



# CapitaLand Commercial Trust

## Singapore's First and Largest Commercial REIT

Morgan Stanley  
16<sup>th</sup> Annual Asia Pacific Summit

16 November 2017



# Important Notice

**This presentation shall be read in conjunction with CCT's 3Q 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.

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

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.



# Contents

	Slide No.
1. Singapore Office Market	04
2. Reconstituting for the future	08
3. Portfolio Performance	20
4. Financial Results and Proactive Capital Management	32
5. Additional Information	41

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

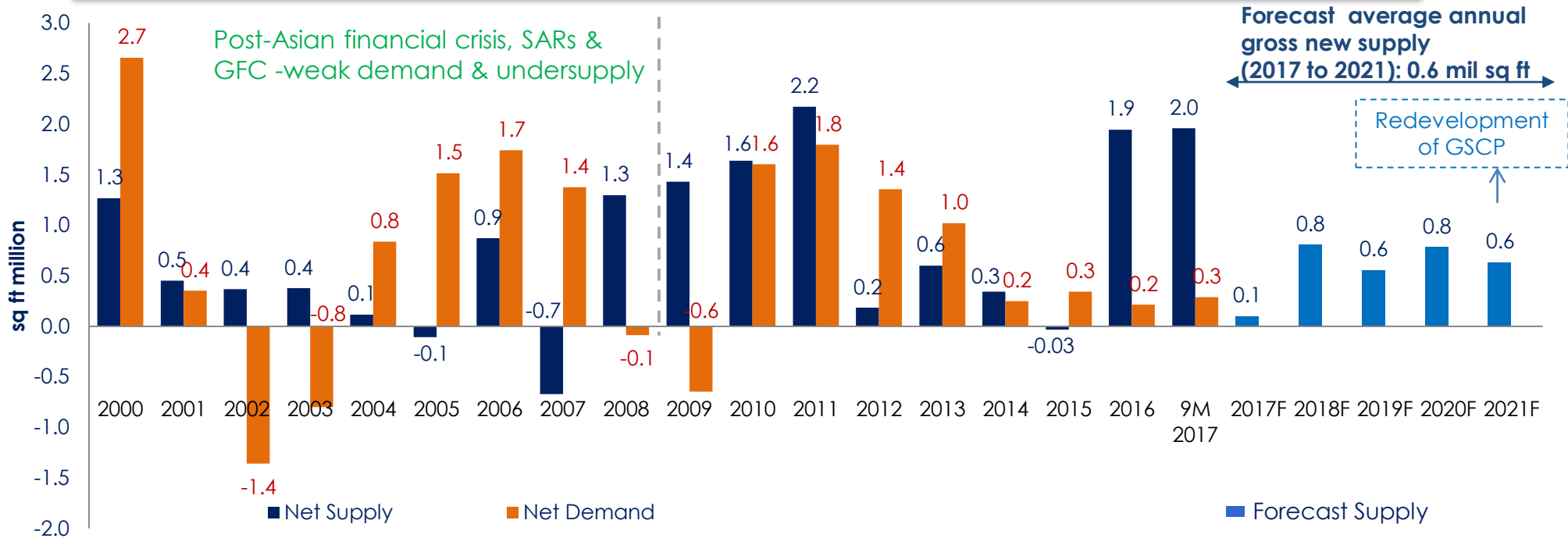
# 1. Singapore Office Market

Raffles City

Raffles City Singapore

# Annual new supply to average 0.6 mil sq ft over 5 years; CBD Core occupancy at 92.5% as at end Sep 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)	0.6 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; Forecast supply from CBRE Pte. Ltd. as at 3Q 2017.

# Known Future Office Supply in Central Area (2017 – 2021 and beyond)

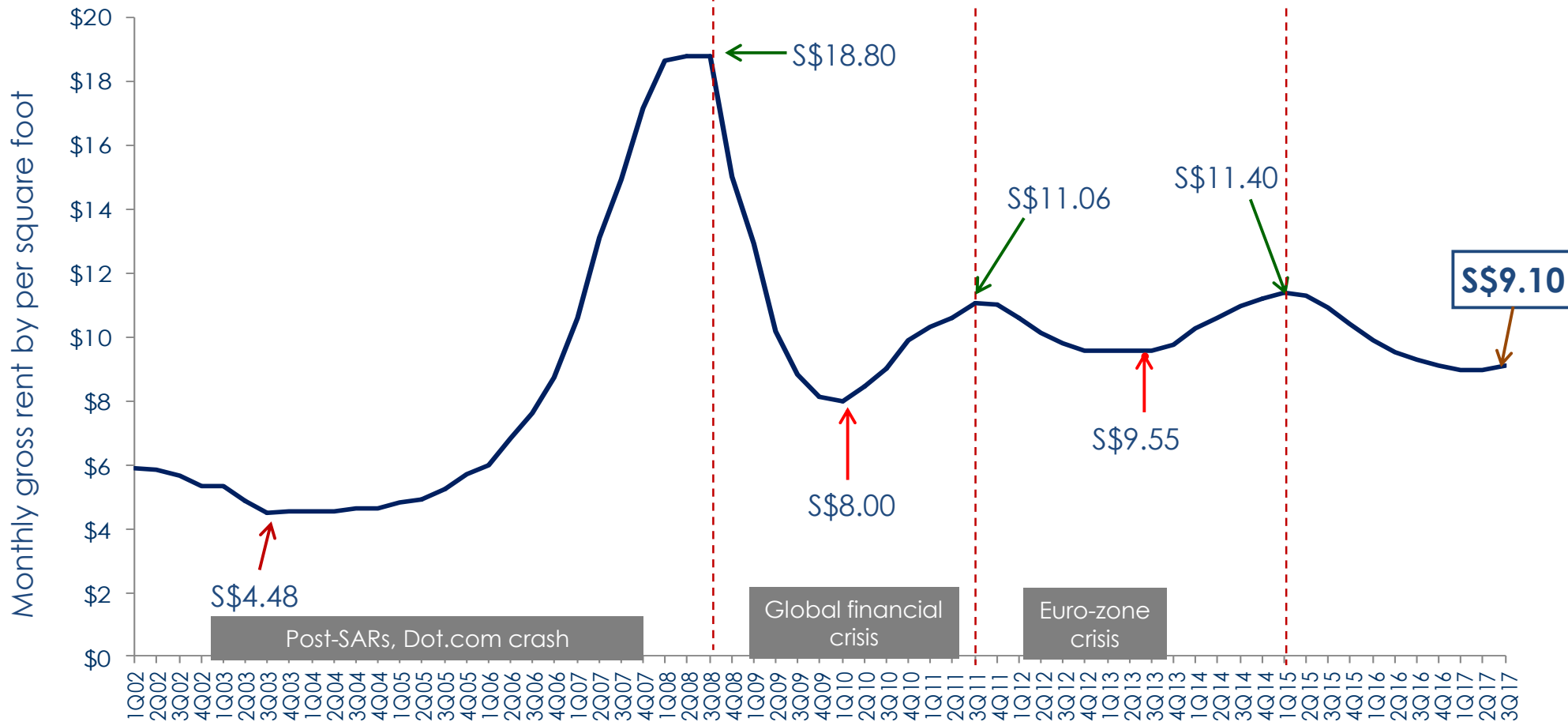
Expected completion	Proposed Office Projects	Location	NLA (sq ft)
2017	EON Shenton (Strata Office)	Shenton Way	101,000
		<b>Subtotal (2017):</b>	<b>101,000</b>
1Q 2018	Redevelopment of International Factors Building and Robinson Towers	Robinson Road	145,000
2Q 2018	Fraser's Tower <sup>(1)</sup> (20,000 sq ft pre-committed by The Executive Office)	Shenton Way	663,000
		<b>Subtotal (2018):</b>	<b>808,000</b>
4Q 2019	Redevelopment of Funan DigitalLife 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>(2)</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>2,882,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>2,781,000</b>

## Notes:

- (1) 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.
- (2) Redevelopment of 79 Robinson Road to feature over 500,000 sq ft of Grade A office space, according to Business Times & Today reports dated 5 Oct 2016.
- (3) Sources: CBRE Pte. Ltd. and respective media reports

# Grade A office market rent up 1.7% QoQ

	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17
Mthly rent (S\$ / sq ft )	10.90	10.40	9.90	9.50	9.30	9.10	8.95	8.95	9.10
% change	-3.5%	- 4.6%	- 4.8%	- 4.0%	- 2.1%	- 2.2%	-1.6%	0.0%	1.7%



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

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 setbacks, creating a stepped appearance. The glass reflects the sky and clouds, adding texture to the building's surface.

