CapitaLand Commercial Trust

CapitaLand Commercial Trust

Singapore's First and Largest Commercial REIT

2017 Financial Results

Thursday, 25 January 2018

Important Notice

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

The past performance of CCT is not indicative of the future performance of CCT. Similarly, the past performance of CapitaLand Commercial Trust Management Limited, the manager of CCT is not indicative of the future performance of the Manager.

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This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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

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

1. Highlights

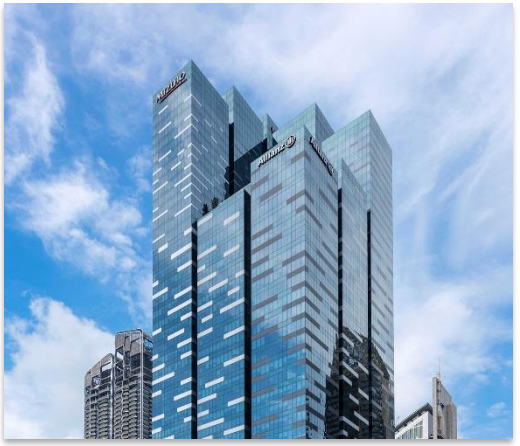
Capital Tower, Singapore

Highlights of CCT's value creation journey

Unlock value - Divestments

- One George Street (50.0% interest) at exit yield of 3.2%
- Wilkie Edge at exit yield of 3.4%
- Golden Shoe Car Park for redevelopment

Recycle capital - Acquisition



- Asia Square Tower 2 (excluding hotel premises) acquired at 3.6% entry yield
- Rights issue of S$700.0 million was 1.8x subscribed

Grow portfolio - Development

- Replicating success of CapitaGreen via redevelopment of Golden Shoe Car Park (45.0% interest)

Market capitalisation:

S$7.0 billion as at 31 Dec 2017

S$4.4 billion as at 31 Dec 2016

Deposited property value:

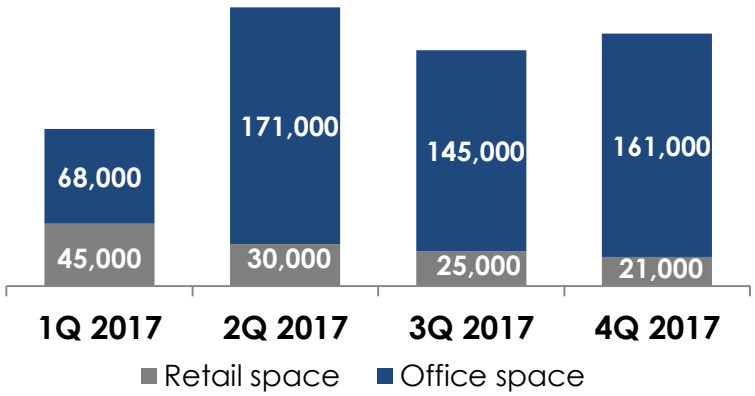
S$10.8 billion as at 31 Dec 2017

S$8.8 billion as at 31 Dec 2016

Portfolio committed occupancy rate higher than market occupancy rate

CCT portfolio committed occupancy rate as at 31 Dec 2017	97.3%
Core CBD market occupancy rate[1]	93.8%

Total Leases signed in FY 2017: 666,000 sq ft (38.0% are new leases)



	FY 2016	FY 2017
Total new and renewal leases	733,000 sq ft[2]	666,000 sq ft[2]
% of new leases	43%	38%
Portfolio occupancy as at 31 Dec	97.1%	97.3%
Tenant retention ratio[3]	62%	78%

Notes:

(1) Source: CBRE Pte. Ltd., MarketView 4Q 2017

(2) Based on net lettable area of new leases and renewals committed and using 100.0% basis for all leases

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

CCT's 4Q 2017 distributable income up by 6.0% YoY

	4Q 2017	4Q 2016	Change	FY 2017	FY 2016	Change
Distributable income (S$ million)	**75.0**	70.8	6.0%	**288.9**	269.0	7.4%
Distribution per Unit (DPU) (1)	**2.08¢**	2.39¢	(13.0%)	**8.66¢**	9.08¢	(4.6%)
No. of units in issue at the end of the period (million)	3,608	2,964	21.8%	3,608	2,964	21.8%
For information only **Adjusted DPU (2)**	**2.08¢**	1.96¢	6.1%	**8.66¢**	8.25¢	5.0%
No. of units in issue as at 31 Dec 2017 (million)	3,608	3,608	-	3,608	-	-

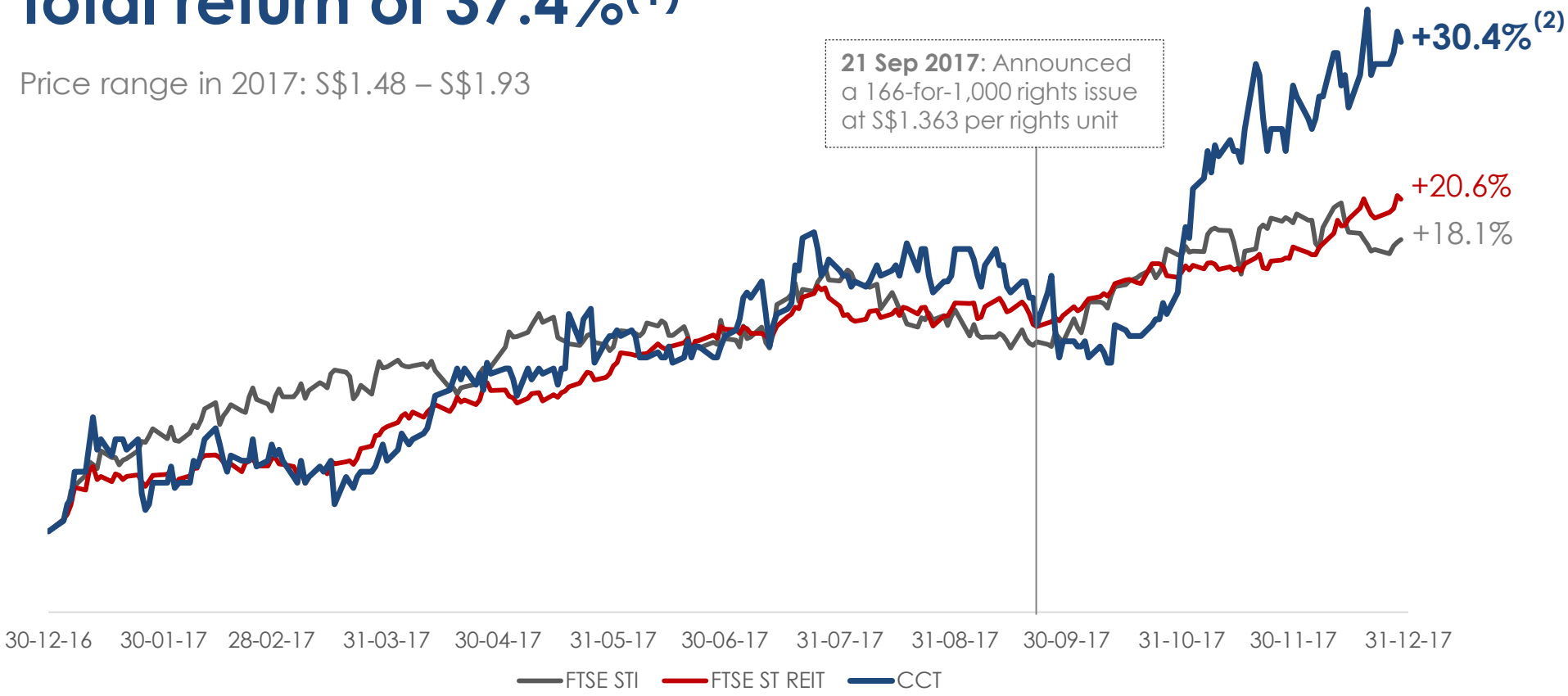
Notes:

(1) DPU computed based on total number of units outstanding as at end of respective periods (4Q 2017: 3,608.1 million; 4Q 2016: 2,963.5 million).

(2) 4Q 2016 DPU was adjusted for the enlarged 3,608.1 million units arising from new units issued for equity raised, conversion of convertible bonds and issuance of units for management fees in FY 2017. Adjusted FY 2016 DPU of 8.25 cents comprised 1H 2016 DPU of 4.39 cents announced on 26 July 2016 and 2H 2016 DPU of 3.86 cents adjusted for the enlarged 3,608.1 million units.

Unitholders who held CCT units in FY 2017 and subscribed to rights issue would have enjoyed a total return of 37.4%(1)

Price range in 2017: S$1.48 – S$1.93



Notes:

(1) Total Return assuming subscription to rights issue: Calculated based on capital appreciation of rights units and existing units held from 31 December 2016 to 31 December 2017 plus FY 2017 DPU over the weighted average price of closing price as of 31 December 2016 and rights issue price.

(2) Capital appreciation in 2017: Calculated based on the difference between closing prices on 31 December 2016 and 2017, over closing price on 31 December 2016.

Healthy balance sheet as at 31 Dec 2017

Low aggregate leverage ratio[1]	Average cost of debt [2]	Gross borrowings on fixed rate
37.3%	2.6% p.a.	80%
FY 2016: 37.8%	FY 2016: 2.6%	FY 2016: 80%

Proactively managed debt maturity profile

- ✓ Obtained S$600 million unsecured bank loans to refinance part of S$1,120 million due in 2019;

  Two tranches of S$300 million each, due in 2022 and 2023 respectively

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) Ratio of interest expense over weighted average borrowings (excludes borrowings of joint ventures).

2. Financial Results and Capital Management

One George Street, Singapore

4Q 2017 distributable income rose 6.0% YoY

	4Q 2017	4Q 2016	Change (%)	Remarks
Gross Revenue (S$ million)	**86.3**	89.7	(3.8)	Please see note (1)
Property Operating Expenses (S$ million)	**(18.3)**	(19.0)	(3.3)	
Net Property Income (S$ million)	**68.0**	70.8	(4.0)	
Distributable Income (S$ million)	**75.0**	70.8	6.0	Please see note (2)
DPU (cents)	**2.08**	2.39	(13.0)	Please see note (3)
For Information Only Adjusted DPU (cents)	**2.08**	1.96	6.1	Please see note (4)

Notes:

(1) Lower revenue due to divestments of One George Street (50.0% interest) in June 2017, Golden Shoe Car Park in July 2017 and Wilkie Edge in September 2017 but mitigated by higher gross revenue from CapitaGreen and contribution from newly acquired Asia Square Tower 2 (AST2) held under Asia Square Tower 2 Pte. Ltd. (AST2 Co). Lower revenue led to lower net property income.

(2) To note that AST2 Co did not pay any dividend this quarter. The higher distributable income is from MSO Trust which holds CapitaGreen, RCS Trust which holds Raffles City Singapore, a top-up of S$1.1 million for the loss of distributable income arising from the divestments of One George Street (50.0% interest) and Wilkie Edge, as well as tax-exempt distribution of S$8.0 million.

(3) DPU computed based on total number of units outstanding as at end of respective periods (4Q 2017: 3,608.1 million; 4Q 2016: 2,963.5 million).

(4) 4Q 2016 DPU adjusted for the enlarged 3,608.1 million units arising from new units issued for the equity raised, conversion of convertible bonds and issuance of units for management fees in FY 2017.

FY 2017 distributable income rose 7.4% YoY

	FY 2017	FY 2016	Change (%)	Remarks
Gross Revenue (S$ million)	**337.5**	298.6	13.0	Please see note (1)
Property Operating Expenses (S$ million)	**(72.0)**	(67.3)	7.0	
Net Property Income (S$ million)	**265.5**	231.3	14.8	
Distributable Income (S$ million)	**288.9**	269.0	7.4	Please see note (2)
DPU (cents)	**8.66**	9.08	(4.6)	Please see note (3)
For Information Only Adjusted DPU (cents)	**8.66**	8.25	5.0	Please see note (4)

Notes:

(1) Higher revenue, operating expenses and net property income mainly contributed by CapitaGreen (12 months in FY 2017 versus 4 months in FY 2016), as well as contribution from AST2 (2 months in FY 2017, nil in FY 2016) offset by divestments of One George Street (50.0% interest) in June 2017, Golden Shoe Car Park in July 2017 and Wilkie Edge in September 2017.

