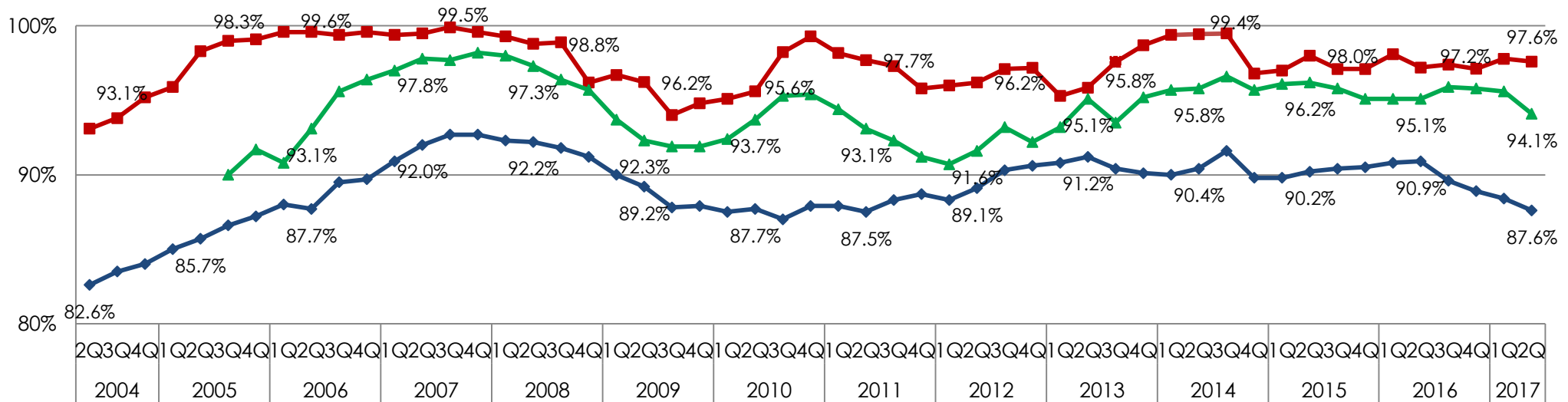
(2) CCT's interest in One George Street was 100.0% from 1 Jan to 19 Jun 2017 and 50.0% from 20 Jun to 30 Jun 2017.



# CCT's portfolio occupancy of 97.6% is above market occupancy of 94.1%

	CCT Committed Occupancy		Market Occupancy Level <sup>(1)</sup>	
	2Q 2017	1Q 2017	2Q 2017	1Q 2017
Grade A office	98.9%	98.2%	95.5%	96.6%
Portfolio	97.6%	97.8%	94.1%	95.6%

CCT's Committed Occupancy Since Inception



**Notes:**

(1) Source: CBRE Pte. Ltd.

(2) Source: URA.