## 2. Reconstituting for the Future

Capital Tower, Singapore





# Completed another cycle of portfolio reconstitution

Redeployment of divestment proceeds to rejuvenate the portfolio

Value creation through successful execution of portfolio reconstitution strategy

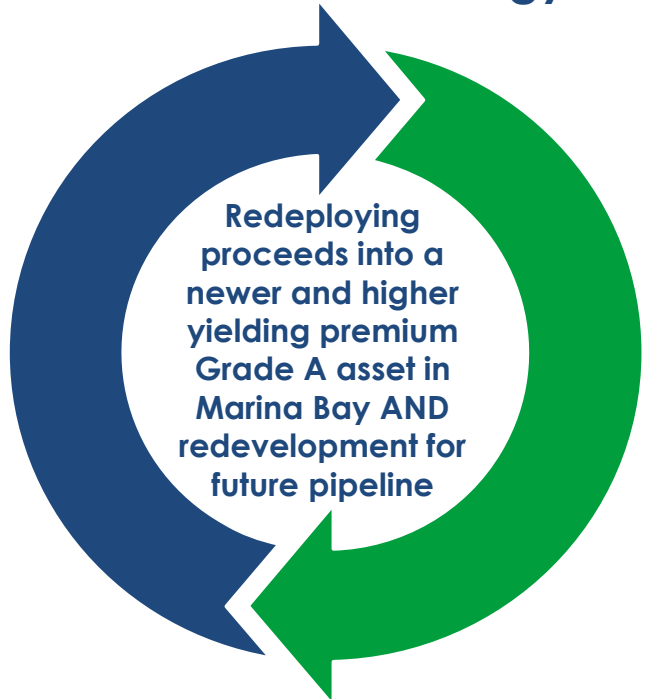
Total divestment: S\$ 1.03 bil

One George Street (50% interest) – exit yield of 3.2%

Wilkie Edge – exit yield of 3.4%

Golden Shoe Car Park for redevelopment

Divestments in 2017



Total investment: S\$2.97 bil

1H 2021

Asia Square Tower 2 (excluding hotel premises) – entry yield of 3.6%

Redevelopment of Golden Shoe Car Park (45% interest) – target yield on cost of 5%

Investments in 2017



# Acquisition of Asia Square Tower 2 completed on 1 Nov 2017

✓ Total acquisition cost of S\$2,150.5 million funded as follows:

Funding Requirements	S\$ million	Sources of Funding	S\$ million	Proportion (%)
Purchase consideration <sup>(1)</sup>	2,115.7	166 for 1,000 Rights issue <sup>(4)</sup>	690.4	32.1
Transaction costs <sup>(2)</sup>	13.9	Bank borrowings	1,120.0	52.1
Acquisition fee <sup>(3)</sup>	20.9	Divestment proceeds <sup>(5)</sup>	340.1	15.8
<b>Total Acquisition Cost</b>	<b>2,150.5</b>	<b>Total Funding</b>	<b>2,150.5</b>	<b>100.0</b>

Rights issue 1.8 times subscribed and the units were listed on 27 Oct 2017

**Notes:**

- (1) Acquisition of 100% interest in an existing special purpose vehicle; purchase consideration comprises Agreed Property Value and estimated Net CRP.
- (2) Includes transaction and related costs as well as advisory and transaction costs, stamp duty, insurance and other costs.
- (3) Acquisition fee is 1% of Agreed Property Value.
- (4) Issue price is S\$1.363 per Rights Unit.
- (5) Assuming part of the sale proceeds from the divestments of One George Street (50.0% stake), Wilkie Edge and Golden Shoe Car Park are used to fund the balance of the Total Acquisition Cost.



# Asia Square Tower 2 acquisition completed on 1 Nov 2017

- ✓ Acquisition of premium Grade A office and retail units in Asia Square Tower 2 strategically located in the heart of Marina Bay
- ✓ Agreed Property Value of S\$2,094.0 million or S\$2,689 per sq ft, lower than independent valuation<sup>(1)</sup> of S\$2,110.0 million or S\$2,710 per sq ft
- ✓ Enhances resilience, diversity and quality of CCT's portfolio
  - ✓ Portfolio valuation expected to increase from S\$8 billion to S\$10 billion
  - ✓ Exposure to Grade A assets expected to increase from 62% to 70%
  - ✓ Top tenant contribution expected to reduce from 11% to 9%



<b>Asia Square Tower 2</b>
<b>12 Marina View, Singapore 018961</b>
<b>NLA: 778,719 sq ft</b>
<b>Floor plate: 29,700 - 31,300 sq ft</b>
<b>Car Park Lots: 263</b>
<b>Bicycle Lots: 98</b>
<b>Committed Occupancy Rate as at 30 June 2017: 88.7%</b>
<b>Initial NPI Yield: 3.6% p.a.<sup>(2)</sup></b>

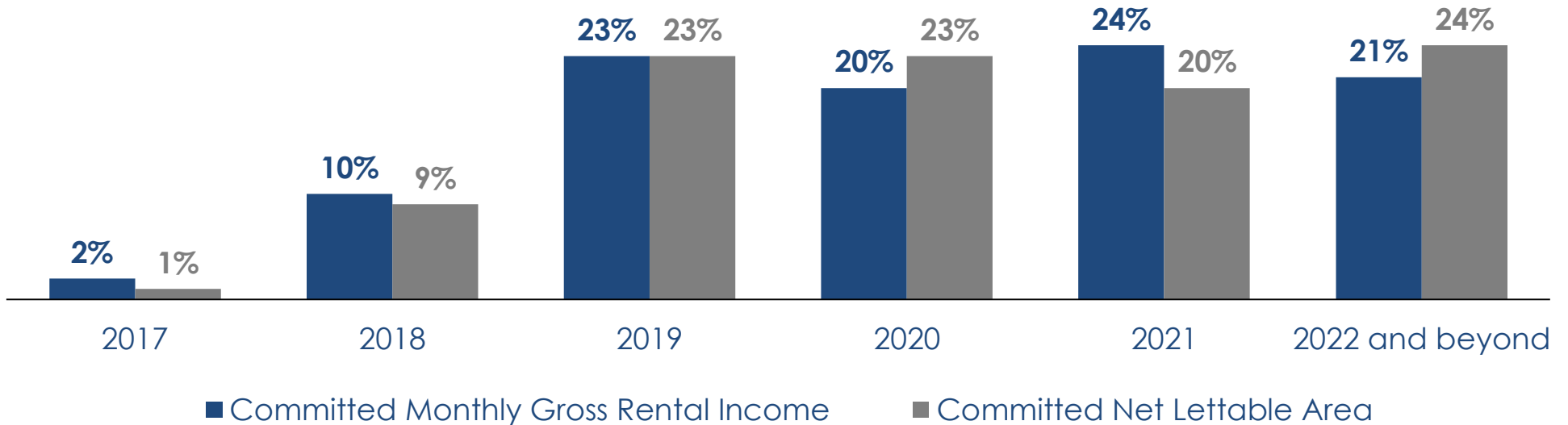
**Notes:**

(1) Independent valuation by Knight Frank Pte Ltd as at 15 September 2017 based on capitalisation rate of 3.6% and discount rate of 7.0%  
 (2) Based on an annualised NPI for pro forma 1H 2017 and using the committed occupancy rate of 88.7% which includes signed leases with tenants that will commence on 1 March 2018 and the Agreed Property Value



# Asia Square Tower 2 has a well spread lease expiry profile

- ✓ Not more than 25% of the leases are expiring in a single year within the next four years
- ✓ The WALE of the AST2 Property is 3.5 years by committed monthly gross rental income and 3.4 years by committed net lettable area



Note:  
Lease expiry profile as at 30 June 2017



# S\$1.82 bil redevelopment of Golden Shoe Car Park

## Redefining Singapore's CBD skyline



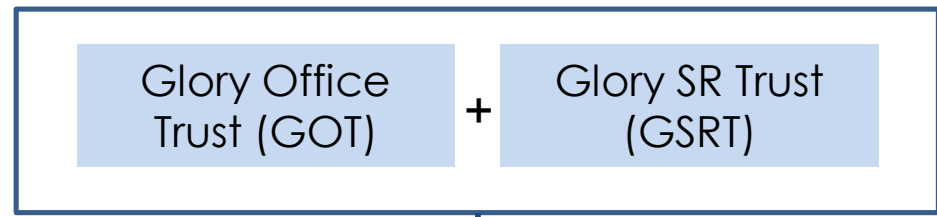


# Joint venture for redevelopment of GSCP

CCT holds 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





# 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>Target 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



# A vertically integrated development

## Proposed Building Concept

**Roof Top Garden & Restaurant**

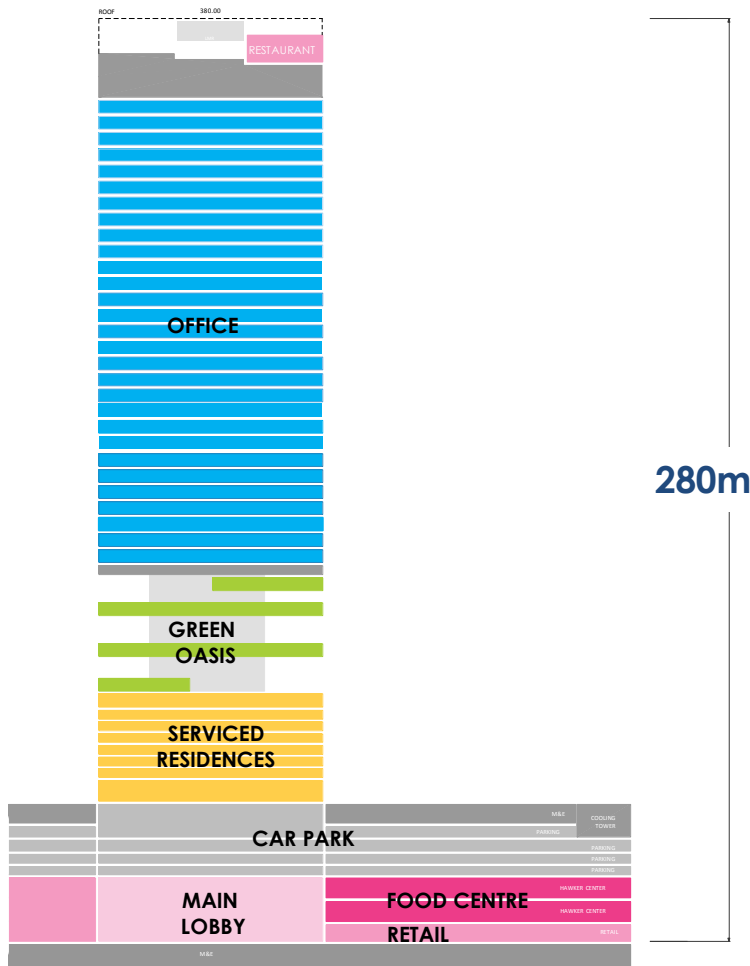
**Office**  
High Rise (L40 to L49)  
Mid Rise (L31 to L39)  
Low Rise (L21 to L30)