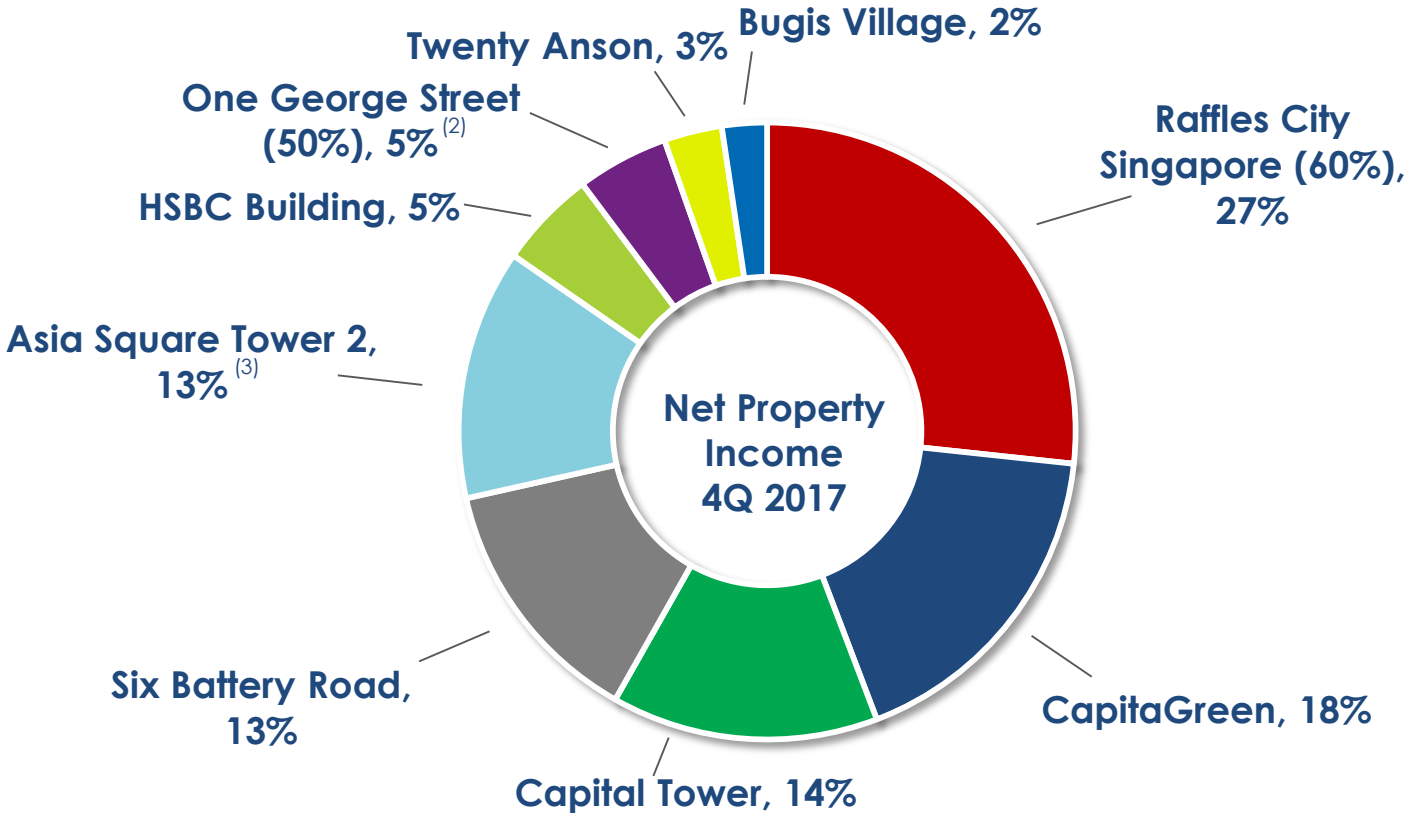
(2) To note that AST2 Co did not pay any dividend this quarter. The higher distributable income is from MSO Trust which holds CapitaGreen and RCS Trust which holds Raffles City Singapore. Includes top-up of S$1.1 million for the loss of distributable income arising from the divestments of One George Street (50.0% interest) and Wilkie Edge as well as tax-exempt distribution of S$8.0 million.

(3) DPU in FY 2017 of 8.66 cents was the aggregate of DPU in 1H 2017 of 4.56 cents announced on 27 July 2017 and DPU in 2H 2017 of 4.10 cents. 2H 2017 of 4.10 cents was computed based on 3,608.1 million of CCT units issued as at 31 December 2017.

(4) Adjusted DPU for FY 2016 of 8.25 cents comprised actual 1H 2016 DPU of 4.39 cents announced on 26 July 2016 and adjusted 2H 2016 DPU of 3.86 cents, adjusted for the enlarged 3,608.1 million Units arising from new units issued for equity raised, conversion of convertible bonds and issuance of units for management fees in FY 2017.

Portfolio diversification with income contribution from 9 properties[1]

Portfolio post-reconstitution



Notes:

(1) Based on net property income from 1 October 2017 to 31 December 2017; including net property income from 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 50.0% with effect from 20 June 2017.

(3) Acquisition of Asia Square Tower 2 was completed on 1 November 2017

(4) Golden Shoe Car Park ceased operations on 31 July 2017 and divestment of Wilkie Edge was completed on 11 September 2017.

CCT 2H 2017 Distribution Details

Distribution period	1 July to 31 December 2017
Distribution Per Unit	4.10 cents (1)
Books Closure Date	Friday, 2 February 2018
Distribution Payment Date	Wednesday, 28 February 2018

Note:

(1) For more information, please refer to page 24 of CCT 2017 Full Year Unaudited Financial Statement and Distribution announcement dated 25 January 2018.

Portfolio value up by 25.4% YoY to S$10.4 billion mainly due to purchase of Asia Square Tower 2

Investment Properties [1]	31-Dec-16 $m	30-Jun-17 $m	31-Dec-17 $m	31-Dec-17 $ per sq foot	12-month Variance (Dec 2016 to Dec 2017) %	6-month Variance (Jun 2017 to Dec 2017) %
Capital Tower	1,325.0	1,361.0	**1,363.0**	1,847	2.9	0.1
Six Battery Road	1,371.0	1,401.0	**1,402.0**	2,831	2.3	0.1
CapitaGreen	1,603.0	1,616.0	**1,616.0**	2,302	0.8	0.0
HSBC Building	455.0	456.0	**456.0**	2,275	0.2	0.0
Twenty Anson	432.0	433.0	**433.0**	2,160	0.2	0.0
Bugis Village[2]	48.5	47.0	**44.0**	359	-9.3	-6.4
Asia Square Tower 2	-	-	**2,094.0**[3]	2,689	-	-
Raffles City (60%)	1,901.4	1,950.0	**1,956.0**	NM[4]	2.9	0.3
Raffles City (100%)	3,169.0	3,250.0	**3,260.0**			
One George Street (50%)	-	558.1	**558.1**	2,500	-	-
One George Street (100%)	1,014.0	1,116.2	**1,116.2**		10.1	-
Golden Shoe Carpark Redevt (45%)	-	-	**472.5**	NM as the latest value is based on a different method.		
Golden Shoe Carpark Redevt (100%)	141.0	141.0	**1,050.0**[5]			
Portfolio Total	8,290.9 [6]	7,963.1 [7]	**10,394.6** [8]		25.4	30.5

Notes:

(1) Excludes Wilkie Edge, which was divested on 11 September 2017.

(2) The valuation of Bugis Village takes into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019 upon payment of S$6,610,208.53 plus accrued interest.

(3) Based on purchase price

(4) NM indicates "Not Meaningful"

(5) Including the differential premium paid for the change of use and increase in plot ratio

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

(7) Based on CCT's 60.0% interest in Raffles City Singapore and 50% interest in One George Street

(8) Based on CCT's 60.0% interest in Raffles City Singapore, 50% interest in One George Street and 45.0% in Golden Shoe Car Park Redevelopment

Valuation assumptions largely unchanged

- 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[1] assumed for the discounted cashflow method averaged 4.1% over 10 years.

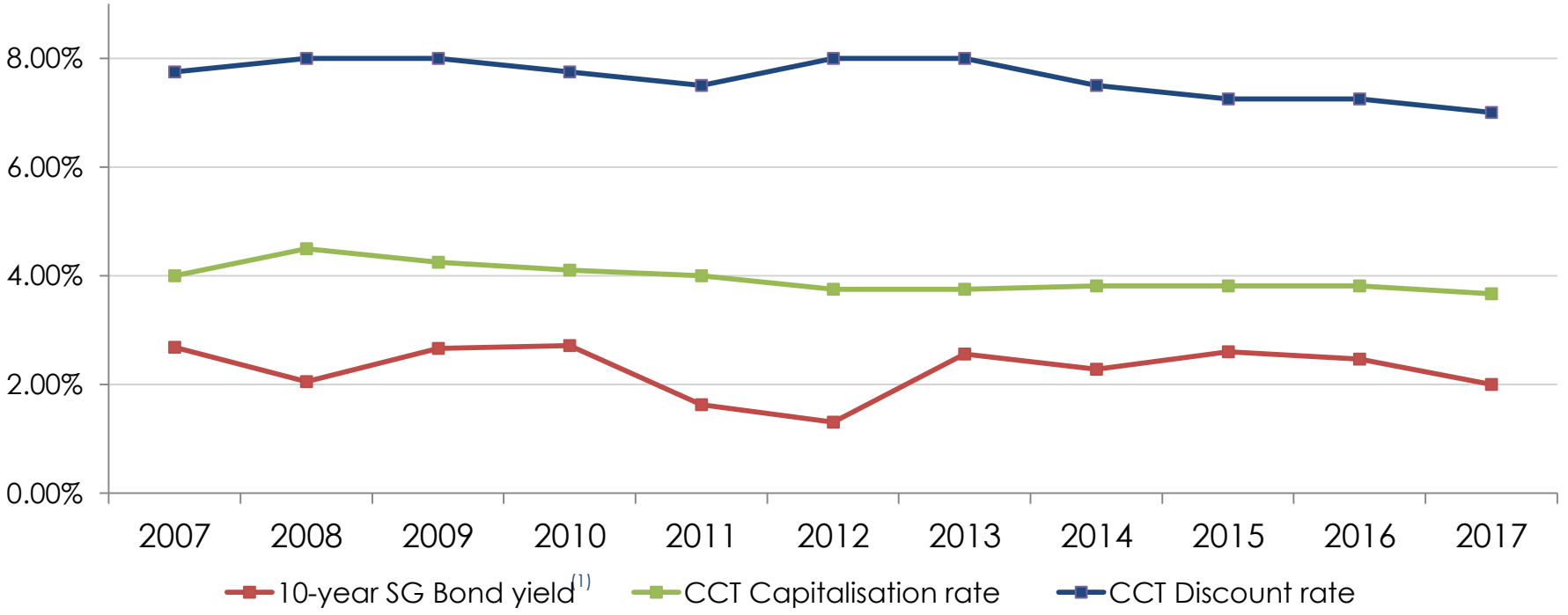
	Capitalisation Rates							Discount Rates						
	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17	**Dec-17 [1]**	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17	**Dec-17 [1]**
Capital Tower	3.75	3.75	3.85	3.85	3.85	3.70	**3.70**	8.00	8.00	7.50	7.25	7.25	7.00	**7.00**
Six Battery Road	3.75	3.75	3.75	3.75	3.75	3.60	**3.60**	8.00	8.00	7.50	7.25	7.25	7.00	**7.00**
CapitaGreen	NA	NA	4.00	4.15	4.15	4.10	**4.10**	NA	NA	7.25	7.25	7.25	7.25	**7.25**
HSBC Building	3.75	3.75	3.85	3.85	3.75	3.60	**3.60**	8.00	8.00	7.50	7.25	7.25	7.00	**7.00**
Twenty Anson	3.75	3.75	3.85	3.85	3.85	3.70	**3.70**	8.00	8.00	7.50	7.25	7.25	7.00	**7.00**
One George Street	3.75	3.75	3.85	3.85	3.85	3.75	**3.70**	8.00	8.00	7.50	7.25	7.25	7.20	**7.00**
Raffles City SG														
Office	4.25	4.25	4.25	4.25	4.25	4.10	**4.10**	7.50	7.35	7.50	7.25	7.25	7.00	**7.00**
Retail	5.40	5.25	5.25	5.25	5.25	4.85	**4.85**	7.80	7.65	7.50	7.50	7.50	7.25	**7.25**
Hotel	5.75	5.55	5.25	5.13	5.11	4.75	**4.75**	8.00	7.75	7.75	7.75	7.40	7.15	**7.15**

Notes:

(1) Excludes 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 Bugis Village. Cushman & Wakefield was the appointed valuer for One George Street.

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 31 Dec 2017

	S$ million
Non-current Assets	9,188.7
Current Assets	165.3
Total Assets	**9,354.0**
Current Liabilities	97.6
Non-current Liabilities	2,839.5
Total Liabilities	**2,937.1**
Net Assets	**6,416.9**
Unitholders' Funds	**6,416.9**
Units in issue ('000)	**3,608,146**

	S$ million
Deposited Properties[1]	**10,761.0**
Net Asset Value Per Unit	**$1.78**
Adjusted Net Asset Value Per Unit (excluding distributable income)	**$1.74**

Credit Rating[2]

BBB+ by **S&P, Outlook Stable**

Notes:
(1) Deposited properties 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) and CCT's 45.0% interest in Glory Office Trust and Glory SR Trust (which holds Golden Shoe Car Park)
(2) CCT ceased engagement of Moody's credit rating service in 4Q 2017

Stable financial ratios

	3Q 2017	4Q 2017	Remarks
Total Gross Debt[1]	S$3,024.2m	**S$4,009.0m**	**Higher** (Higher borrowings to fund acquisition)
Aggregate Leverage[2]	33.9%	**37.3%**	**Higher** (Higher borrowings and deposited properties)
Unencumbered Assets as % of Total Assets[3]	80%	**83%**	**Higher**
Average Term to Maturity[4]	2.9 years	**2.4 years**	**Lower**
Average Cost of Debt (p.a.)[5]	2.7%	**2.6%**	**Stable**
Interest Coverage[6]	5.1 times	**4.9 times**	**Stable**

Notes:

(1) Total gross debt includes CCT's 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. Correspondingly, the ratio of total gross borrowings to total net assets is 62.5%.

(3) Investment properties at CCT are all unencumbered except for CapitaGreen and CCT's 50.0% interest in One George Street, and CCT's 45.0% interest in Glory Office Trust and Glory SR Trust.

(4) Excludes borrowings of joint ventures. Factoring refinancing of S$600 million out of S$1.12 billion of bank loans secured for Asia Square Tower 2 to 4-Year and 5-Year tenure, the pro forma average term to maturity will be 2.9 years.