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

(4) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017

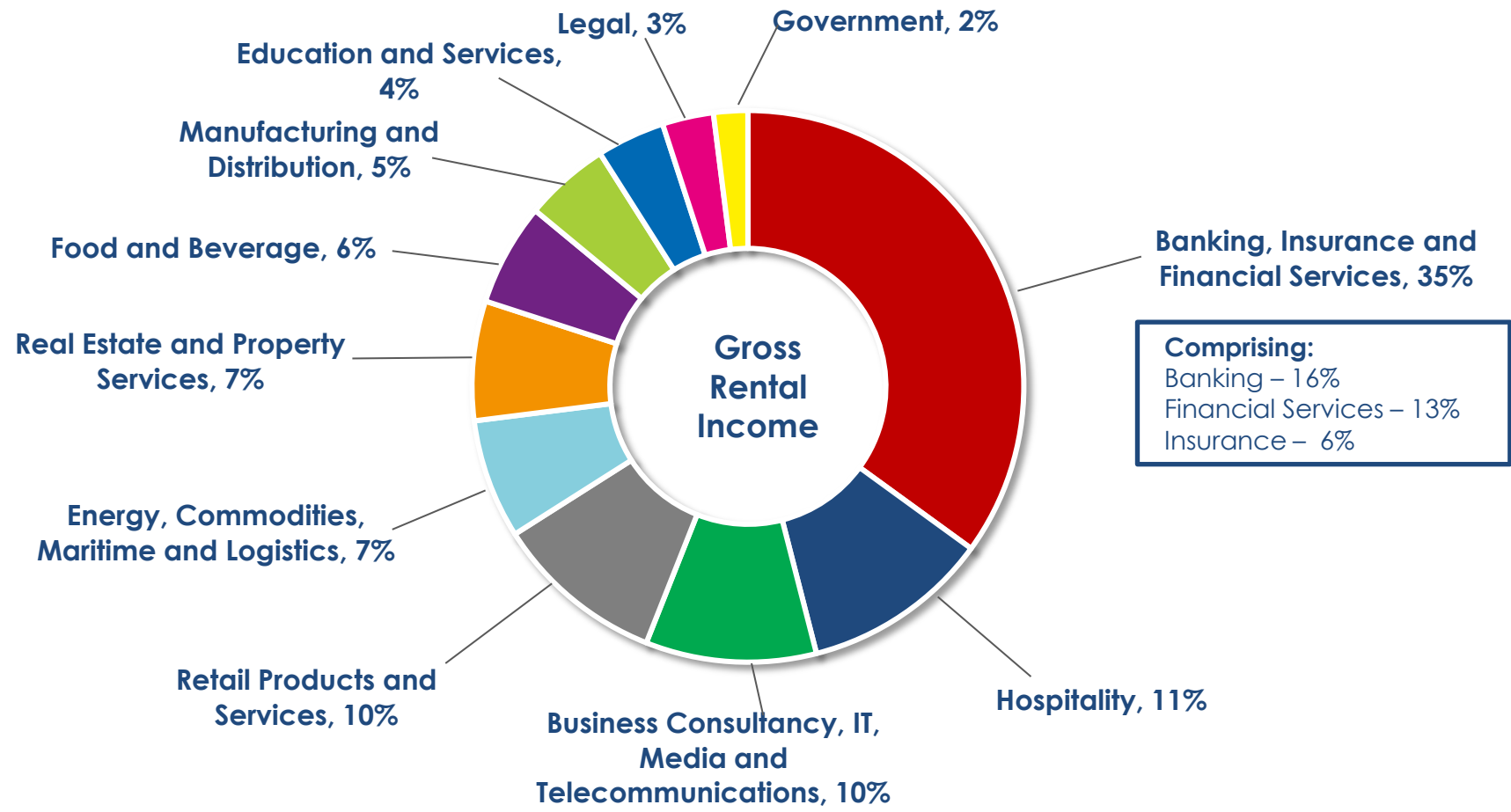
■ CCT    ◆ URA<sup>(2)</sup>    ▲ CBRE's Core CBD Occupancy Rate<sup>(3)</sup>