**Green Oasis**

**Serviced Residences**  
(L9 to L16)

**Podium Car Park**

**Main Lobby**



280m

Retail & Food Centre



Office



Green Oasis



Serviced Residences

Photos for reference only and are not representatives of final spaces

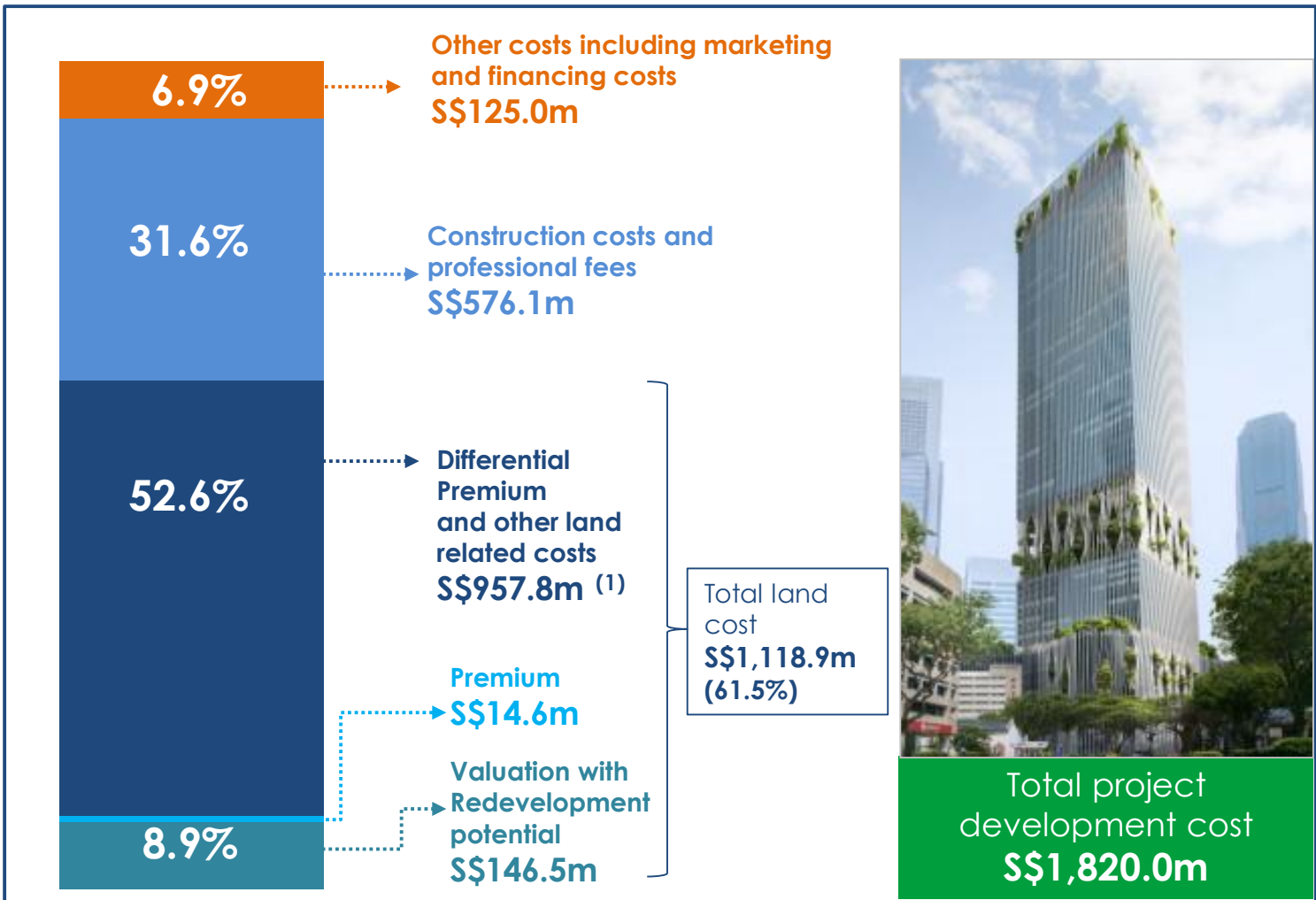


# JV pays for 100% enhancement in land value which makes up about 50% of total PDE

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..



# Redevelopment of Golden Shoe Car Park: Target completion in 1H 2021



- Started demolition of car park

CCT's 45% interest	CCT's 45% interest in Glory Office Trust and Glory SR Trust	Drawdown as at Sep 2017	Balance <sup>(2)</sup>
Debt at Glory Office Trust and Glory SR Trust <sup>(1)</sup>	S\$531.0m	(\$0.0m)	S\$531.0m
Equity inclusive of shareholder's loan	S\$288.0m	(\$97.7m)	S\$190.3m
<b>Total</b>	<b>S\$819.0m</b>	<b>(\$97.7m)</b>	<b>S\$721.3m</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

### 3. Portfolio Performance

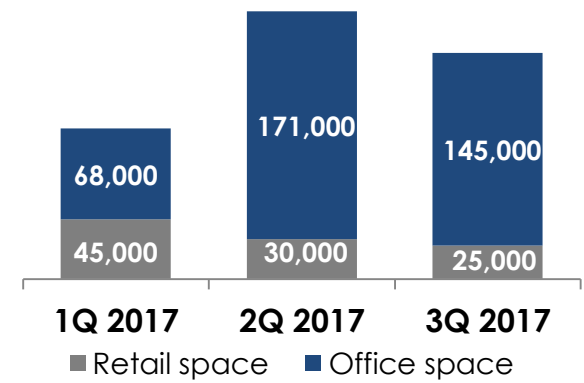
Capita Commercial  
Capita Mall  
Raffles City



# Portfolio committed occupancy rate higher than market occupancy rate

CCT portfolio committed occupancy rate as at 30 Sep 2017	<b>98.5%</b>
Core CBD market occupancy rate <sup>(1)</sup>	<b>92.5%</b>

Leases signed in 3Q: 170,000 sq ft  
(30.0% are new leases)



- For 3Q 2017, new and renewed tenants include:

Tenant	Trade Sector	Building
Varde Partners Asia Pte. Ltd.	Financial Services	Six Battery Road
Gain Capital Singapore Pte. Ltd.	Financial Services	Six Battery Road
Robert Walters (Singapore) Pte Ltd	Business Consultancy, IT, Media and Telecommunications	Six Battery Road
Straits Tankers Pte. Ltd.	Energy, Commodities, Maritime and Logistics	Twenty Anson

**Note:**  
(1) Source: CBRE Pte. Ltd., MarketView 3Q 2017

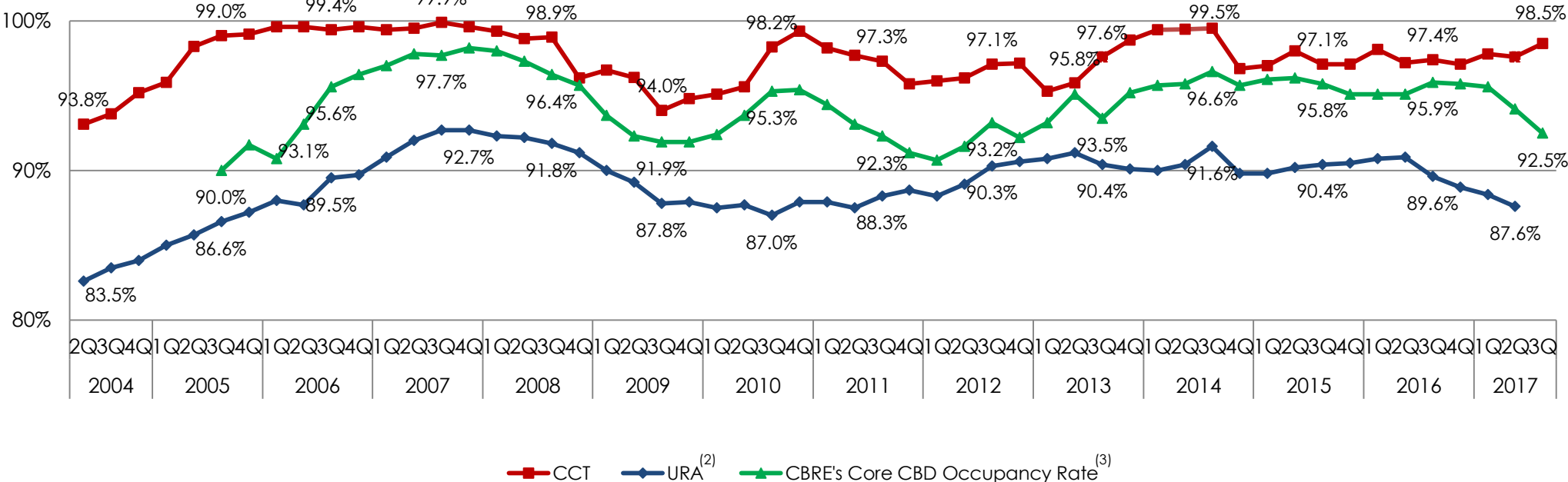




# CCT's portfolio occupancy rate of 98.5% is above market occupancy of 92.5%

	CCT Committed Occupancy Rate		Market Occupancy Level <sup>(1)</sup>	
	3Q 2017	2Q 2017	3Q 2017	2Q 2017
Grade A office	99.2%	98.8%	91.6%	95.5%
Portfolio	98.5%	97.6%	92.5%	94.1%

CCT's Committed Occupancy Since Inception



Notes:

(1) Source: CBRE Pte. Ltd.