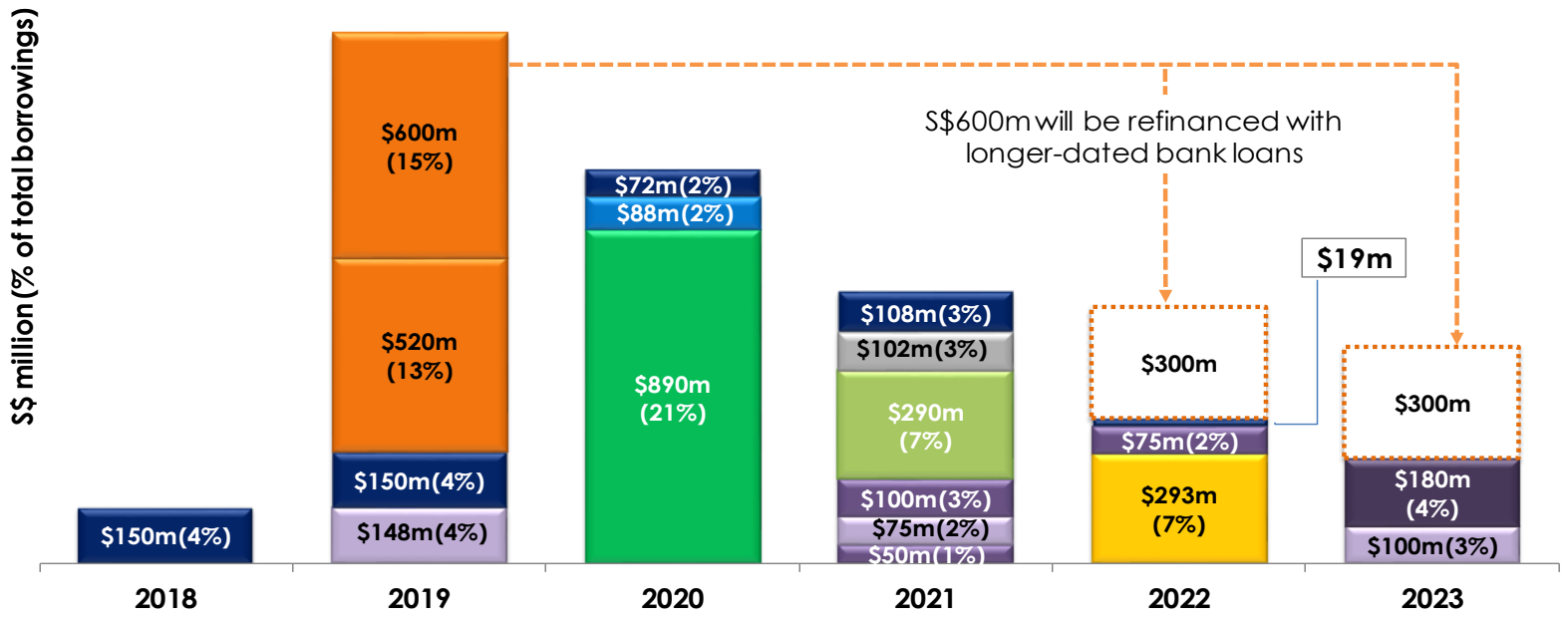
(5) Ratio of interest expense (excludes amortization and transaction costs) over weighted average gross borrowings (excludes borrowings of joint ventures).

(6) Ratio of EBITDA over finance costs includes amortisation and transaction costs (excludes borrowings of joint ventures).

Proactive Capital Management

Obtained unsecured bank facilities for S$600 million bank loans due 2019

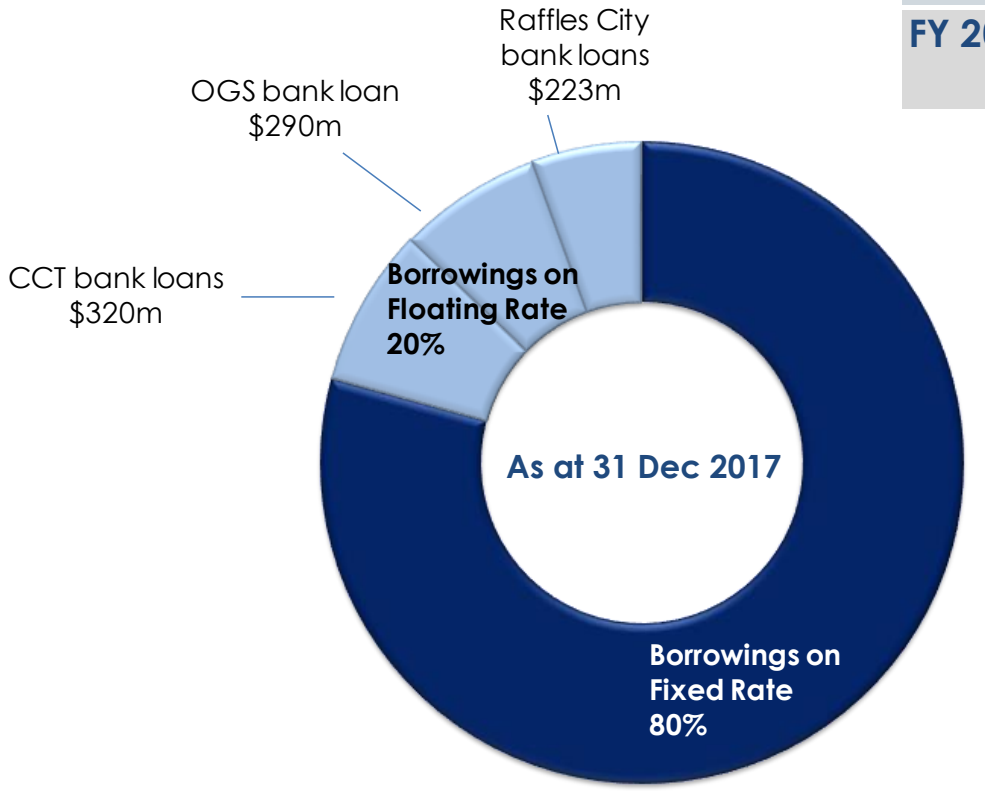
Debt Maturity Profile as at 31 December 2017



- Unsecured RCS bank loans due 2018 to 2022
- Unsecured CCT bank loans to fund acquisition of AST2 due 2019
- Unsecured CCT bank loan due 2020
- 2.89% p.a. CCT fixed rate JPY bond swapped to S$148m MTN due 2019
- CapitaGreen secured bank loan due 2020
- 2.70% p.a. CCT fixed rate HKD bond swapped to S$102m MTN due 2021
- 50% of OGS LLP secured bank loan due 2021
- 2.96% p.a. CCT fixed rate S$100m MTN due 2021
- 2.95% p.a. CCT fixed rate JPY bonds swapped to S$75m MTN due 2021
- 2.98% p.a. CCT fixed rate S$50m MTN due 2021
- 2.77% p.a. CCT fixed rate S$75m MTN due 2022
- Redevelopment of Golden Shoe Car Park secured bank loans due 2022
- 2.60% p.a. RCS fixed rate S$180m MTN due 2023
- 3.05% p.a. CCT fixed rate JPY bond swapped to S$100m MTN due 2023
- Committed unsecured CCT bank loans due 2022 and 2023

80% of borrowings on fixed rate provides certainty of interest expense

Proforma impact on:	Assuming +0.5% p.a. increase in interest rate
Additional Interest expense for FY 2017	+$4.2 million p.a.
FY 2017 DPU	-0.10 cents (1.2% of FY DPU)



3. Portfolio Performance

Raffles City Singapore

Active portfolio leasing activities for CCT

	New and renewed leases signed in 2017				
Quarter	**1Q**	**2Q**	**3Q**	**4Q**	**FY 2017**
Area (sq ft)	**113,000**	**201,000**	**170,000**	**182,000**	**666,000**

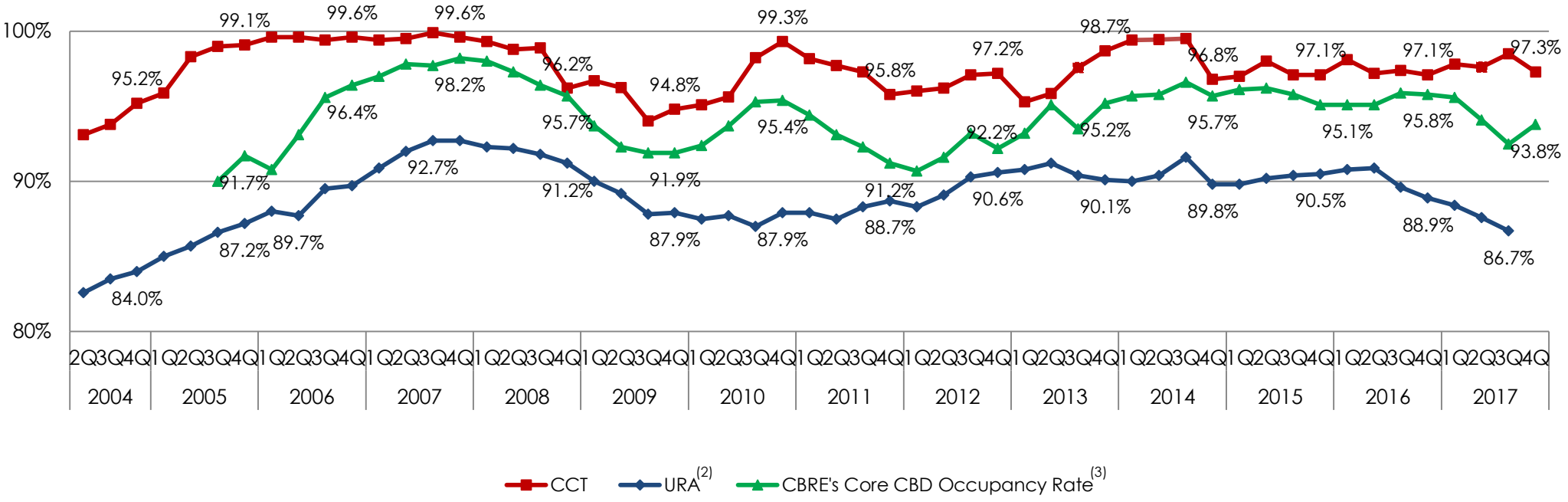
4Q 2017 new and renewed leases include:

Tenant	Trade Sector	Building
Longlead Capital Partners Pte. Ltd.	Financial Services	Six Battery Road
Wilson Ventures Pte. Ltd.	Energy, Commodities, Maritime and Logistics	Six Battery Road
The Executive Centre Singapore Pte Ltd	Real Estate and Property Services	Six Battery Road
Sanetti Pte Ltd	Legal	Six Battery Road
Cathay Petroleum International Pte Ltd	Energy, Commodities, Maritime and Logistics	Raffles City Tower

CCT's portfolio occupancy of 97.3% is above market occupancy of 93.8%

	CCT Committed Occupancy		Market Occupancy Level[1]	
	4Q 2017	3Q 2017	4Q 2017	3Q 2017
Grade A office	97.2%	99.2%	93.8%	91.6%
Portfolio	97.3%	98.5%	93.8%	92.5%

CCT's Committed Occupancy Since Inception



Notes:

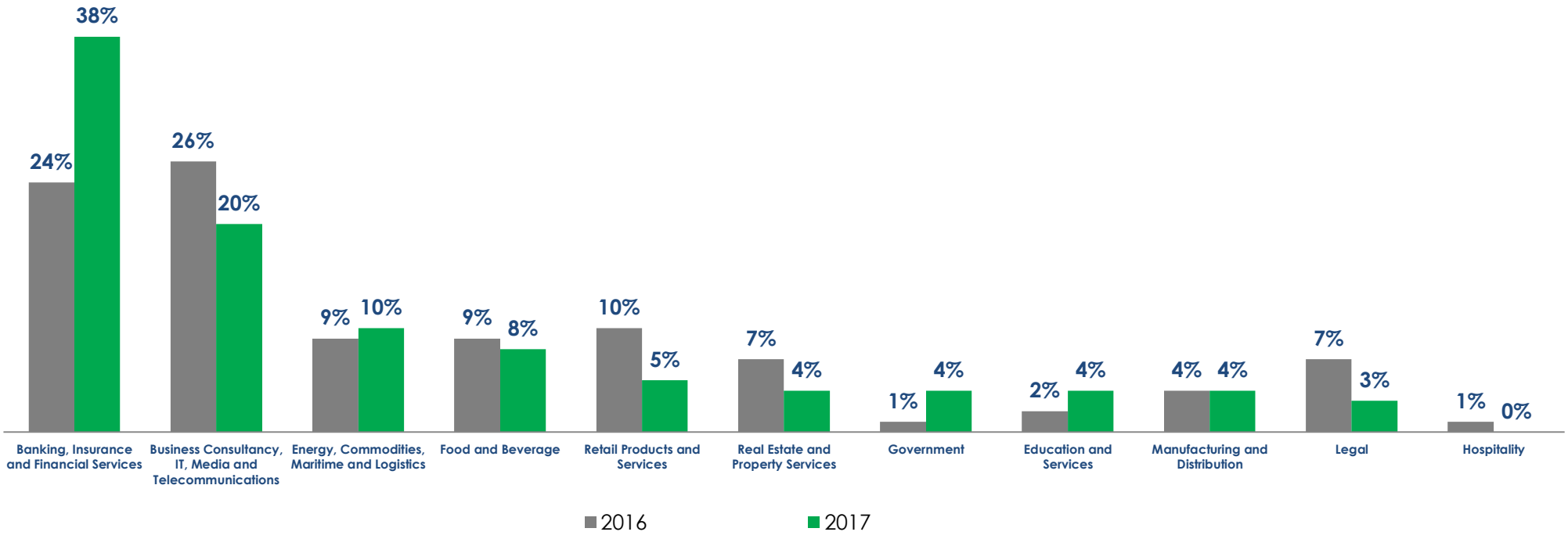
(1) Source: CBRE Pte. Ltd.