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

## Tenant mix in CCT portfolio

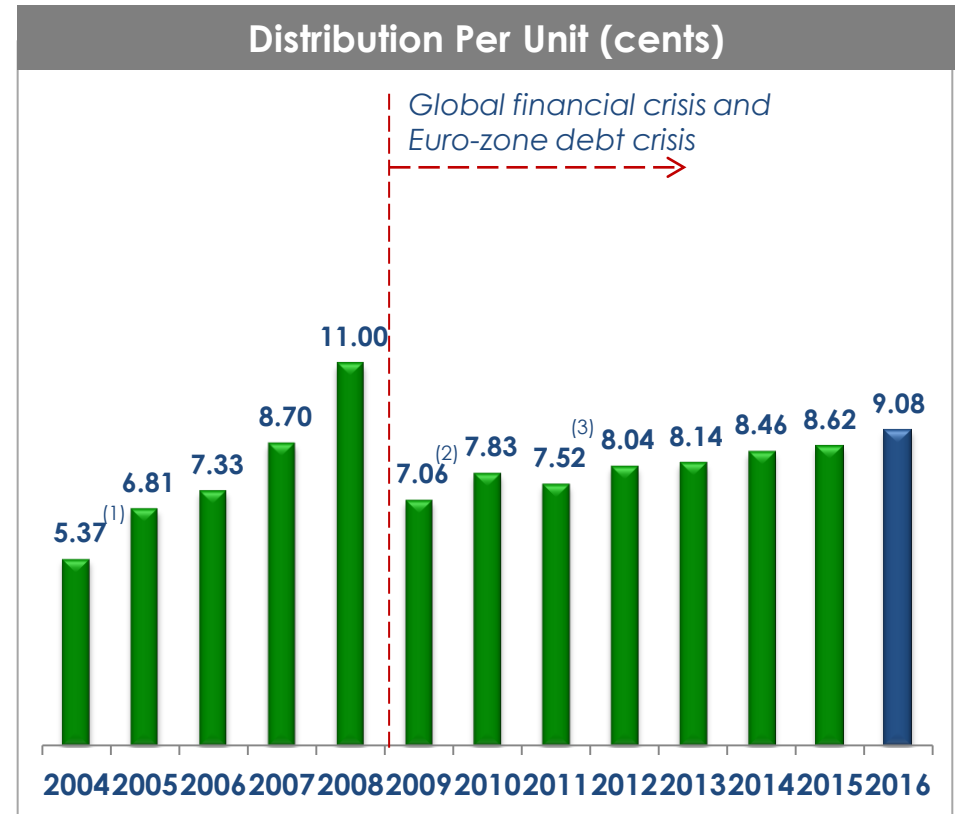
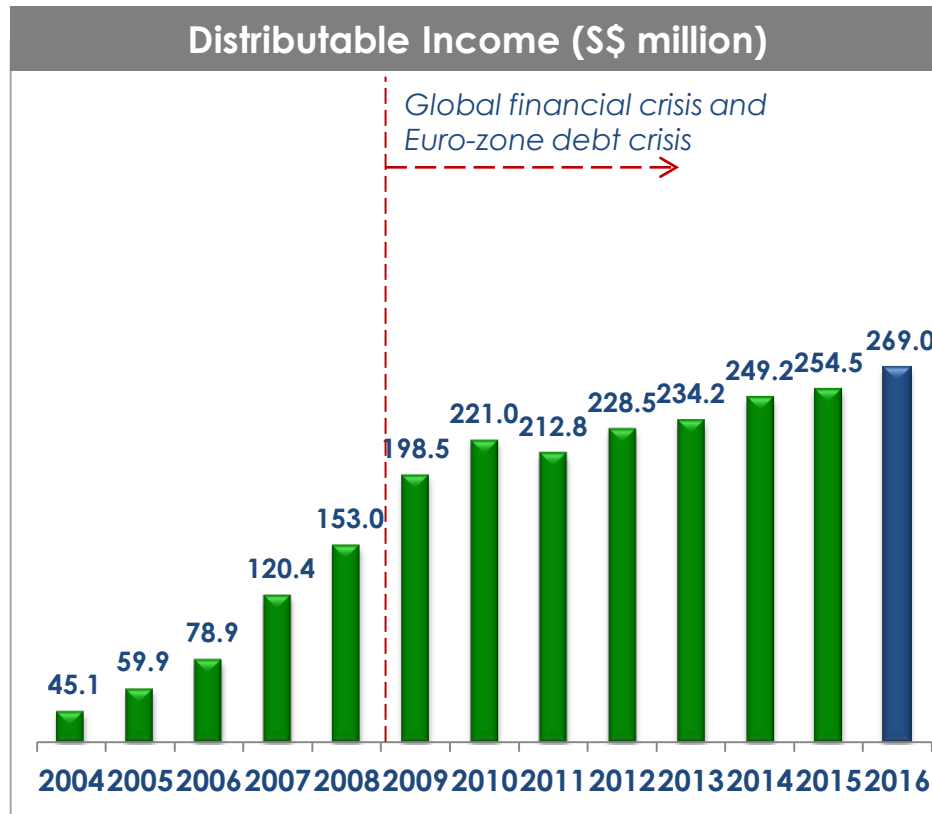