(2) Source: URA

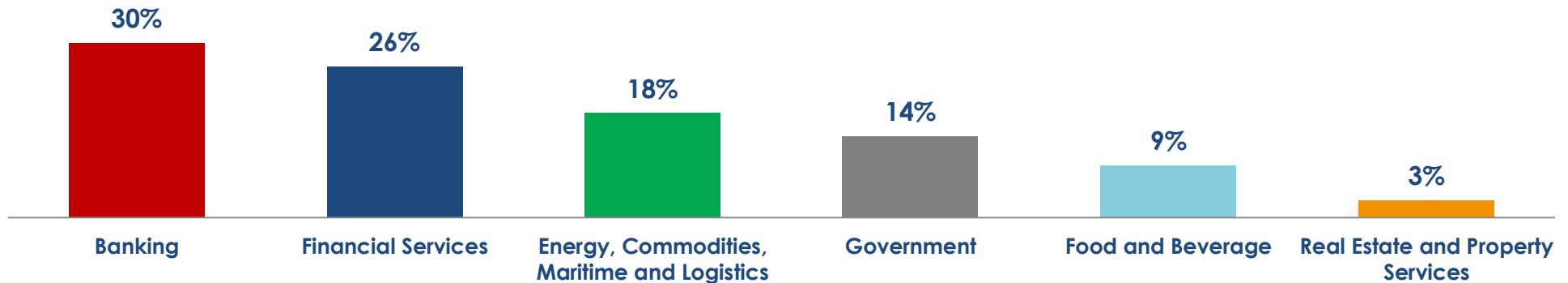
(3) Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay; data only available from 3Q 2005 onwards





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

Business sectors of new leases are largely from Banking, Financial Services; and Energy, Commodities, Maritime and Logistics<sup>(1)</sup>



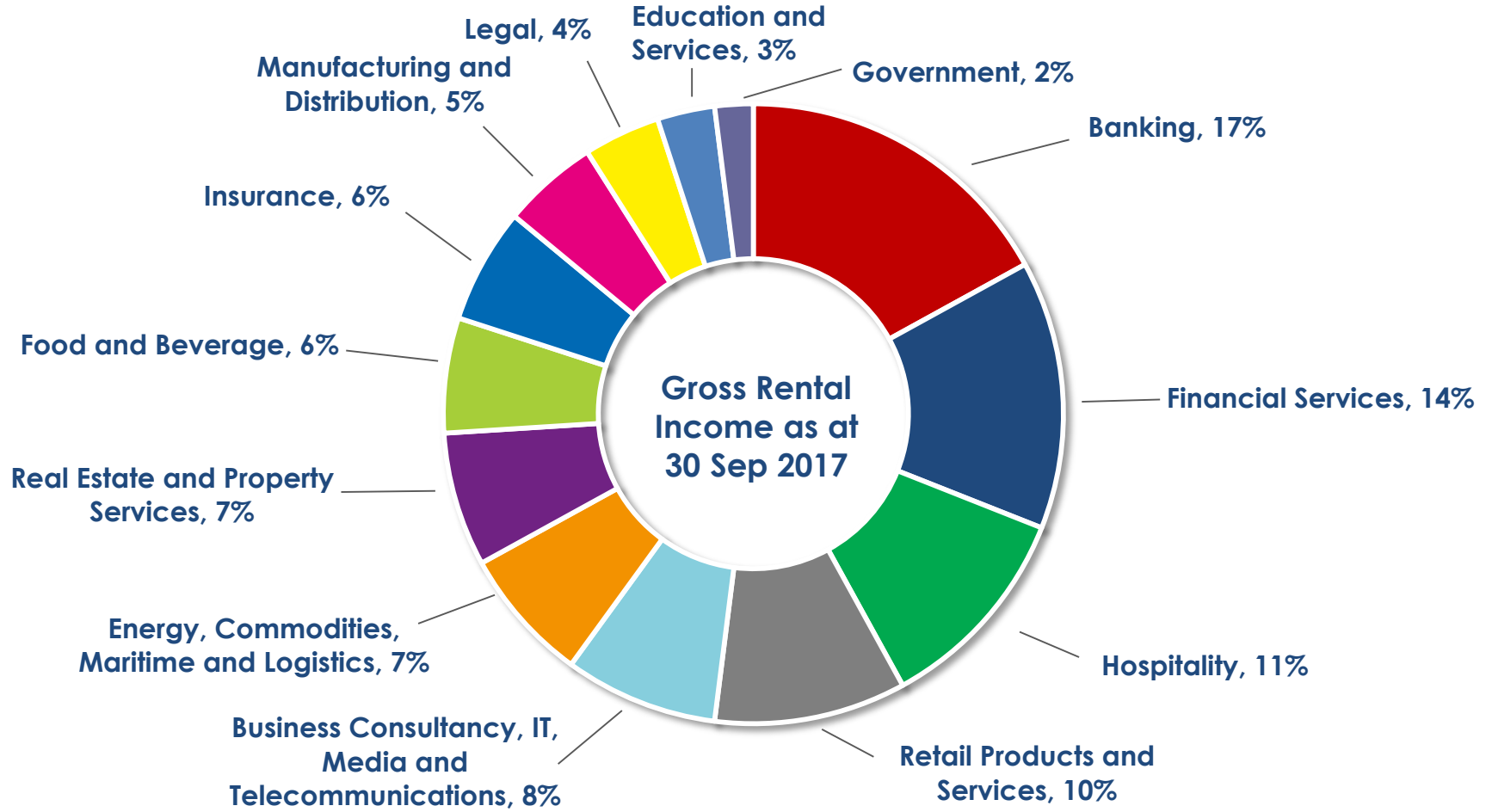
Note:

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



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

## CCT portfolio tenant mix

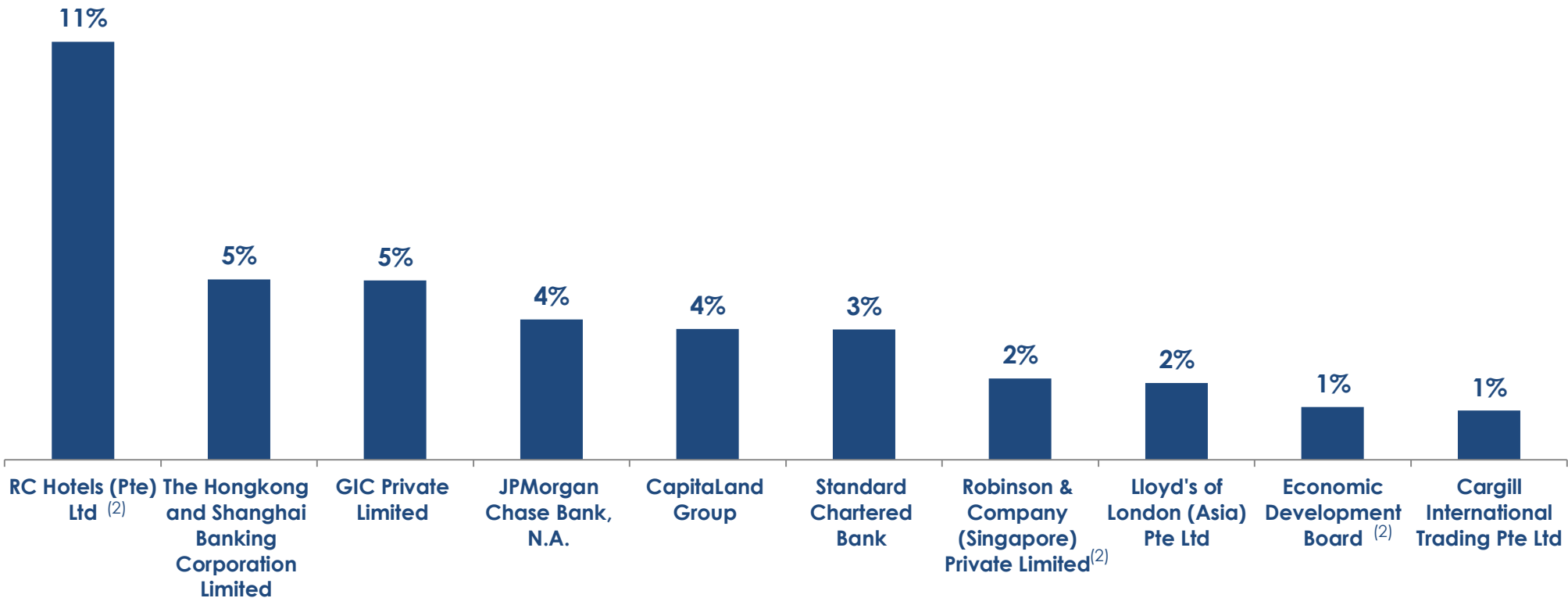


Notes:  
 (1) Based on committed monthly gross rental income of tenants as at 30 Sep 2017, including CCT's 60.0% interest in Raffles City Singapore and 50.0% interest in One George Street; and excluding retail turnover rent;  
 (2) Divestment of Wilkie Edge was completed on 11 Sep 2017