(2) Source: URA. URA has not released Occupancy Index Figure for 4Q 2017

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

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

Trade mix of new leases signed in 2017 compared to 2016[1]

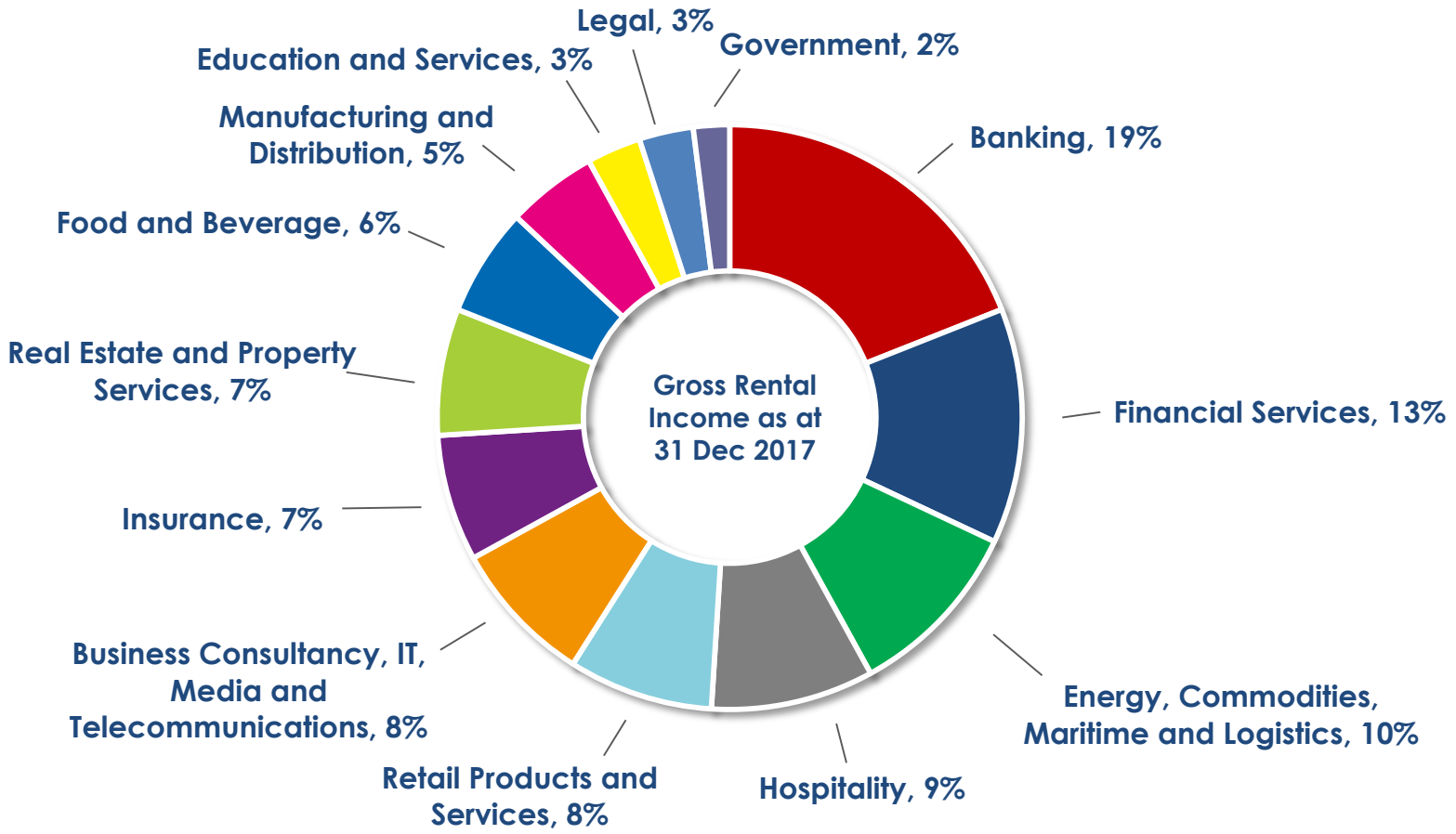


Note:

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

Diverse tenant mix in CCT's portfolio[(1)]

Tenant mix in CCT portfolio



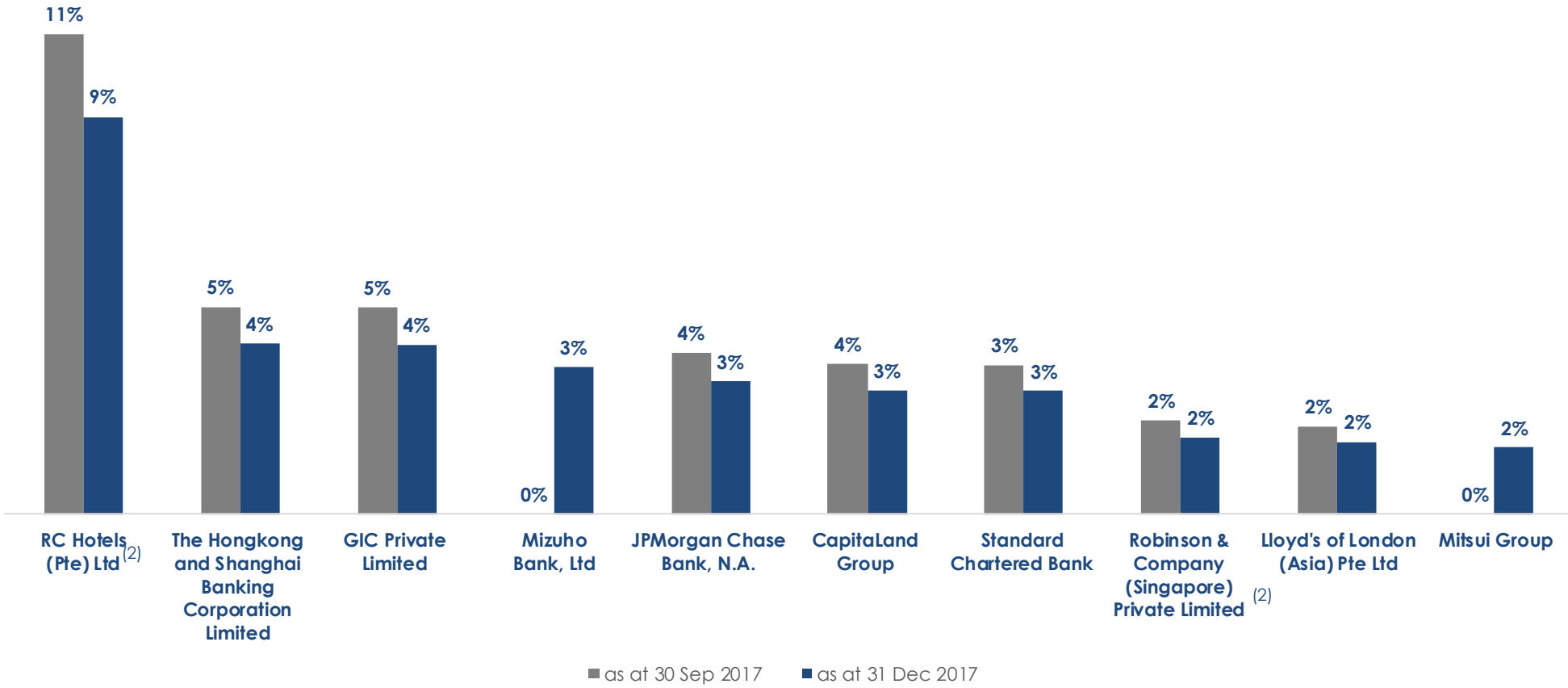
Notes:

(1) Based on committed monthly gross rental income of tenants as at 31 December 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) Acquisition of Asia Square Tower 2 was completed on 1 November 2017

Top 10 tenants contribute 35% of monthly gross rental income[1]

Top 10 tenants' contribution reduced by 4% QoQ



Notes:

(1) Based on monthly gross rental income of top ten tenants as at 31 December 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

Above market office rents in 4Q 2017 but lower than expiring rents

Building	Average Expired Rents (S$)	Committed Rents [1] (S$)	Sub-Market	Market Rents of Comparative Sub-Market (S$)	
				Cushman & Wakefield[2]	Knight Frank[3]
Six Battery Road	12.77	10.69 – 13.50	Grade A Raffles Place	9.37	9.10 – 9.60
One George Street	9.62	9.00 – 10.60	Grade A Raffles Place	9.37	8.00 – 8.50

Notes:

(1) Renewal/new leases committed in 4Q 2017

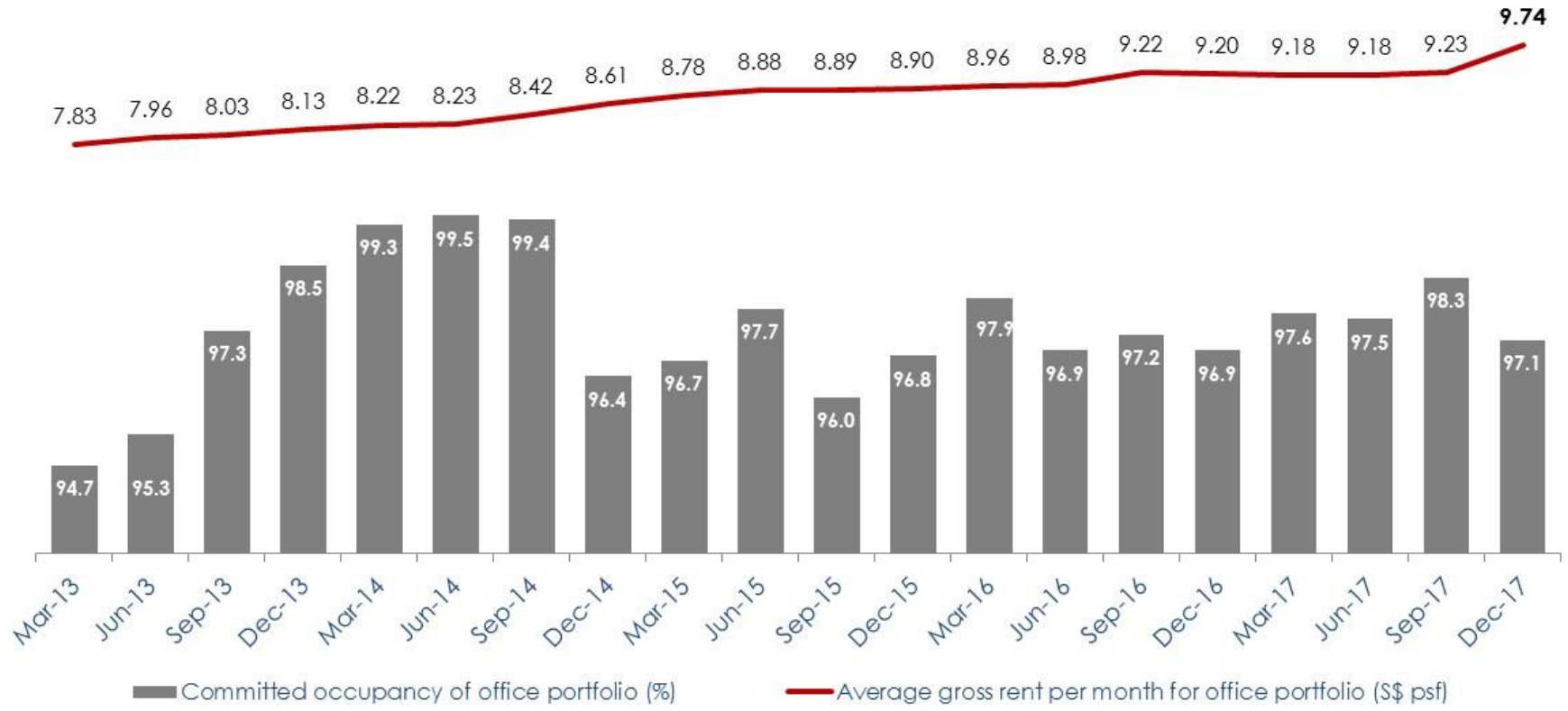
(2) Source: Cushman & Wakefield 4Q 2017

(3) Source: Knight Frank 3Q 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 4Q 2017 Grade A rent is S$9.40 psf per month and they do not publish sub-market rents

Monthly average office rent of CCT's portfolio[(1)] up by 5.9% YoY

Driven largely by inclusion of Asia Square Tower 2



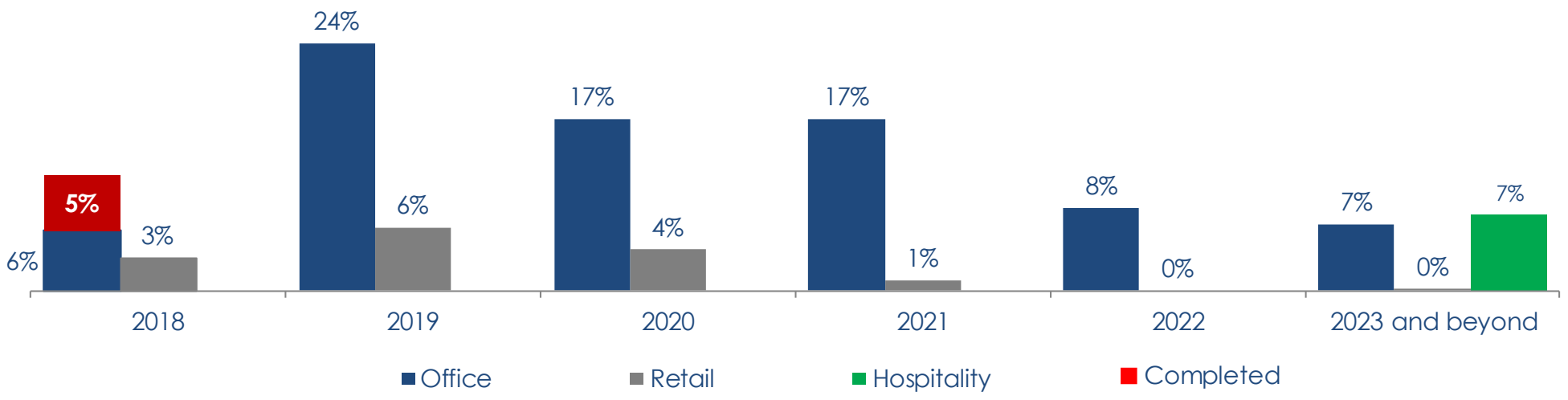
Notes:

(1) Average gross rent per month for office portfolio (S$ psf) = Total committed gross rent for office per month / Committed area of office per month

(2) Acquisition of Asia Square Tower 2 was completed on 1 November 2017

Well spread portfolio lease expiry profile

Lease expiry profile as a percentage of committed monthly gross rental income[1]