**Notes:**  
 (1) Based on committed monthly gross rental income of tenants as at 30 Jun 2017, including CCT's 60.0% interest in Raffles City Singapore and 50.0% interest in One George Street; and excluding retail turnover rent  
 (2) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017



# Established track record: CCT delivered higher returns YoY through property market cycles

Due to successful portfolio reconstitution strategy including recycling of capital, AEI, acquisition and development



**Notes:**

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



# 6. Summary

Raffles City

Raffles City Singapore



# Successfully sold assets at exit yields 3.2% and 3.4% and recycled proceeds for growth opportunities



- 50% of **One George Street**
- Sold at 16.7% above Dec 2016 valuation
- Exit yield of 3.2% p.a.
  
- **Wilkie Edge** sold at 39.3% above Dec 2016 valuation
- Exit yield of 3.4% p.a.
- Pending completion of sale in Sep 2017



- **Recycle proceeds** for growth opportunities: Redevelopment of Golden Shoe Car Park  
✓ Yield-on-cost at 5% p.a.
  
- **Reconstitute portfolio**





# Thank you

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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

# 7. Additional Information

Raffles City Singapore

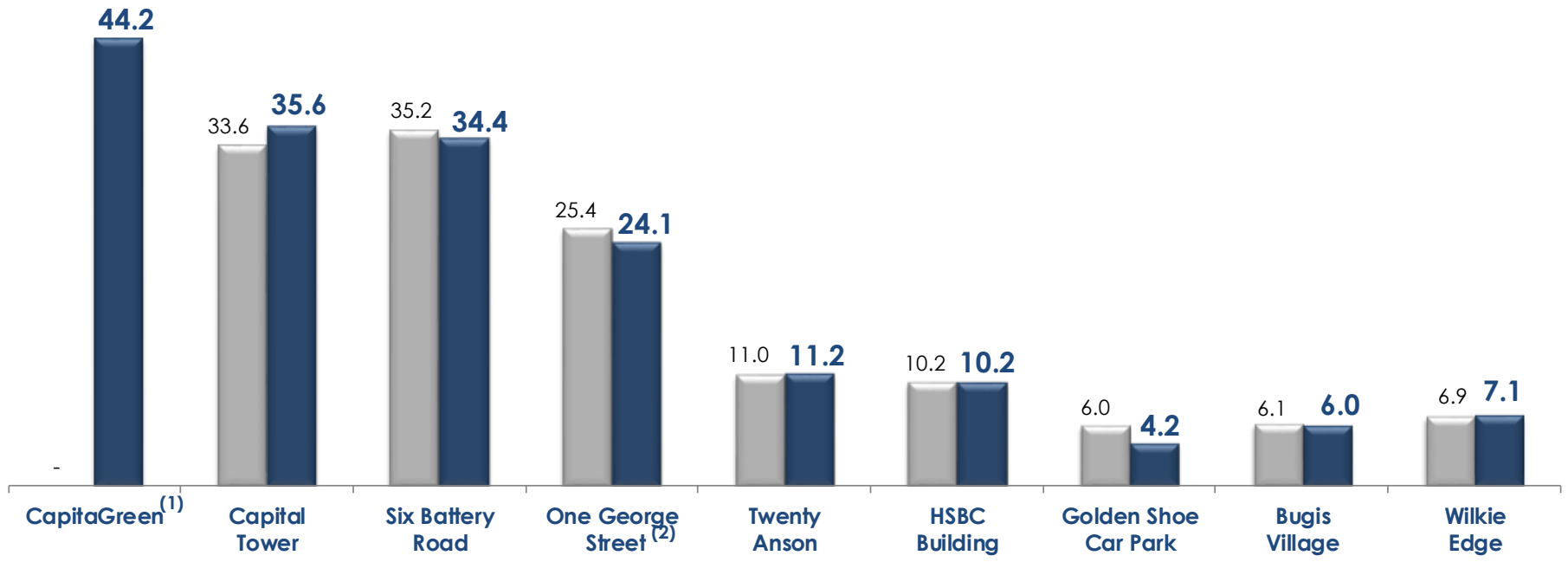


# 1H 2017 Gross Revenue higher by 31.7% YoY

Higher gross revenue contributed by acquisition of 60.0% CapitaGreen

S\$ million

■ 1H 2016 ■ 1H 2017



**Notes:**

- (1) Revenue from CapitaGreen was consolidated to CCT Group from September 2016.
- (2) Revenue from One George Street was for the period 1 Jan 2017 to 19 Jun 2017.