# Top 10 tenants contribute 39% of monthly gross rental income<sup>(1)</sup>



**Notes:**

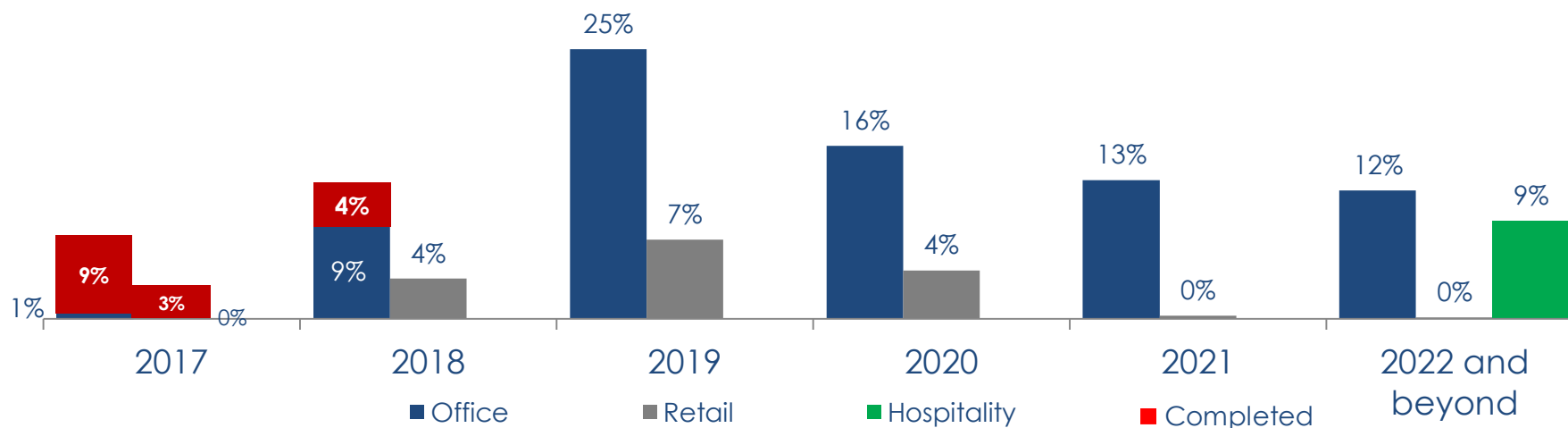
(1) Based on monthly gross rental income (1) of top ten tenants as at 30 Sep 2017, excluding retail turnover rent. Total percentage may not add up due to rounding.

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



# 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 Sep 2017 = 6.4 years

**Notes:**

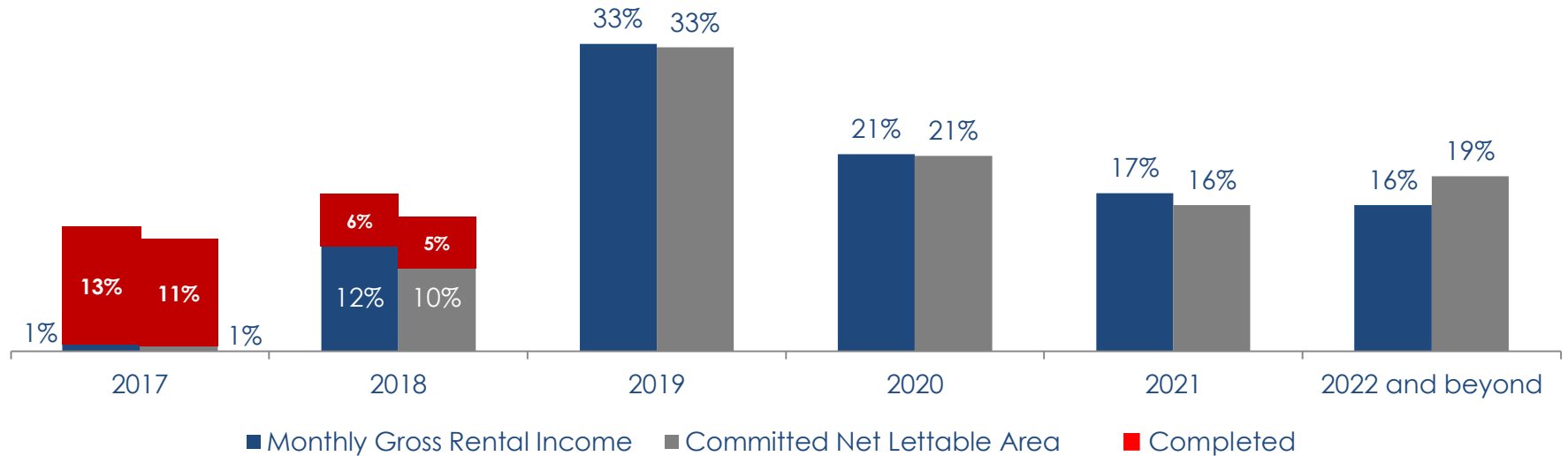
(1) Excludes retail and hotel turnover rent

(2) WALE: Weighted Average Lease term to Expiry on committed basis



# Reviewing 2018 renewals as 2017 lease renewals are largely completed

Well positioned to ride on anticipated recovery of market rents



**Note:**

(1) Office lease expiry profile as at 30 Sep 2017; excluding Golden Shoe Car Park and Wilkie Edge



# Committed rents above market but lower than expiring rents of respective buildings

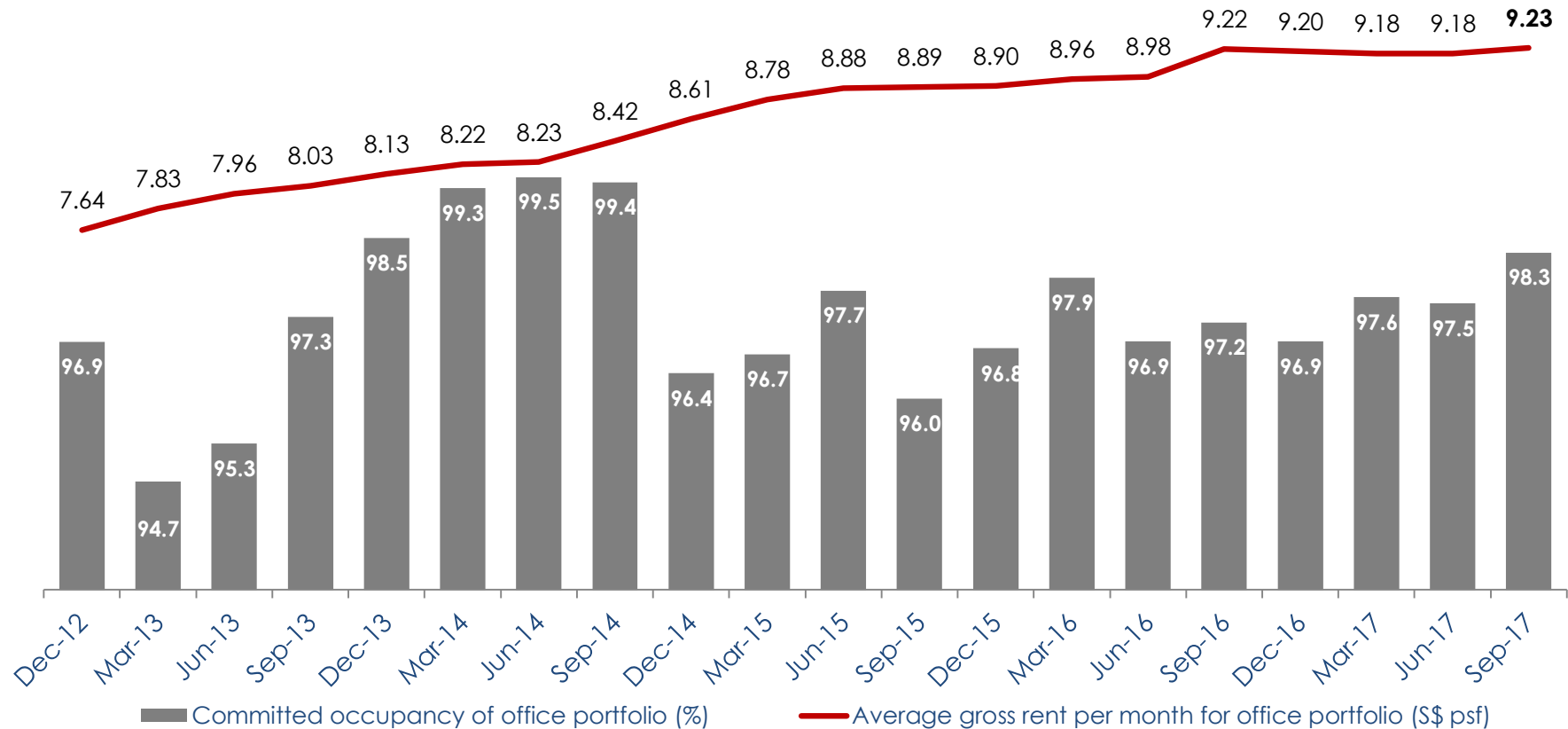
Building	Average Expired Rents (\$\$)	Committed Rents <sup>(1)</sup> (\$\$)	Sub-Market	Market Rents of Comparative Sub-Market (\$\$)	
				Cushman & Wakefield <sup>(2)</sup>	Knight Frank <sup>(3)</sup>
Six Battery Road	11.88	9.77 – 12.50	Grade A Raffles Place	8.61	9.34
One George Street	10.65	8.63 – 9.25	Grade A Raffles Place	8.61	8.25