Portfolio WALE[2] by NLA as at end Dec 2017 = 5.9 years

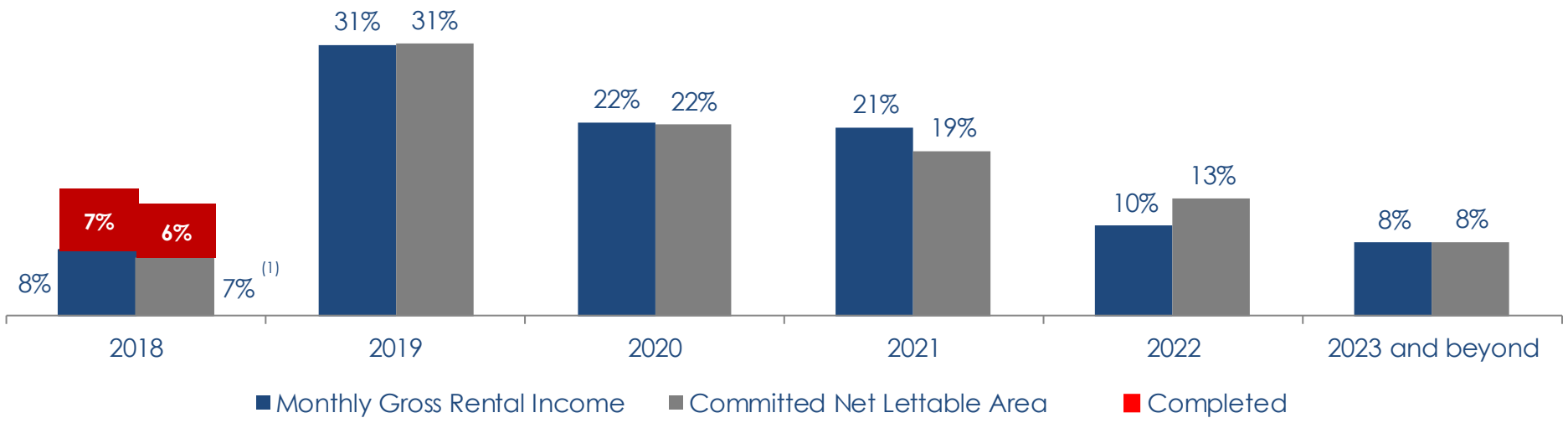
Notes:

(1) Excludes retail and hotel turnover rent

(2) WALE: Weighted Average Lease term to Expiry

Half of 2018 expiring leases completed

Leveraging rising market rents to narrow gap between expiring and committed rents



Notes:

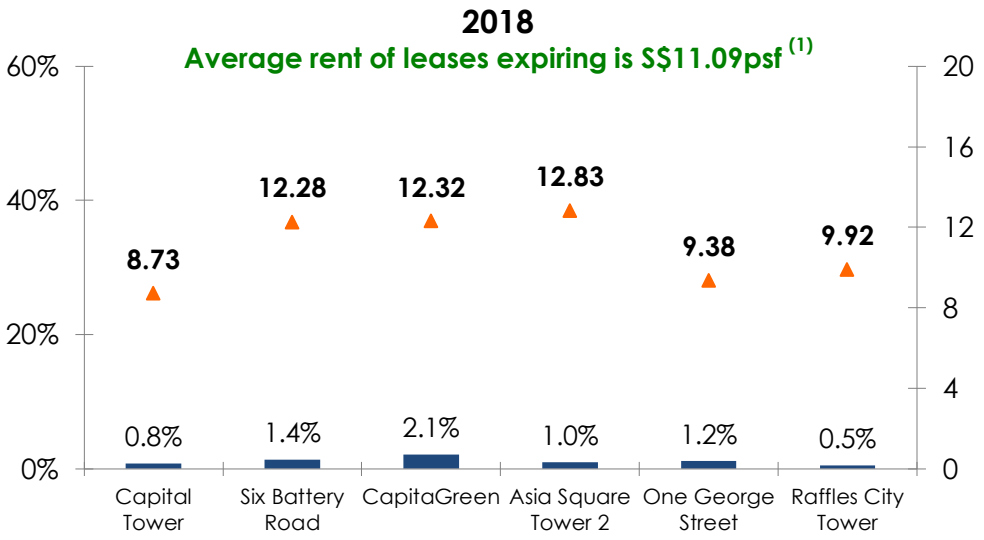
(1) Represents approximately 230,000 sq ft

(2) Office lease expiry profile as at 31 December 2017 including Asia Square Tower 2

Rise in market rents will reduce pressure on reversions in 2018

Full impact of negative rental reversions from 2017 will flow through in 2018

4Q 2017 Industry Statistics[1] – Grade A Office Average Market Rent: S$9.40 psf per month



Period	1H 2018		2H 2018	
Building	% of Expiring Leases	Rental Rates of Expiring Leases	% of Expiring Leases	Rental Rates of Expiring Leases
Capital Tower	0.1%	S$10.24	0.6%	S$8.46
Six Battery Road	0.1%	S$11.17	1.3%	S$12.33
CapitaGreen	1.7%	S$12.38	0.4%	S$12.58
Asia Square Tower 2	0.7%	S$11.87	0.3%	S$14.38
One George Street	0.6%	S$8.83	0.6%	S$10.07
Raffles City Tower	-	-	0.5%	S$9.92
Total / Weighted Average[3]	**3.2%**	**S$11.29**	**3.7%**	**S$10.88**

▲ Average monthly gross rental rate for expiring leases (S$ psf / month)

■ $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}}$ X 100%

Notes:

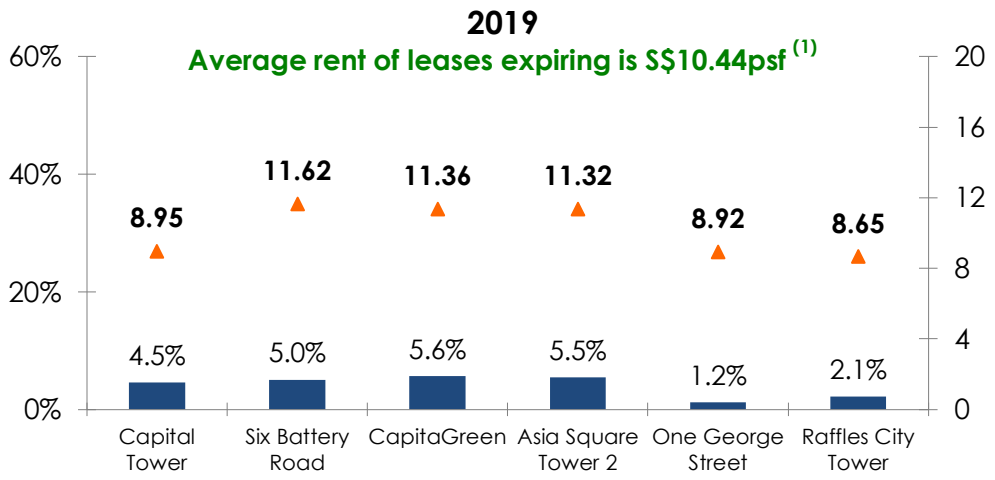
(1) Source: CBRE Pte. Ltd. as at 4Q 2017

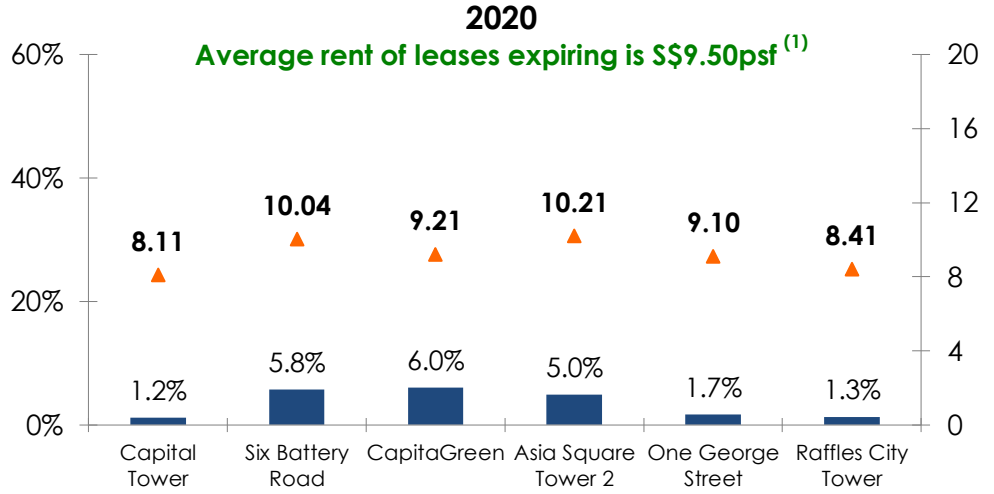
(2) Five Grade A buildings and Raffles City Tower only

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

(4) Acquisition of Asia Square Tower 2 was completed on 1 November 2017

Further recovery in market rents due to limited new supply





▲ Average monthly gross rental rate for expiring leases (S$ psf/month)

■ $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}}$ X 100%

Notes:

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

(2) Acquisition of Asia Square Tower 2 was completed on 1 November 2017

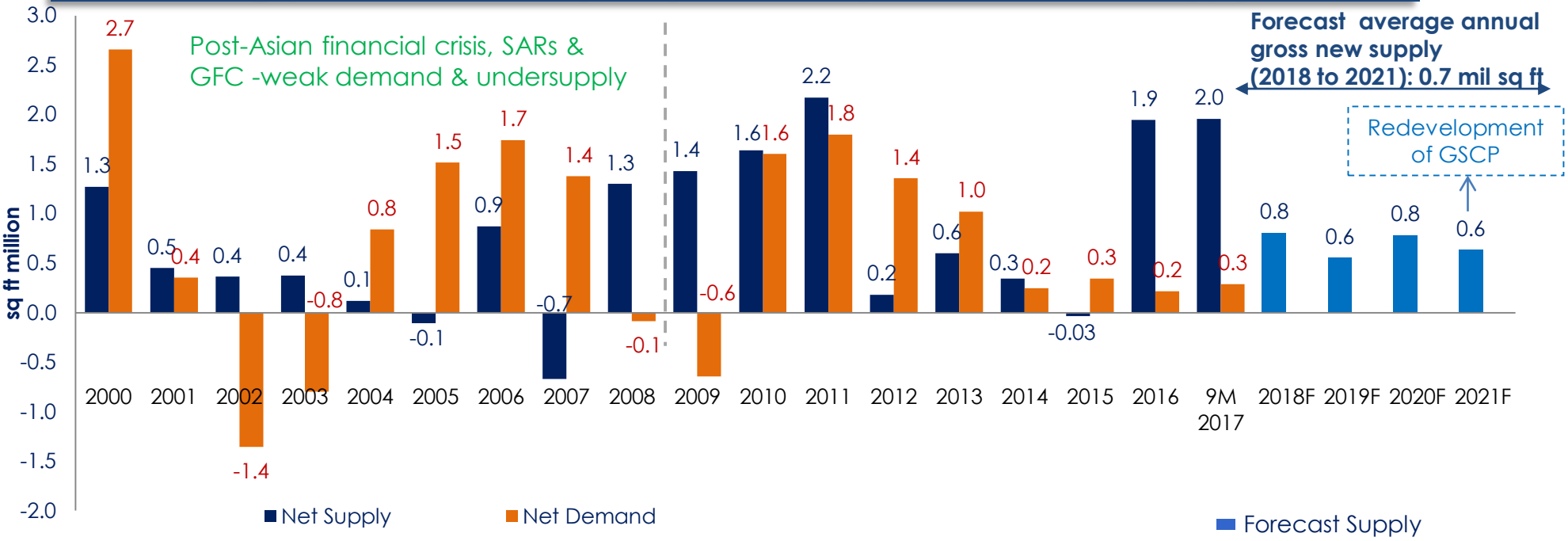
4. Singapore office market

Raffles City Singapore

Ng Hock How, CapitaLand "Building People" Photography Competition 2012

Annual new supply to average 0.7 mil sq ft over 4 years; CBD Core occupancy at 93.8% as at end Dec 2017

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



Periods	Average annual net supply(2)	Average annual net demand
2007 – 2016(3) (through 10-year property market cycles)	0.9 mil sq ft	0.7 mil sq ft
2012 – 2016(3) (five-year period post GFC)	0.6 mil sq ft	0.6 mil sq ft
2018 – 2021(3) (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 2017, pending URA's release of 4Q 2017 data; Forecast supply from CBRE Pte. Ltd. as at 4Q 2017.

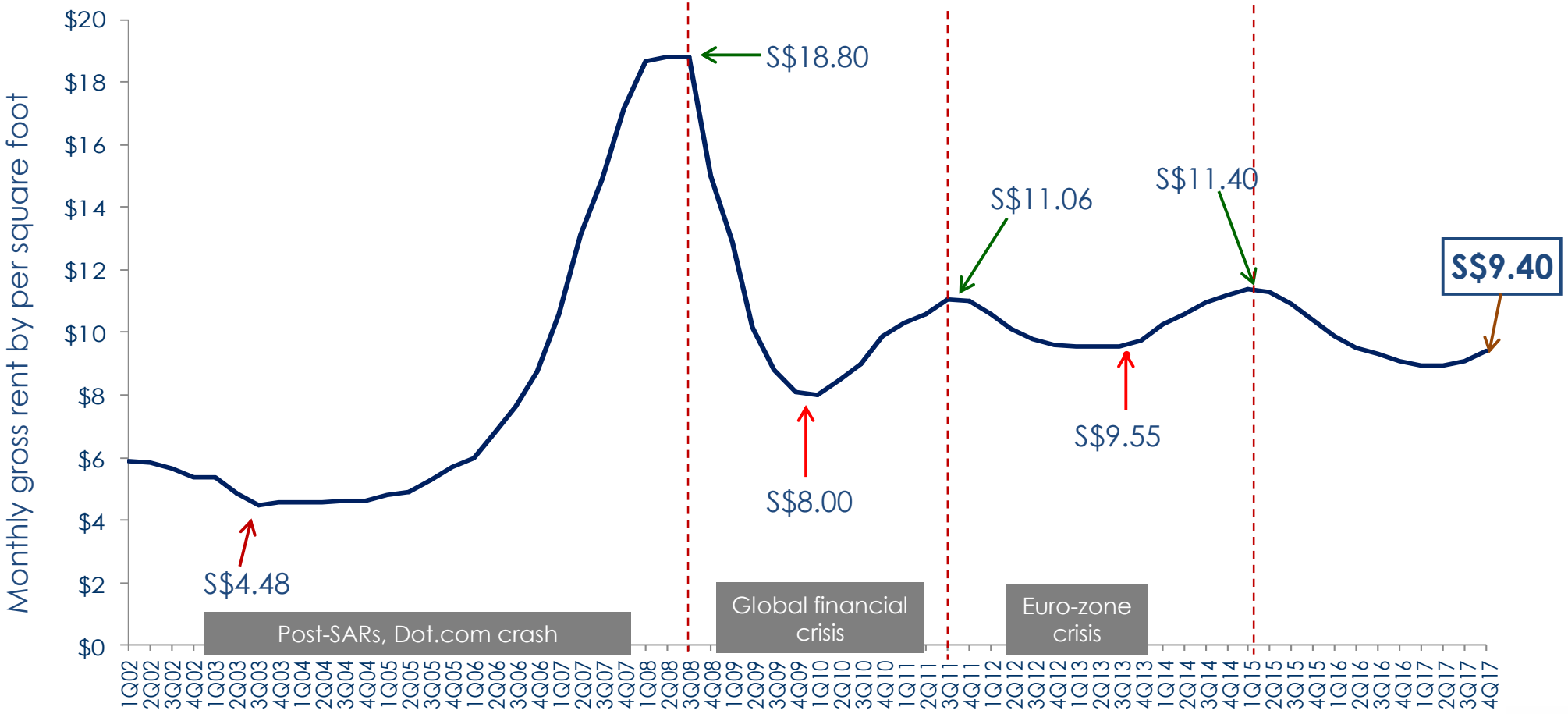
Known Future Office Supply in Central Area (2018 – 2021)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
1Q 2018	18 Robinson	Robinson Road	145,000
2Q 2018	Frasers Tower[1]	Shenton Way	663,000
		Subtotal (2018):	**808,000**
4Q 2019	Redevelopment of Funan DigitaLife Mall[2]	Beach Road/City Hall	204,000
2019	Park Mall Redevelopment	Orchard Road	352,000
		Subtotal (2019):	**556,000**
1H 2020	79 Robinson Road	Robinson Road	500,000
1H 2020	Hub Synergy Point Redevelopment	Anson Road	128,000
2020	Afro-Asia Building Redevelopment	Shenton Way	154,000
		Subtotal (2020):	**782,000**
2021	Redevelopment of Golden Shoe Car Park	Raffles Place	635,000
		Subtotal (2021):	**635,000**
TOTAL FORECAST SUPPLY (2018-2021)			**2,781,000**
Total forecast supply excluding strata offices			**2,781,000**