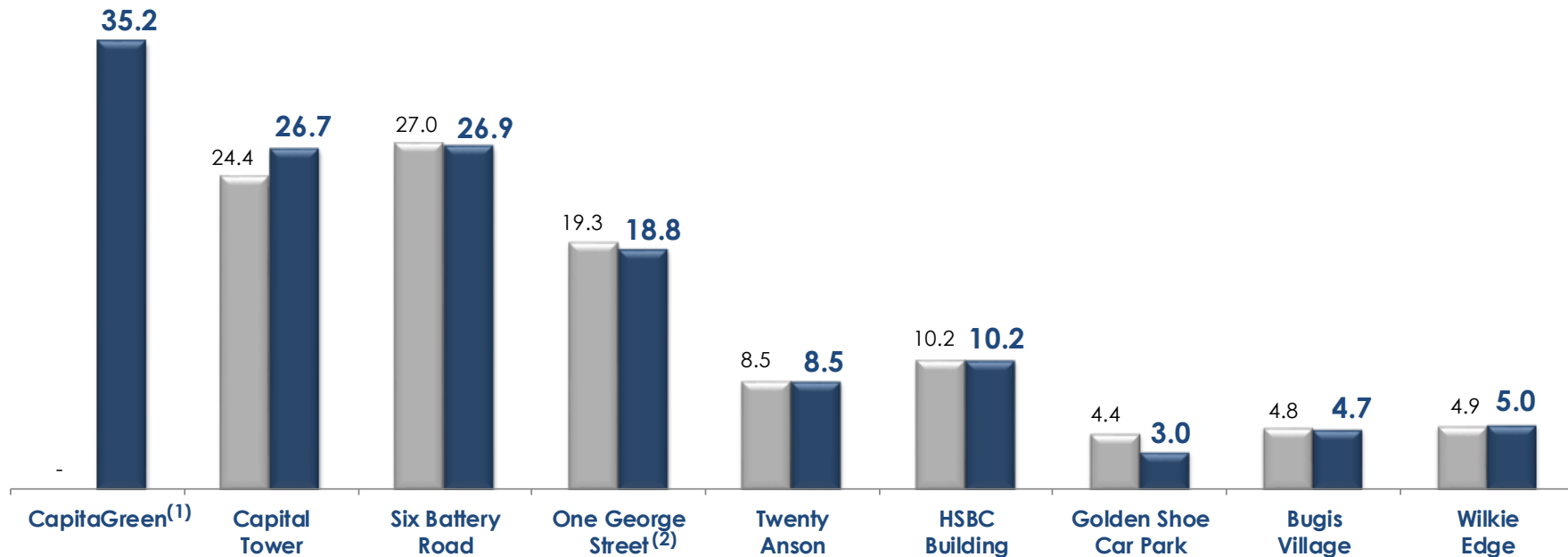
# 1H 2017 Net Property higher by 34.3% YoY

Net property income lifted by acquisition of 60.0% CapitaGreen

S\$ million

■ 1H 2016

■ 1H 2017



**Notes:**

(1) Net property income from CapitaGreen was consolidated to CCT Group from September 2016

(2) Net property income from One George Street was for the period 1 Jan 2017 to 19 Jun 2017.