**Notes:**

- (1) Renewal/new leases committed in 3Q 2017
- (2) Source: Cushman & Wakefield 2Q 2017
- (3) Source: Knight Frank 2Q 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 3Q 2017 Grade A rent is S\$9.10 psf per month and they do not publish sub-market rents



# CCT's average office portfolio rent<sup>(1)</sup> increased due to higher proportion of Grade A assets in portfolio<sup>(2)</sup>



**Notes:**

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

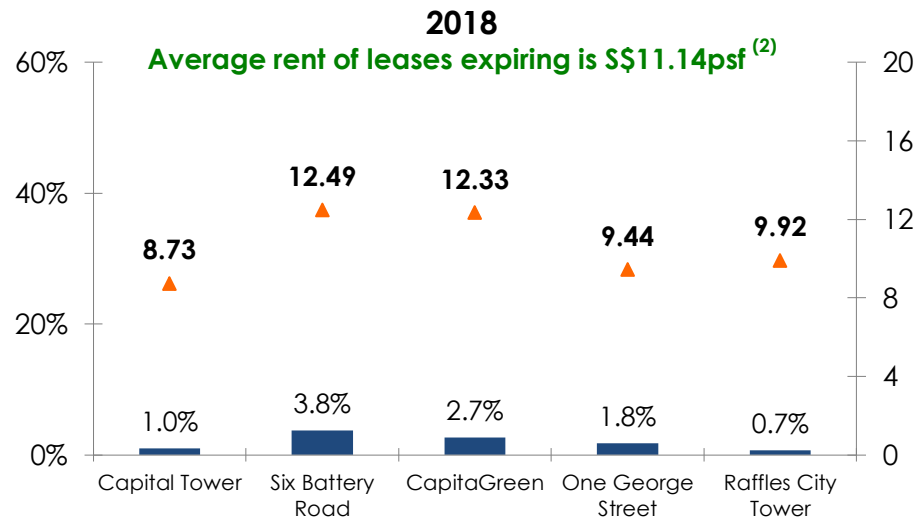
(2) Divestment of Wilkie Edge was completed on 11 Sep 2017; Golden Shoe Car Park ceased operations on 31 Jul 2017



# Anticipated rise in market rents will reduce pressure on reversions in 2018

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

3Q 2017 Industry Statistics <sup>(1)</sup> –  
Grade A Office Average Market Rent: S\$9.10 psf per month



Period	1H 2018		2H 2018	
	% of Expiring Leases	Rental Rates of Expiring Leases	% of Expiring Leases	Rental Rates of Expiring Leases
Capital Tower	0.2%	S\$10.24	0.8%	S\$8.46
Six Battery Road	1.3%	S\$12.51	2.5%	S\$12.48
CapitaGreen	2.2%	S\$12.28	0.5%	S\$12.58
One George Street	1.1%	S\$9.08	0.7%	S\$10.07
Raffles City Tower	-	-	0.7%	S\$9.92
<b>Total / Weighted Average<sup>(3)</sup></b>	<b>4.9%</b>	<b>S\$11.34</b>	<b>5.3%</b>	<b>S\$10.96</b>

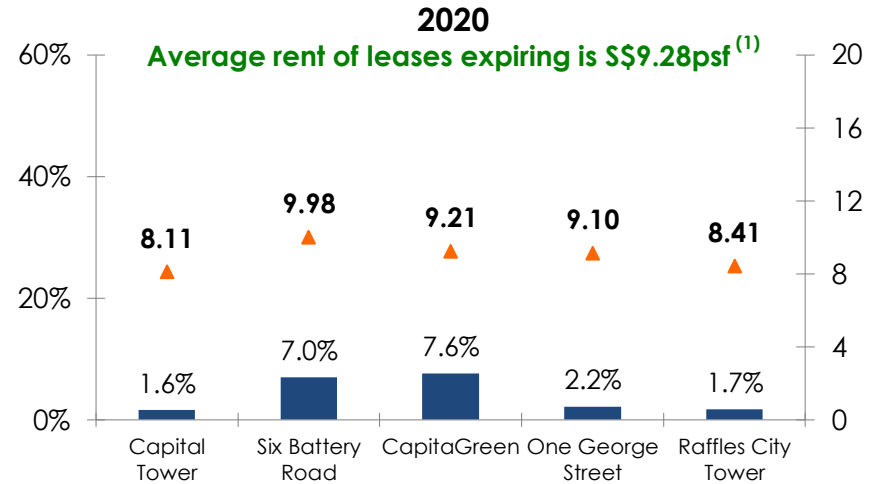
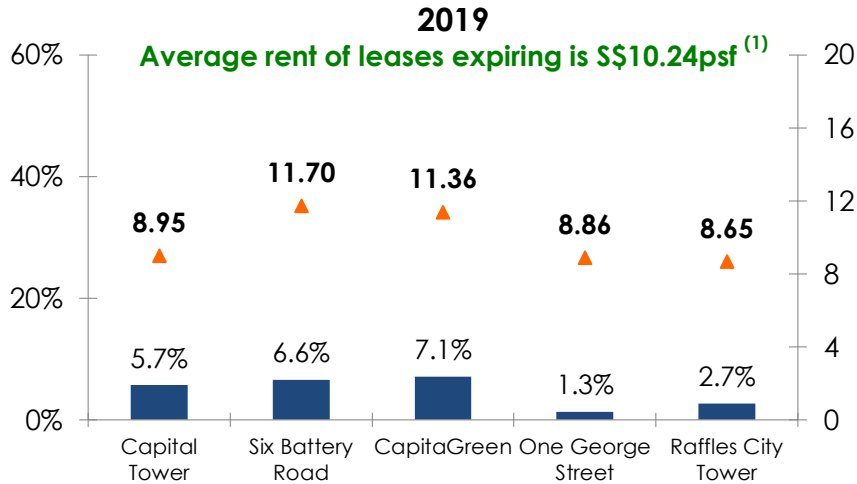
- ▲ Average monthly gross rental rate for expiring leases (S\$ psf / month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Notes:**

- (1) Source: CBRE Pte. Ltd. as at 3Q 2017
- (2) Four Grade A buildings and Raffles City Tower only
- (3) Total percentage may not add up due to rounding



# Anticipated further recovery in market rents due to limited new supply



- ▲ Average monthly gross rental rate for expiring leases (S\$ psf/month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