Notes:
(1) According to BT Report dated 12 January 2018, about 70% of Frasers Tower's NLA has been committed.
(2) WeWork, a coworking operator has taken up 40,000 sq ft of space in the office component of Funan DigitaLife Mall (announced on 14 Dec 2017)
(3) Sources: CBRE Pte. Ltd. and respective media reports

Grade A office market rent up 3.3% QoQ and YoY

%	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17
Mthly rent (S$ / sq ft)	10.40	9.90	9.50	9.30	9.10	8.95	8.95	9.10	**9.40**
% change	- 4.6%	- 4.8%	- 4.0%	- 2.1%	- 2.2%	-1.6%	0.0%	1.7%	**3.3%**



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

5. Portfolio Value Creation

Raffles City Singapore

Wong Chow Mein, CapitaLand "Building People" Photography Competition, 2012

Redevelopment of Golden Shoe Car Park: Demolition completed; preparing for groundbreaking

Overview of the site

Completed demolition of Golden Shoe Car Park

CCT's 45% interest	CCT's 45% interest in Glory Office Trust and Glory SR Trust	Drawdown as at Dec 2017	Balance[2]
Debt at Glory Office Trust and Glory SR Trust[1]	S$531.0m	(S$292.5m)	S$238.5m
Equity inclusive of shareholder's loan	S$288.0m	(S$245.3m)	S$42.7m
Total	S$819.0m	(S$537.8m)	S$281.2m

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

Portfolio updates

Raffles City Singapore

New P.S. Café on level 3 of RCS

Ongoing S$54 million rejuvenation works at RCS to strengthen the mall's position

Pilot Project at Twenty Anson

Office Suites @ Twenty Anson

Offer fully furnished office suites, meeting facilities and collaborative spaces with the ease of plug-and-work

6. Summary

Well positioned for long term growth

Asia Square Tower 2

CCT's current portfolio

- Ride on the rental recovery with the leases expiring in 2018 and 2019
- Proactive capital management

Asia Square Tower 2
(excluding hotel premises)

- Occupancy of 90.5%

Redevelopment of Golden Shoe Car Park
(45.0% interest)

- Completion in 1H 2021
- Call option to acquire balance 55.0% interest currently not owned by CCT within five years from building's completion

Redevelopment of Golden Shoe Car Park

CCT's accolades

Singapore Corporate Awards 2017 - REITs and Business Trusts category

- **Best Investor Relations GOLD**
- **Best Annual Report BRONZE**

SIAS Investors' Choice Awards

Securities Investment Association of Singapore Singapore Corporate Governance Award 2017 - REITS & Business Trust category

- **Runner Up**

Institutional Investor

2017 Institutional Investor, The All-Asia Executive Team, Most Honoured Companies under Developed Markets – Small & Mid cap

- **Second in Singapore**

Centre for Governance, Institutions and Organisations (CGIO)

Singapore Governance and Transparency Index 2017 - REITS & Business Trust category

- **Second**

Property accolades

ASEAN Energy Awards 2017 – Retrofitted category

1st runner up – Six Battery Road

BCA UD MARK (DESIGN)

Building Construction Authority

Universal Design Mark Gold – Capital Tower

PUB SINGAPORE'S NATIONAL WATER AGENCY

PUB - Water Efficiency Award 2017

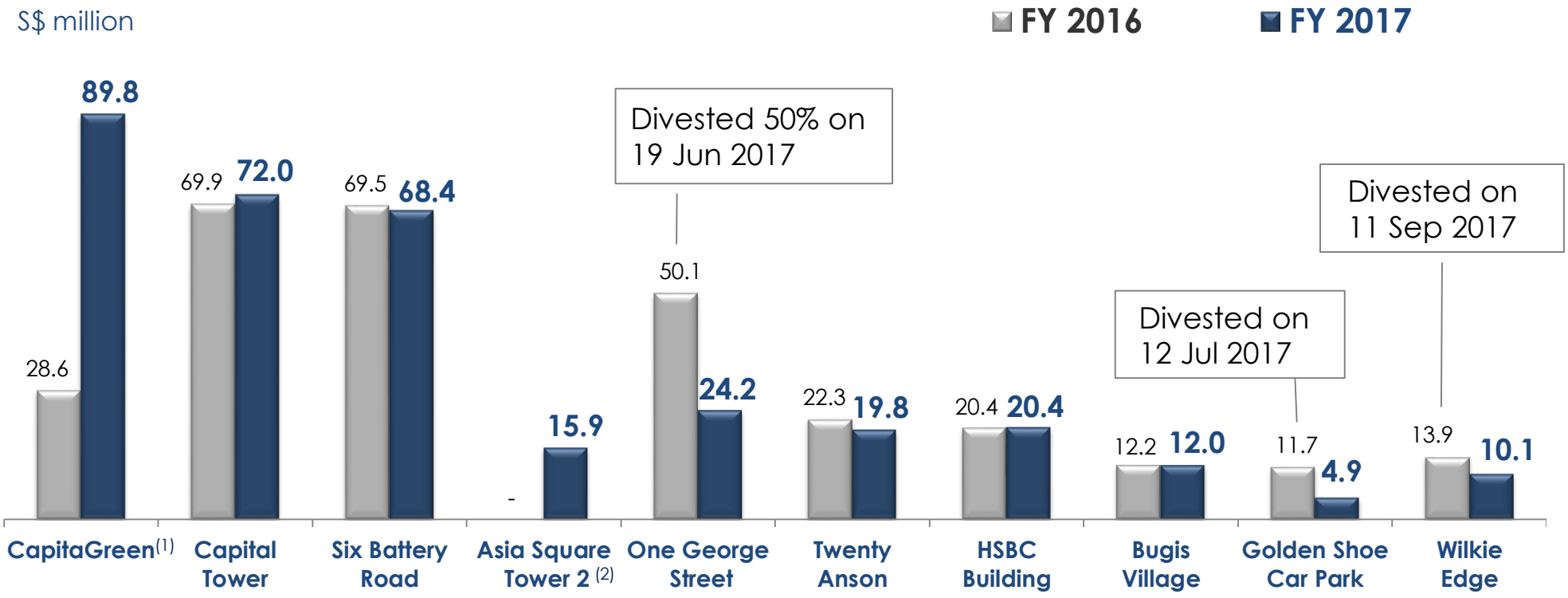
Asia Square Tower 2

7. Additional Information

Six Battery Road

FY 2017 gross revenue higher by 13.0% YoY

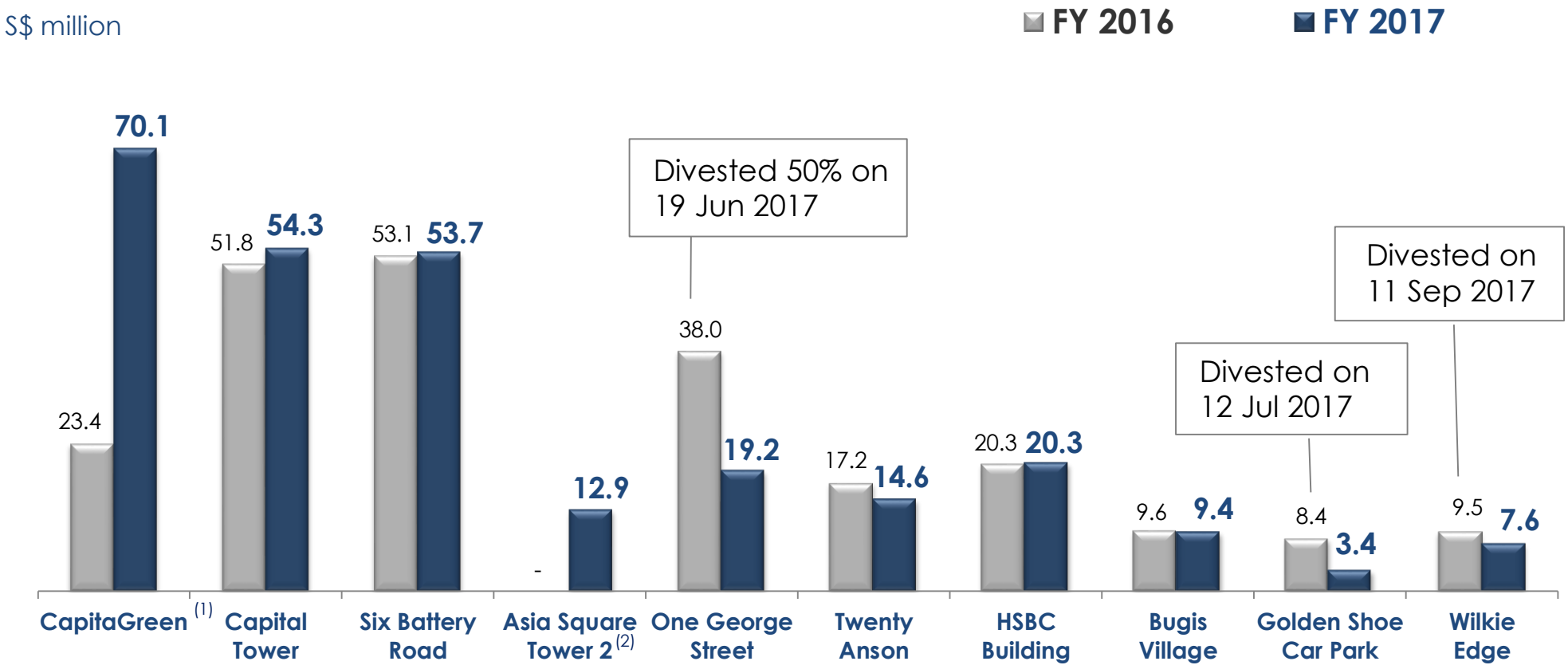
Higher gross revenue contributed by acquisitions of Asia Square Tower 2 and CapitaGreen



Notes:
(1) Revenue from CapitaGreen was consolidated to CCT Group from September 2016
(2) Acquired Asia Square Tower 2 with effect from 1 November 2017

FY 2017 net property income higher by 14.8% YoY

Net property income lifted by acquisitions of Asia Square Tower 2 and CapitaGreen

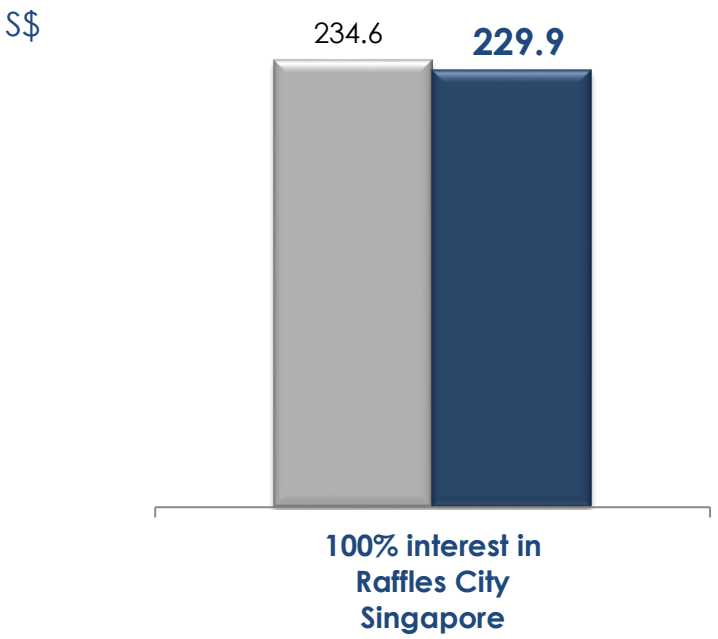


Notes:
(1) Net property income from CapitaGreen was consolidated to CCT Group from September 2016
(2) Acquired Asia Square Tower 2 with effect from 1 November 2017