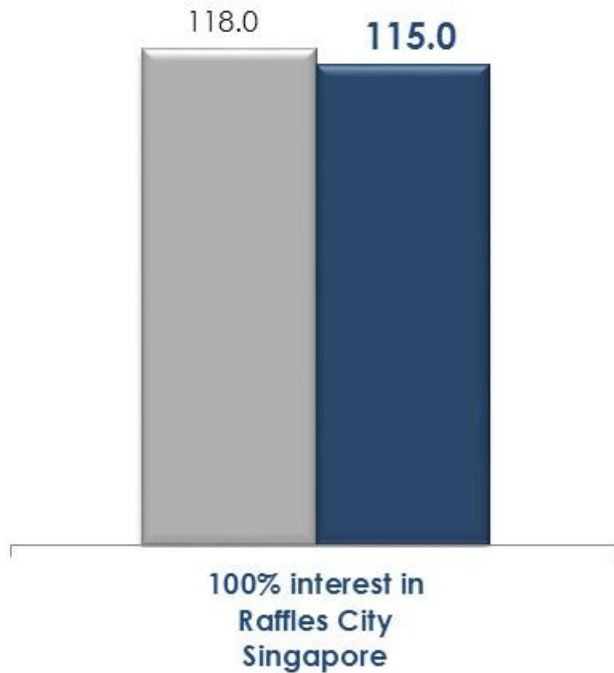


# 1H 2017 performance of Raffles City Singapore, a joint venture <sup>(1)</sup> (100.0% basis)

Impact mainly due to lower hotel rent<sup>(2)</sup>

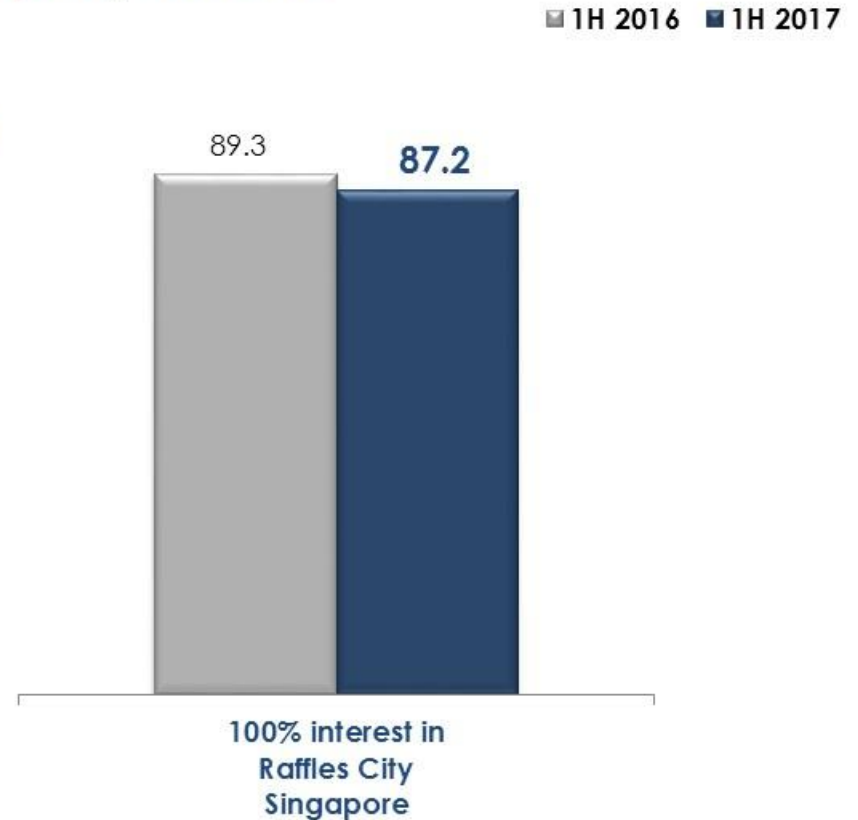
## Revenue

S\$ million



## Net Property Income

S\$ million



### Notes:

- (1) Gross revenue and net property income of Raffles City Singapore shown above are based on 100.0%. CCT owns 60.0% interest in Raffles City Singapore.
- (2) The Hotels have started renovation work in Apr 2017. This renovation is ongoing for a period of three years till 2019.