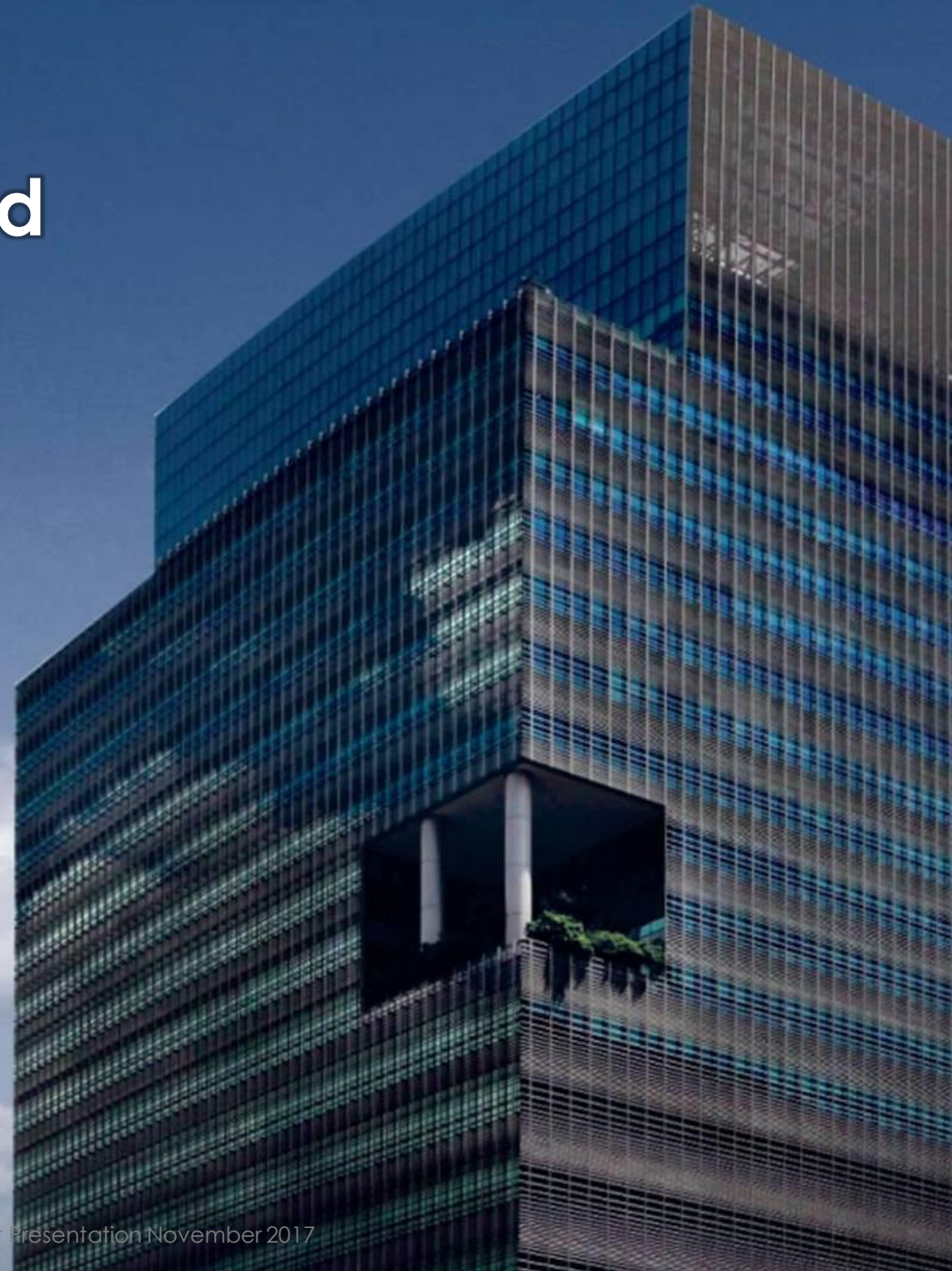
**Note:**

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

# 4. Financial Results and Proactive Capital Management

One George Street, Singapore

CapitaLand Commercial Trust Presentation November 2017







# CCT's 3Q 2017 distributable income up by 7.0% YoY

	3Q 2017	3Q 2016	Change	YTD Sep 2017	YTD Sep 2016	Change
<b>Distributable income (\$\$ million)</b>	73.1	68.3	7.0%	213.9	198.2	7.9%
<b>Distribution per Unit (DPU)<sup>(1)</sup></b>	<b>2.36¢</b>	2.30¢	2.6%	<b>6.92¢</b>	6.69¢	3.4%
No. of units in issue at the end of the period (million)	3,094	2,963	4.4%	3,094	2,963	4.4%
<u>For information only</u> <b>Adjusted DPU<sup>(2)</sup></b>	<b>2.02¢</b>	1.89¢	6.9%	<b>6.58¢</b>	6.28¢	4.8%
No. of units in issue as at 30 September 2017 and expected to be issued in October 2017 (million)	3,607	3,607	-	3,607	3,607	-

## Notes:

- (1) 3Q 2017 DPU of 2.36 cents was based on 3,094 million of CCT units ("Units") issued as at 30 September 2017. YTD Sep 2017 DPU of 6.92 cents was based on the aggregate of 1H 2017 actual DPU of 4.56 cents announced on 27 July 2017 and 3Q 2017 DPU of 2.36 cents.
- (2) DPU adjusted for enlarged total number of units assuming completion of rights issue. The Rights Units to be issued will rank *pari passu* in all respects with the existing Units, including the right to any distributions which may accrue for the period from 1 July to 31 December 2017 as well as all distributions thereafter.

Adjusted YTD Sep 2017 DPU of 6.58 cents was based on the aggregate of 1H 2017 actual DPU of 4.56 cents announced on 27 July 2017 and adjusted 3Q 2017 DPU of 2.02 cents.

Adjusted YTD Sep 2016 DPU of 6.28 cents was based on the aggregate of 1H 2016 actual DPU of 4.39 cents announced on 28 July 2016 and adjusted 3Q 2016 DPU of 1.89 cents.



# 3Q 2017 distributable income rose 7.0% YoY

	3Q 2017	3Q 2016	Change (%)	Remarks
Gross Revenue (\$ million)	74.1	74.4	(0.4)	Please see note (1)
Property Operating Expenses (\$ million)	(15.6)	(17.4)	(10.4)	
Net Property Income (\$ million)	58.6	57.0	2.7	
Distributable Income (\$ million)	73.1	68.3	7.0	Please see note (2)
DPU (cents)	2.36	2.30	2.6	Please see note (3)
<u>For Information Only</u> Adjusted DPU (cents)	2.02	1.89	6.9	Please see note (4)

## Notes:

- (1) Marginally lower revenue due to divestments of Golden Shoe Car Park in Jul 2017 and Wilkie Edge in Sep 2017 but offset by higher revenue from CapitaGreen (3 months in 3Q 2017 vs 1 month in 3Q 2016). Contribution from CCT's 50.0% interest in OGS LLP is reported as part of "share of profits of joint ventures" and no longer accounted for under CCT Group's gross revenue, operating expenses and net property income. Lower property operating expenses primarily due to property tax, resulting in higher net property income.
- (2) Higher distribution from MSO Trust which holds CapitaGreen and RCS Trust which holds Raffles City Singapore. Includes top-up of S\$3.3 million for the loss of distributable income arising from the divestments of One George Street (50.0% stake) and Wilkie Edge, and less interest savings.
- (3) DPU computed based on total number of units outstanding as at end of respective periods (3Q 2017: 3,094 million; 3Q 2016: 2,963 million).
- (4) DPU adjusted for enlarged 3,607 million units assuming completion of rights issue.



# YTD Sep 2017 distributable income rose 7.9% YoY

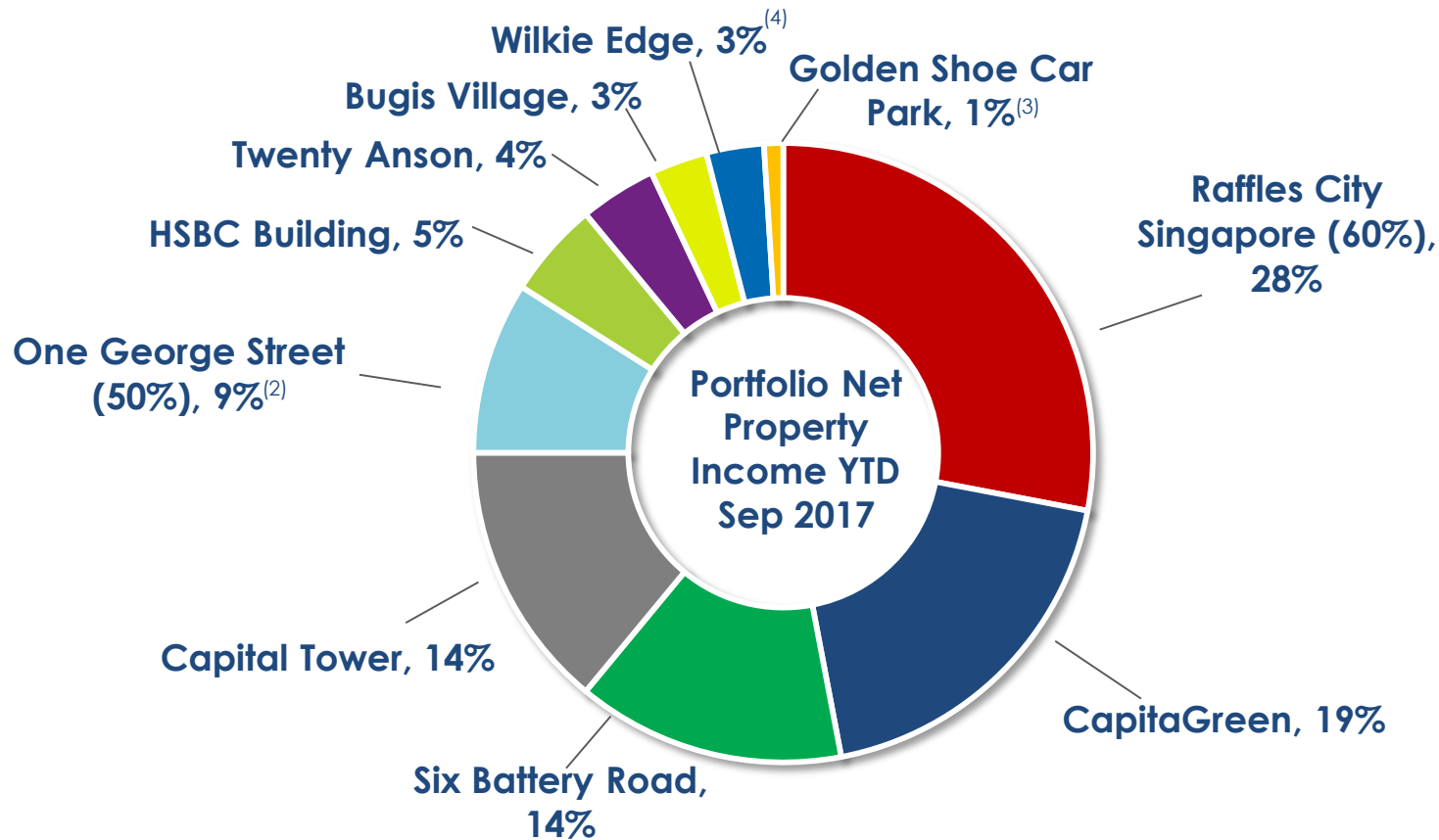
	YTD Sep 2017	YTD Sep 2016	Change (%)	Remarks
Gross Revenue (\$ million)	251.2	208.9	20.3	
Property Operating Expenses (\$ million)	(53.7)	(48.3)	11.0	Please see note (1)
Net Property Income (\$ million)	197.5	160.5	23.1	
Distributable Income (\$ million)	213.9	198.2	7.9	Please see note (2)
DPU (cents)	6.92	6.69	3.4	Please see note (3)
<u>For Information Only</u> Adjusted DPU (cents)	6.58	6.28	4.8	Please see note (4)

## Notes:

- (1) Higher revenue, operating expenses and net property income mainly contributed by CapitaGreen (9 months for YTD Sep 2017 versus 1 month for YTD Sep 2016) offset by divestments of Golden Shoe Car Park in Jul 2017 and Wilkie Edge in Sep 2017. Contribution from CCT's 50.0% interest in OGS LLP is reported as part of "share of profits of joint ventures" and no longer accounted for under CCT Group's gross revenue, operating expenses and net property income from 20 Jun 2017.
- (2) Higher distribution from MSO Trust which holds CapitaGreen and RCS Trust which holds Raffles City Singapore. Includes top-up of S\$3.3 million in 3Q 2017 for the loss of distributable income arising from divestments of One George Street (50.0% stake) and Wilkie Edge, and less interest savings.
- (3) DPU computed based on number of units outstanding as at end of respective periods (YTD Sep 2017: 3,094 million; YTD Sep 2016: 2,963 million).
- (4) DPU adjusted for enlarged 3,607 million units assuming completion of rights issue. Adjusted YTD Sep 2017 DPU of 6.58 cents was based on the 1H 2017 actual DPU of 4.56 cents announced on 27 July 2017 and adjusted 3Q 2017 DPU of 2.02 cents. Adjusted YTD Sep 2016 DPU of 6.28 cents was based on the 1H 2016 actual DPU of 4.39 cents announced on 28 July 2016 and adjusted 3Q 2016 DPU of 1.89 cents.