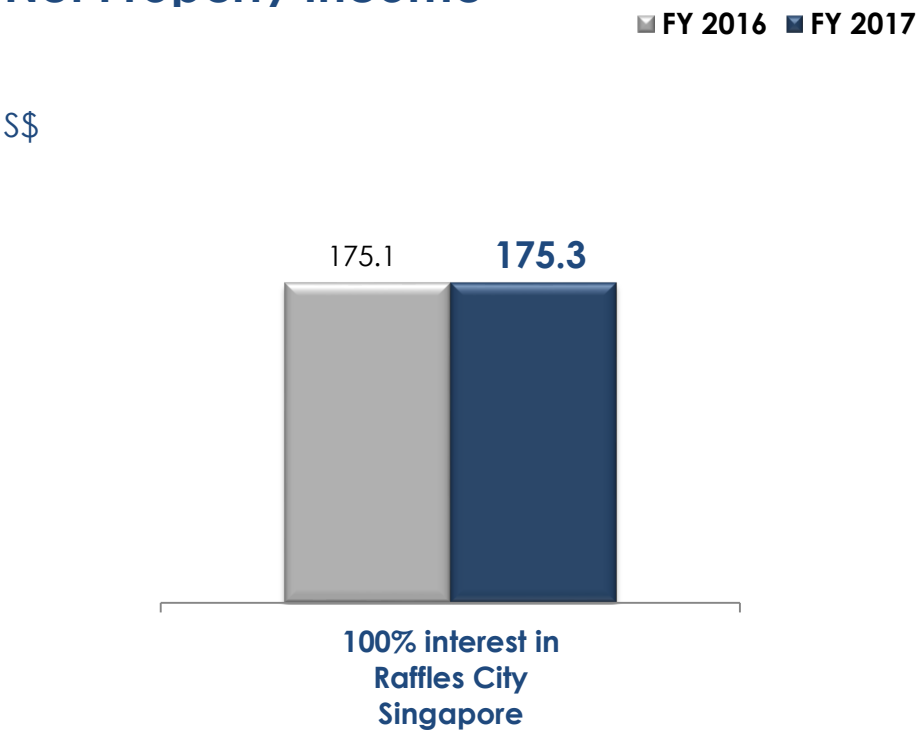
FY 2017 performance of Raffles City Singapore[(1)] (100.0% basis)

Revenue impact mainly due to lower hotel turnover rent arising from room renovations at Swissotel

Revenue



Net Property Income



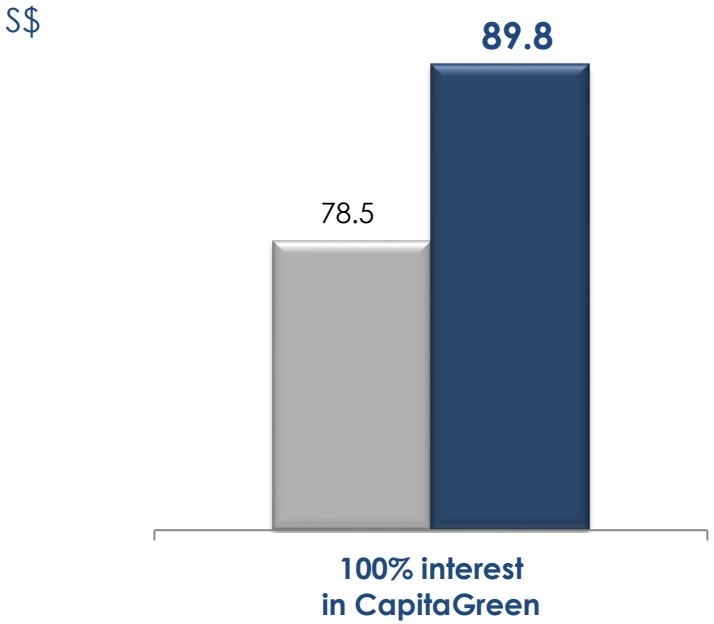
Note:

(1) Gross revenue and net property income of Raffles City Singapore are based on 100.0%; CCT owns 60.0% interest in Raffles City Singapore.

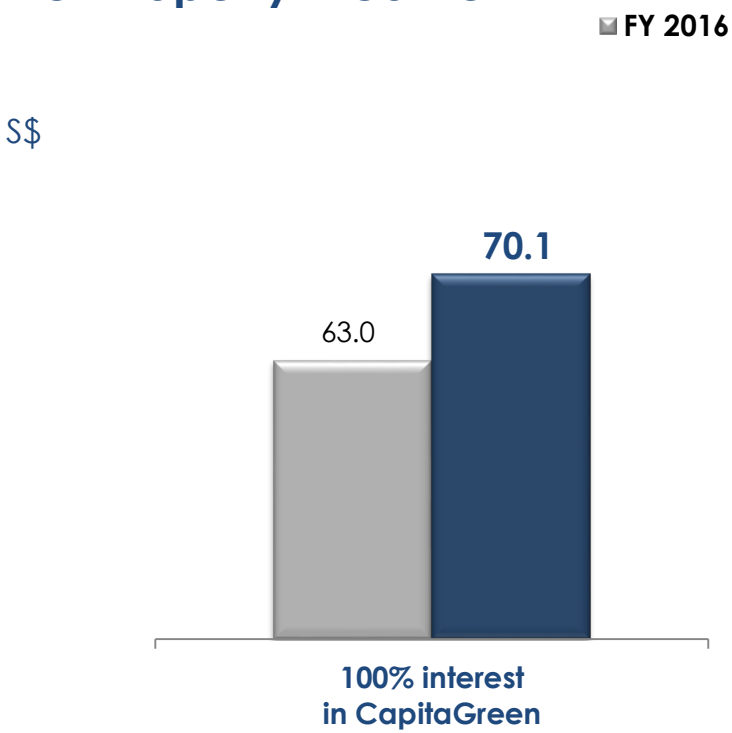
FY 2017 performance of CapitaGreen [1] (100.0% basis)

CapitaGreen's strong performance due to higher revenue occupancy

Revenue



Net Property Income

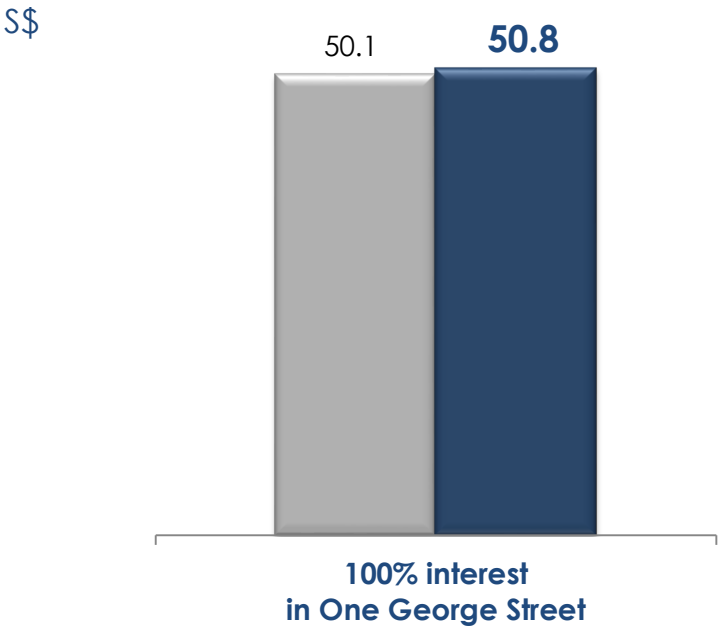


Note:
(1) Gross revenue and net property income of CapitaGreen shown above are based on 100.0%. CapitaGreen was a joint venture until CCT acquired the remaining 60.0% interest not owned by CCT on 31 August 2016.

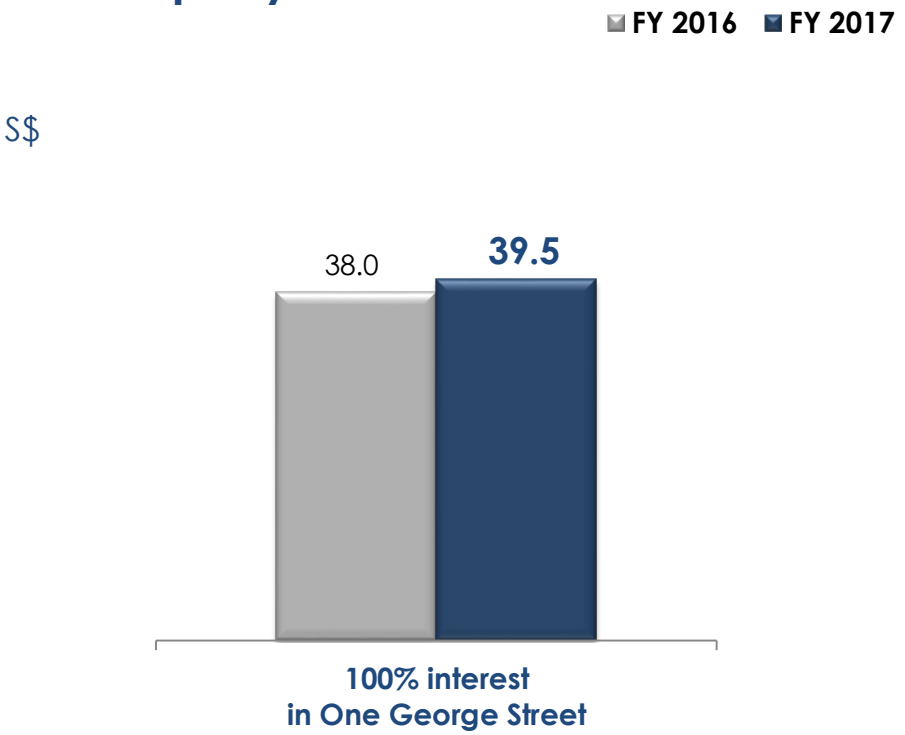
FY 2017 performance of One George Street (1) (100.0% basis)

Higher performance due to higher revenue occupancy

Revenue



Net Property Income

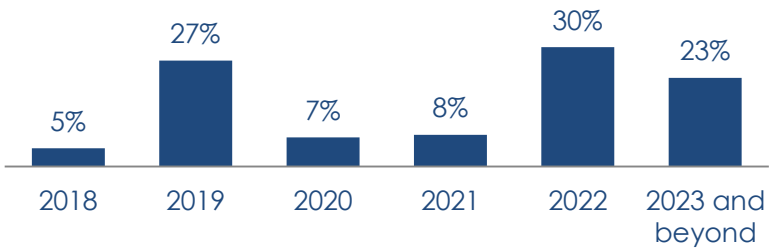


Note:

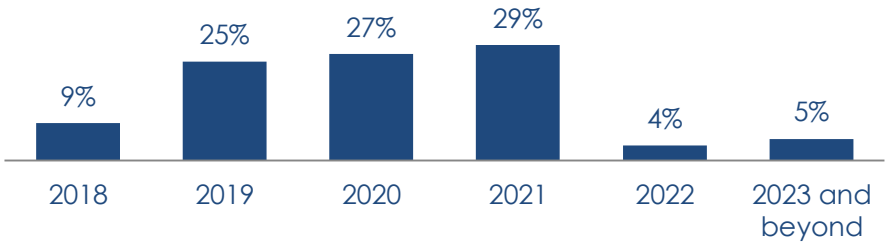
(1) Gross revenue and net property income of One George Street shown above are based on 100.0%. CCT accounted for 50.0% of share of profit of OGS LLP with effect from 20 June 2017.

Lease expiry profile based on committed monthly gross rental income as at 31 Dec 2017

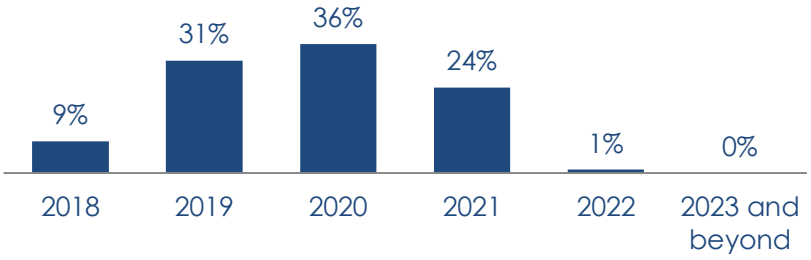
Capital Tower



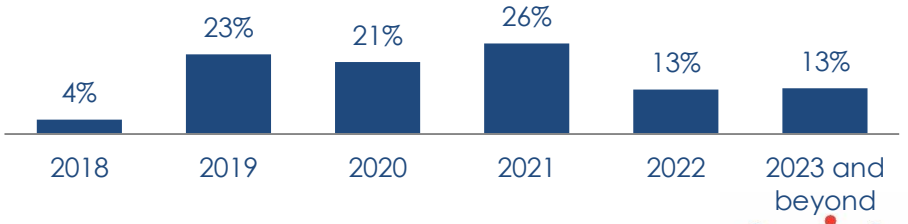
CapitaGreen



Six Battery Road

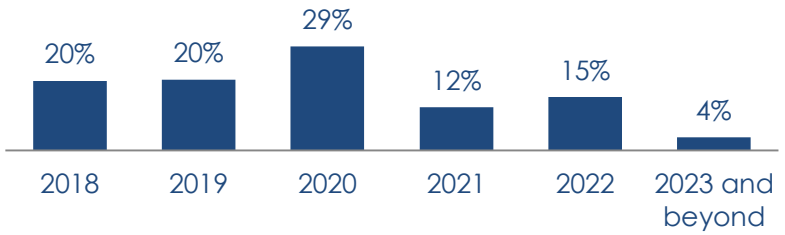


Asia Square Tower 2

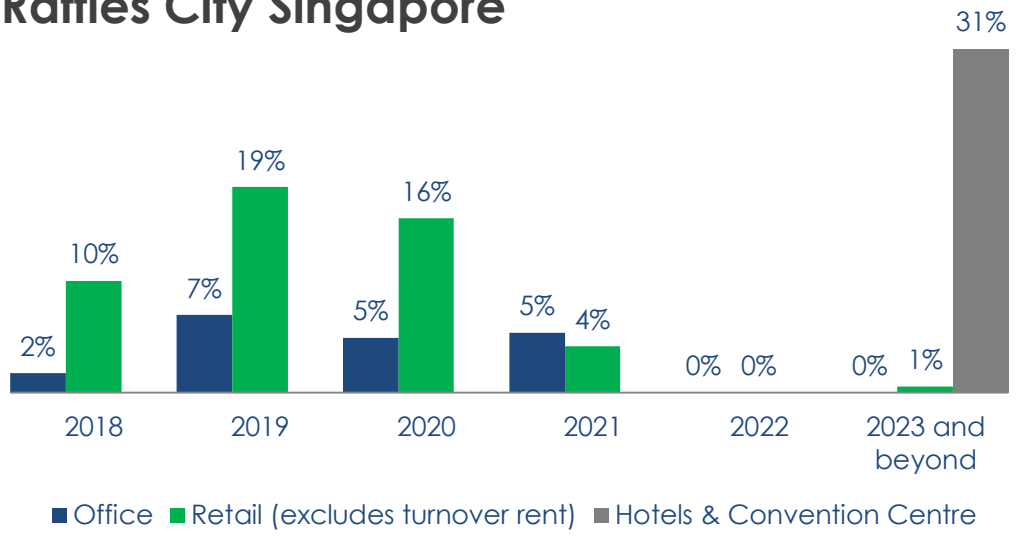


Lease expiry profile based on committed monthly gross rental income as at 31 Dec 2017

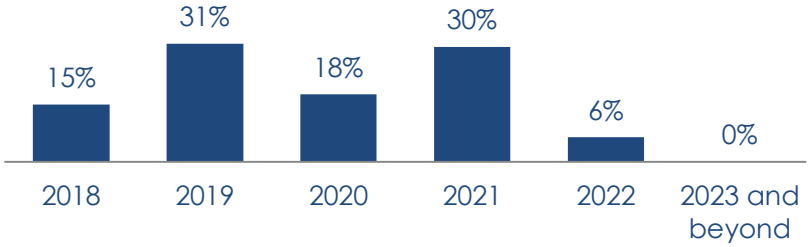
One George Street



Raffles City Singapore



Twenty Anson



Bugis Village [1] and HSBC Building

Leases at Bugis Village and HSBC Building will be expiring in 2019.