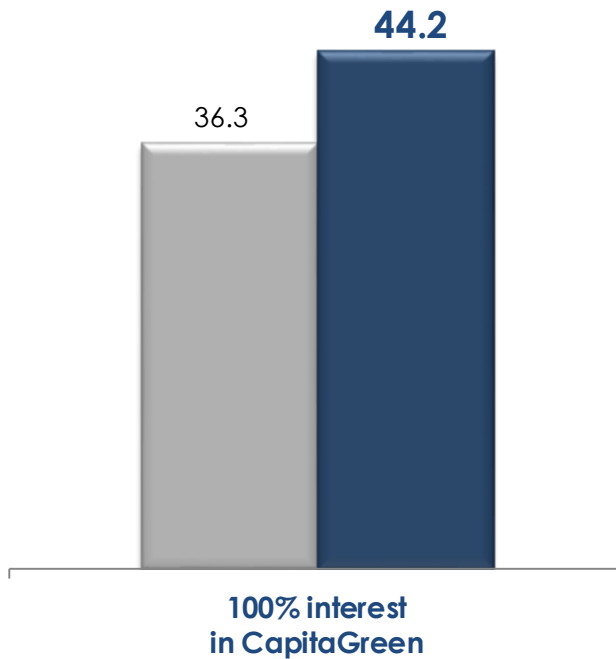


# 1H 2017 performance of CapitaGreen <sup>(1)</sup> (100.0% basis)

CapitaGreen's strong performance due to higher revenue occupancy

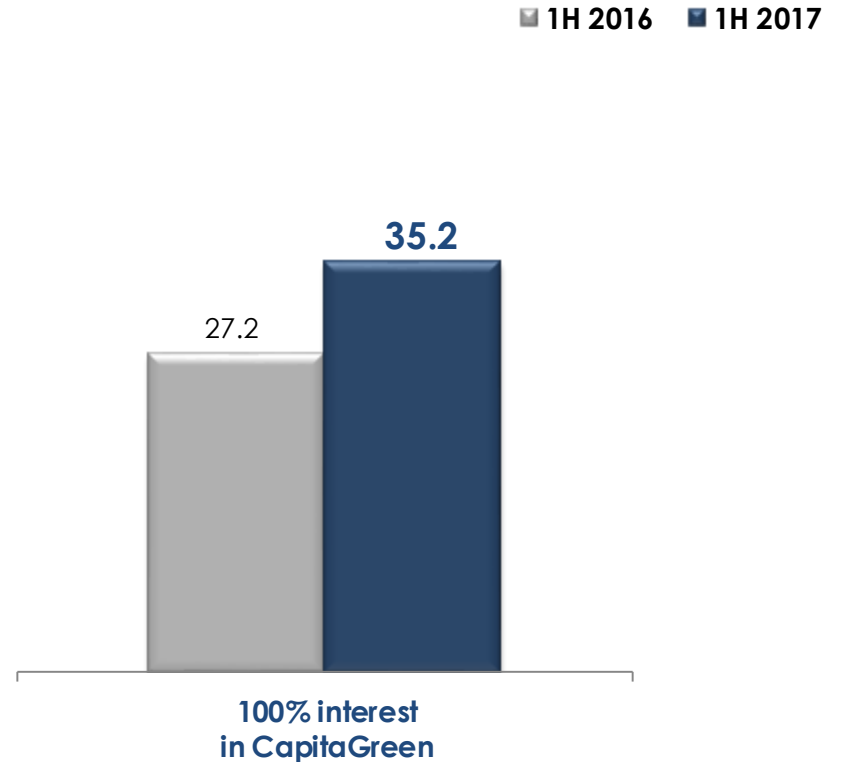
## Revenue

S\$ million



## Net Property Income

S\$ million



**Note:**

(1) Gross revenue and net property income of CapitaGreen shown above are based on 100.0%. CapitaGreen was a joint venture until CCT acquired the remaining 60.0% interest not owned by CCT on 31 Aug 2016.