Note:

(1) President of the Republic of Singapore, as Lessor under the State Lease hold the right to terminate the said Lease on 1 April 2019 upon payment of S$6,610,208.53 plus accrued interest.

CapitaLand Commercial Trust

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

S$6.9b# Market Capitalisation	**10** Properties in Singapore's Central Area	**S$10.8b*** Deposited Properties	**About 4.5 million sq ft** NLA (100% basis)	**31%** Owned by CapitaLand Group

Capital Tower

CapitaGreen

Asia Square Tower 2

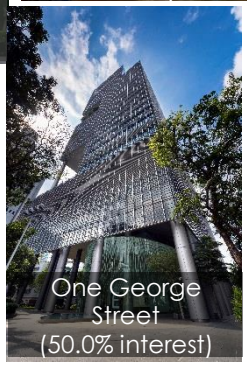
Redevelopment of Golden Shoe Car Park (45.0% interest)

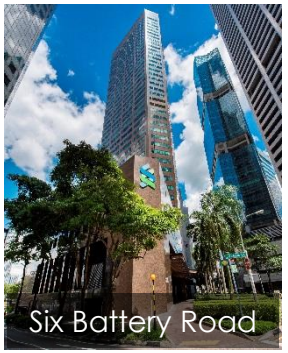
Raffles City Singapore (60.0% interest)

Twenty Anson

HSBC Building

Bugis Village


One George Street (50.0% interest)


Six Battery Road

 # Market Capitalisation as at 24 January 2018
*** Deposited Properties as at 31 December 2017**

CapitaLand Commercial Trust

Owns 10 centrally-located quality commercial properties

Asia Square Tower 2 acquisition completed in Nov 2017

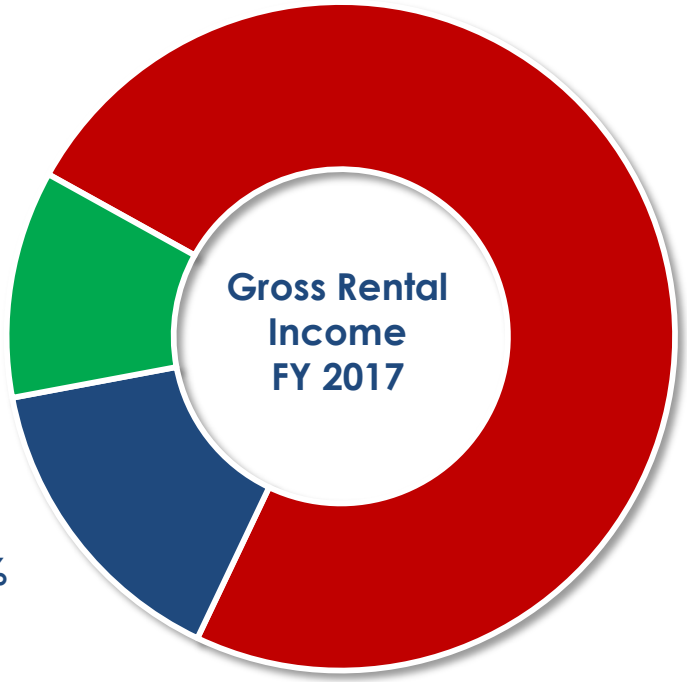
74% of gross rental income[(1)] contributed by office and 26% by retail and hotel & convention centre

CCT FY 2017 income contribution by sector

Mainly from 60% interest in Raffles City

Hotels & Convention Centre, 11%

Master lease to hotel operator with about 75% of rent on fixed basis



Notes:

(1) Based on gross rental income from 1 January 2017 to 31 December 2017; including gross rental income from CCT's 60.0% interest in Raffles City Singapore and 50.0% interest in One George Street; and excluding retail turnover rent

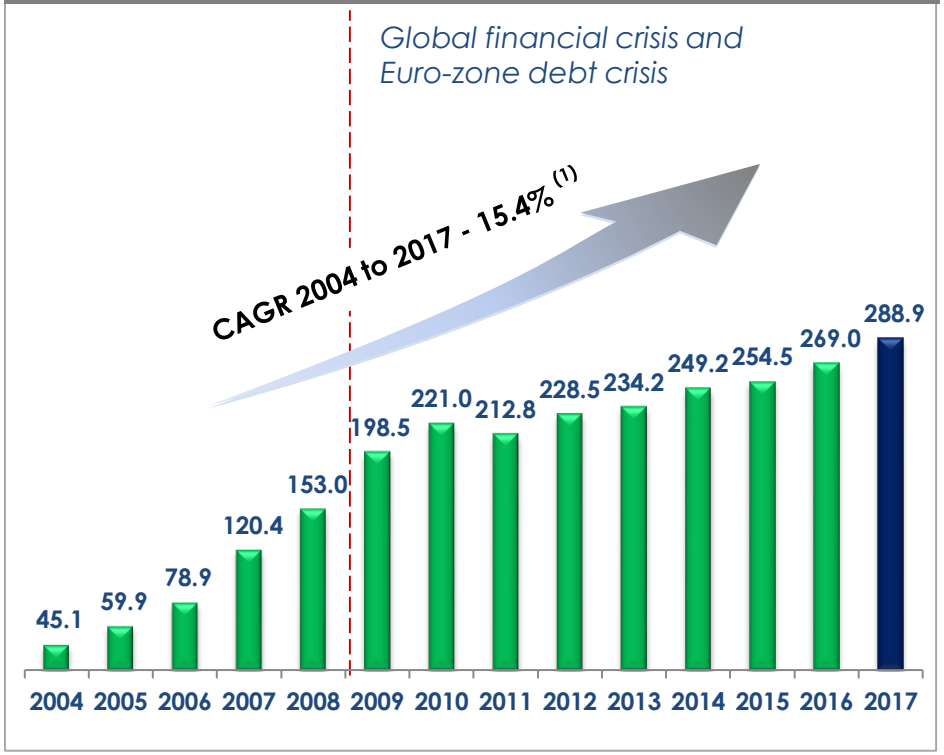
(2) Golden Shoe Car Park ceased operations on 31 July 2017 and divestment of Wilkie Edge was completed on 11 September 2017

(3) Acquisition of Asia Square Tower 2 was completed on 1 November 2017

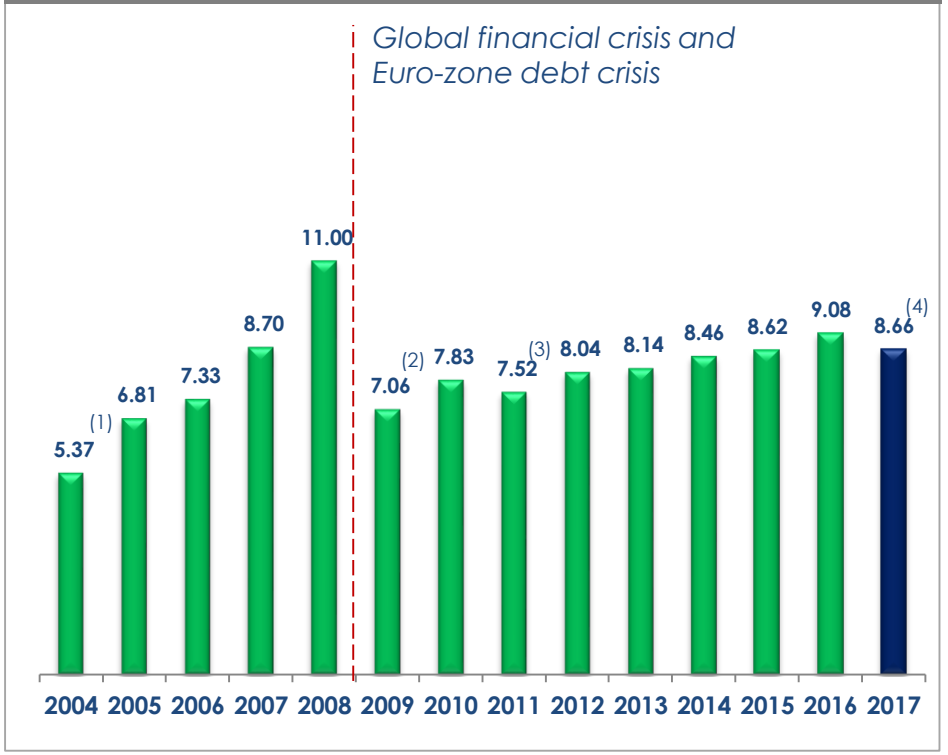
Established track record: CCT delivered higher returns YoY through property market cycles

Due to successful portfolio reconstitution strategy including recycling of capital, AEIs, acquisitions and developments

Distributable Income (S$ million)



Distribution Per Unit (cents)



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
(4) Issued 513,540,228 new units following the 166-for-1,000 rights issue at S$1.363 per rights unit in October 2017

Portfolio committed occupancy rate[1] consistently above 90%

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	1Q 2017	2Q 2017	3Q 2017	4Q 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	99.4	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	99.6	99.9
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	100.0	100.0
Golden Shoe Car Park[2]	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	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	99.6	98.3
Wilkie Edge[3]			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)			100.0	96.3	100.0	93.3	92.5	95.5	100.0	98.2	96.5	96.5	97.5	98.0	98.0
Twenty Anson							100.0	98.1	97.8	97.9	91.7	93.0	84.2	86.1	92.6
CapitaGreen									69.3	91.3	95.9	98.2	99.0	99.0	100.0
Asia Square Tower 2[4]															90.5
Portfolio Occupancy	**99.6**	**99.6**	**96.2**	**94.8**	**99.3**	**95.8**	**97.2**	**98.7**	**96.8**	**97.1**	**97.1**	**97.8**	**97.6**	**98.5**	**97.3**

Notes:

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

(2) Golden Shoe Car Park ceased operations on 31 July 2017

(3) Divestment of Wilkie Edge was completed on 11 September 2017

(4) Acquisition of Asia Square Tower 2 was completed on 1 November 2017

CCT milestones since inception

2005: Acquired HSBC Building

2006: Acquired 60.0% interest in RCS Trust which owns Raffles City Singapore

2007 - 2010: Raffles City Singapore AEIs

2008: Acquired Wilkie Edge and One George Street

2010: Sale of Robinson Point and StarHub Centre

2010 – 2013 Six Battery Road AEI

2011: Entered JV to redevelop Market Street Car Park into CapitaGreen

CCT owns 40.0% interest in CapitaGreen

2012: Acquired Twenty Anson

2012 - 2014: Raffles City Tower AEI

2013 - 2015: Capital Tower AEI

31 Aug 2016: Acquired remaining 60.0% interest in CapitaGreen

19 Jun 2017: Sale of One George Street to LLP and own 50% interest thereafter

11 Sep 2017 Sale of Wilkie Edge

13 Jul 2017: Entered JV to redevelop Golden Shoe Car Park

CCT owns 45.0% interest in JV

1 Nov 2017: Acquisition of Asia Square Tower 2

Property details (1)

	Capital Tower	Asia Square Tower 2	CapitaGreen	Six Battery Road	Raffles City Singapore (100.0%)
Address	168 Robinson Road	12 Marina View	138 Market Street	6 Battery Road	250/252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road
NLA (sq ft)	738,000	779,000	702,000	495,000	805,000 (Office: 381,000, Retail: 424,000)
Leasehold expiring	31-Dec-2094	2-Mar-2107 (land lot only)	31-Mar-2073	19-Apr-2825	15-Jul-2078
Committed occupancy	99.4%	90.5%	100.0%	99.9%	98.3%
Valuation (31 Dec 2017)	S$1,363.0m	S$2,094.0m	S$1,616.0m	S$1,402.0m	S$3,260.0m (100.0%) S$1,956.0m (60.0%)
Car park lots	415	263	180	190	1,045

Property details (2)

	One George Street (100.0%)	Twenty Anson	HSBC Building	Bugis Village[1]	Redevelopment of Golden Shoe Car Park [3] (100.0%)
Address	1 George Street	20 Anson Road	21 Collyer Quay	62 to 67 Queen Street, 151 to 166 Rochor Road, 229 to 253 (odd nos only) Victoria Street	50 Market Street
NLA (sq ft)	446,000	207,000	200,000	121,000	647,000
Leasehold expiring	21-Jan-2102	22-Nov-2106	18-Dec-2849	30-Mar-2088	31-Jan-2081
Committed occupancy	98.0%	92.6%	100.0%	100.0%	N.A.
Valuation (31 Dec 2017)	S$1,116.2m(100.0%) S$558.1m (50.0%)	S$433.0 m	S$456.0m	S$44.0m	PDE: S$1.82b
Car park lots	178	55	55	NA	350

Notes:

(1) The leasehold title and the valuation take into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the State Lease on 1 Apr 2019 upon payment of S$6,610,208.53 plus accrued interest.

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

CapitaLand Commercial Trust

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Thank you

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