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	1Q 2017	2Q 2017
Capital Tower	100.0	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	94.1	99.0	98.8	99.4
Six Battery Road	100.0	99.9	98.6	99.2	99.7	85.4	93.0	98.6	99.2	98.9	98.6	99.0	98.5
Bugis Village	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	94.8	100.0	97.2	99.1	100.0
Golden Shoe Car Park	98.0	96.4	100.0	100.0	95.2	100.0	100.0	94.6	100.0	97.3	72.4	73.7	63.8
HSBC Building	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Raffles City (60% interest)	99.5	99.3	99.9	99.3	99.1	98.9	100.0	100.0	100.0	99.2	97.8	98.3	98.7
Wilkie Edge			52.5	77.9	98.4	98.4	93.9	99.6	100.0	100.0	99.6	99.9	99.4
One George Street (50% interest) <sup>(2)</sup>			100.0	96.3	100.0	93.3	92.5	95.5	100.0	98.2	96.5	96.5	97.5
Twenty Anson							100.0	98.1	97.8	97.9	91.7	93.0	84.2
CapitaGreen									69.3	91.3	95.9	98.2	99.0
<b>Portfolio Occupancy</b>	<b>99.6</b>	<b>99.6</b>	<b>96.2</b>	<b>94.8</b>	<b>99.3</b>	<b>95.8</b>	<b>97.2</b>	<b>98.7</b>	<b>96.8</b>	<b>97.1</b>	<b>97.1</b>	<b>97.8</b>	<b>97.6</b>

**Notes:**

(1) For years 2004 to 2009, portfolio occupancy rate includes Starhub Centre and Robinson Point which were divested in 2010

(2) CCT's interest in One George Street was 100.0% from 1 Jan 2017 to 19 Jun 2017 and 50.0% with effect from 20 Jun 2017



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





# Property details (1)



	Capital Tower	CapitaGreen	Six Battery Road	One George Street	Raffles City Singapore (100%)
<b>Address</b>	168 Robinson Road	138 Market Street	6 Battery Road	1 George Street	250/252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road
<b>NLA (sq ft)</b>	738,000	702,000	495,000	446,000	805,000 (Office: 381,000, Retail: 424,000)
<b>Leasehold expiring</b>	31-Dec-2094	31-Mar-2073	19-Apr-2825	21-Jan-2102	15-Jul-2078
<b>Committed occupancy</b>	99.4%	99.0%	98.5%	97.5%	98.7%
<b>Valuation (30 Jun 2017)</b>	S\$1,361.0m	S\$1,616.0m	S\$1,401.0m	S\$1,116.2m (100.0%) S\$558.1m (50.0%)	S\$3,250.0m (100.0%) S\$1,950.0m (60.0%)
<b>Car park lots</b>	415	180	190	178	1,045



# Property details (2)



	Twenty Anson	HSBC Building	Wilkie Edge <sup>(1)</sup>	Bugis Village <sup>(2)</sup>	Golden Shoe Car Park <sup>(3)</sup>
<b>Address</b>	20 Anson Road	21 Collyer Quay	8 Wilkie Road	62 to 67 Queen Street, 151 to 166 Rochor Road, 229 to 253 (odd nos only) Victoria Street	50 Market Street
<b>NLA (sq ft)</b>	207,000	200,000	155,000	121,000	47,000
<b>Leasehold expiring</b>	22-Nov-2106	18-Dec-2849	20-Feb-2105	30-Mar-2088	31-Jan-2081
<b>Committed occupancy</b>	84.2%	100.0%	99.4%	100.0%	63.8%
<b>Valuation (30 Jun 2017)</b>	S\$433.0 m	S\$456.0m	S\$205.0m	S\$47.0m	S\$141.0m
<b>Car park lots</b>	55	55	215	NA	1,053

**Notes:**

(1) CCT entered into a sale and purchase agreement for the sale of Wilkie Edge on 3 July 2017.

(2) 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.

(3) CapitalLand, CCT and MEC have formed a joint venture to redevelop Golden Shoe Car Park as per announcement dated 13 July 2017.