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



Notes:

- (1) Based on respective properties' proportionate net property income contribution from 1 Jan 2017 to 30 Sep 2017. NPI from CCT's wholly owned properties was S\$178.3 million, while NPI from its 60.0% interest in Raffles City Singapore and corresponding interest in One George Street was S\$78.9 million and S\$24.6 million respectively.
- (2) CCT's interest in One George Street was 50.0% with effect from 20 Jun 2017
- (3) Golden Shoe Car Park ceased operations on 31 Jul 2017
- (4) Divestment of Wilkie Edge was completed on 11 Sep 2017



# Robust balance sheet

## Statement of Financial Position As at 30 Sep 2017

	S\$ million
Non-current Assets	6,959.46
Current Assets <sup>(2)</sup>	937.86
<b>Total Assets</b>	<b>7,897.32</b>
Current Liabilities	272.57
Non-current Liabilities	1,932.07
<b>Total Liabilities</b>	<b>2,204.64</b>
<b>Net Assets</b>	<b>5,692.69</b>
<b>Unitholders' Funds</b>	<b>5,692.69</b>

**Units in issue ('000)**                      **3,093,616**

	S\$ million
<b>Deposited Properties<sup>(1)</sup></b>	<b>8,925.87</b>

<b>Net Asset Value Per Unit</b>	<b>\$1.84</b>
<b>Adjusted Net Asset Value Per Unit (excluding distributable income)</b>	<b>\$1.82</b>

*For information only*

<b>Adjusted Net Asset Value Per Unit (adjusted for completion of AST2 acquisition and rights issue)</b>	<b>\$1.75</b>
-----------------------------------------------------------------------------------------------------------------	---------------

### Credit Rating

**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) Includes proceeds received from divestments of One George Street (50.0% stake), Wilkie Edge and Golden Shoe Car Park.



# Stable financial ratios

	2Q 2017	3Q 2017	Remarks
<b>Total Gross Debt<sup>(1)</sup></b>	S\$3,229.0m	<b>S\$3,024.2m</b>	<b>Lower</b> (Repayment of loans and CB conversion)
<b>Aggregate Leverage<sup>(2)</sup></b>	36.0%	<b>33.9%</b>	<b>Lower</b> (Repayment of loans and CB conversion)
<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>	2.9 years	<b>2.9 years</b>	<b>Stable</b>
<b>Average Cost of Debt (p.a.)<sup>(5)</sup></b>	2.6%	<b>2.7%</b>	<b>Stable</b>
<b>Interest Coverage<sup>(6)</sup></b>	4.9 times	<b>5.1 times</b>	<b>Stable</b>

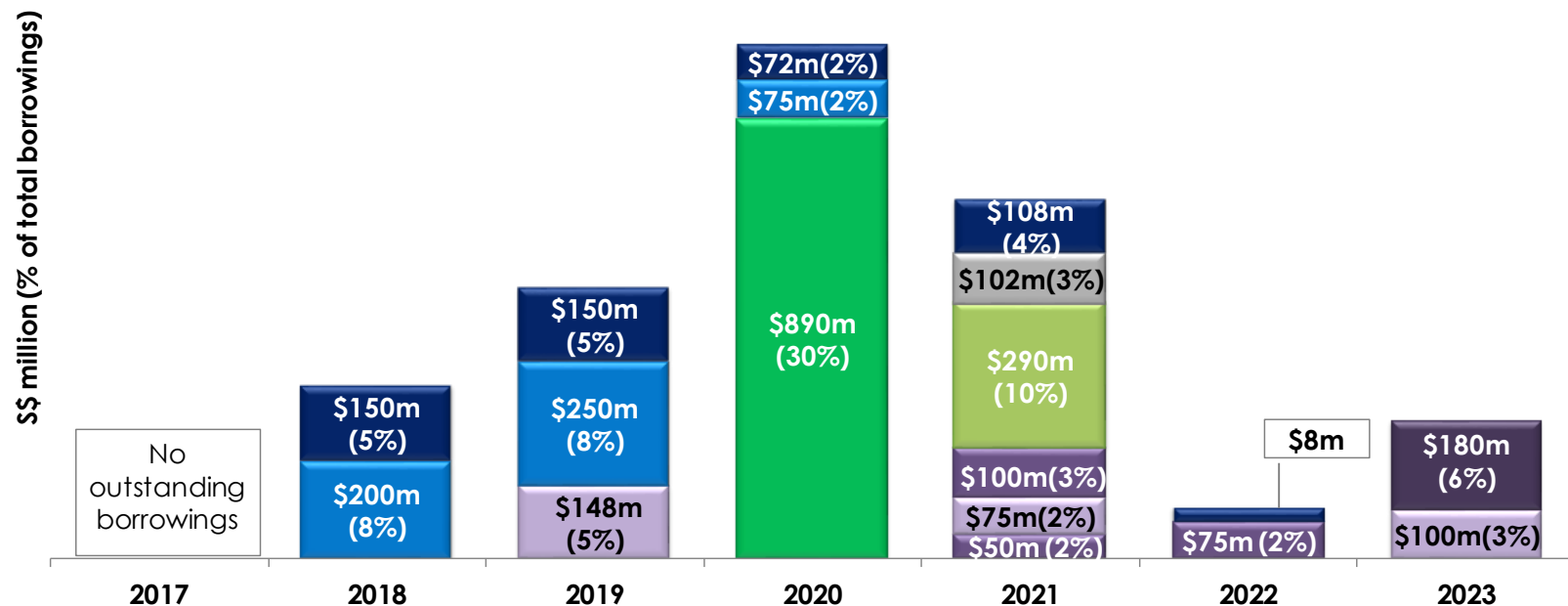
**Notes:**

- (1) Total gross debt includes CCT's 60.0% interest of RCS Trust borrowings and CCT's 50.0% 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. Correspondingly, the ratio of total gross borrowings to total net assets is 53.1%.
- (3) Investment properties at CCT are all unencumbered except for CapitaGreen and CCT's 50.0% interest in One George Street.
- (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).



# Proactive Capital Management

Debt Maturity Profile as at 30 September 2017



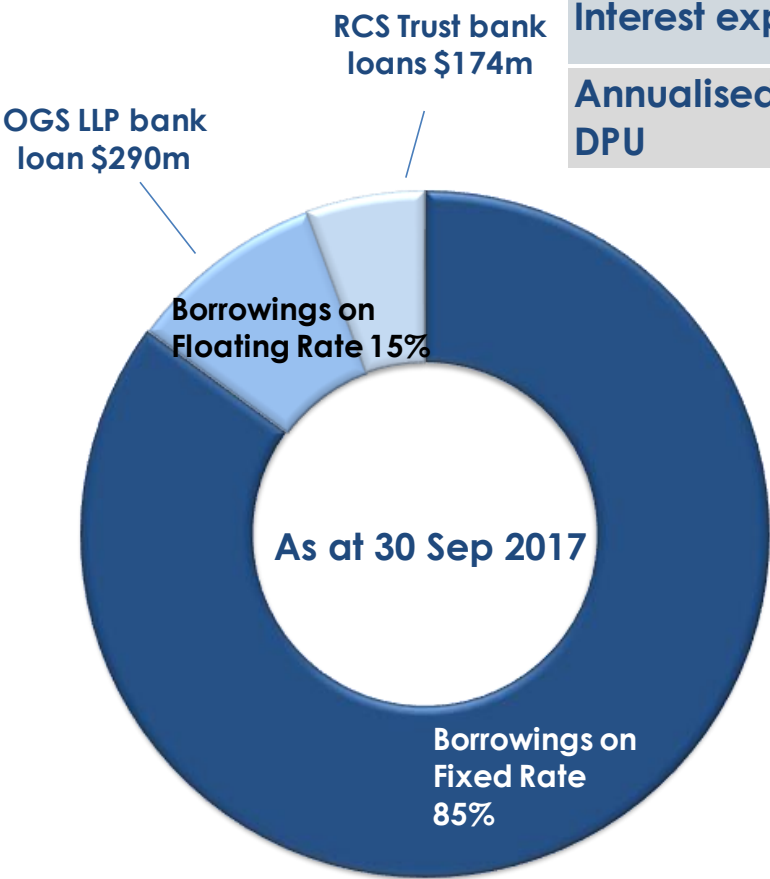
- Unsecured CCT bank loans due 2018 to 2020
- Unsecured RCS bank loans due 2018 to 2022
- 2.89% p.a. CCT fixed rate JPY bond swapped to S\$148m MTN due 2019
- CapitaGreen secured bank loan due 2020
- 50% of OGS LLP secured bank loan due 2021
- 2.70% p.a. CCT fixed rate HKD bond swapped to S\$102m MTN 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
- 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

**Notes:**

- (1) CCT repaid S\$90 million of borrowings with proceeds from divestments in 3Q 2017
- (2) RCS Trust drew down S\$8 million (CCT's 60% interest) bank borrowings for capital expenditure requirements



# 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 YTD Sep 2017 DPU	-0.08 cents (0.9% of annualised DPU)



# 5. Additional Information

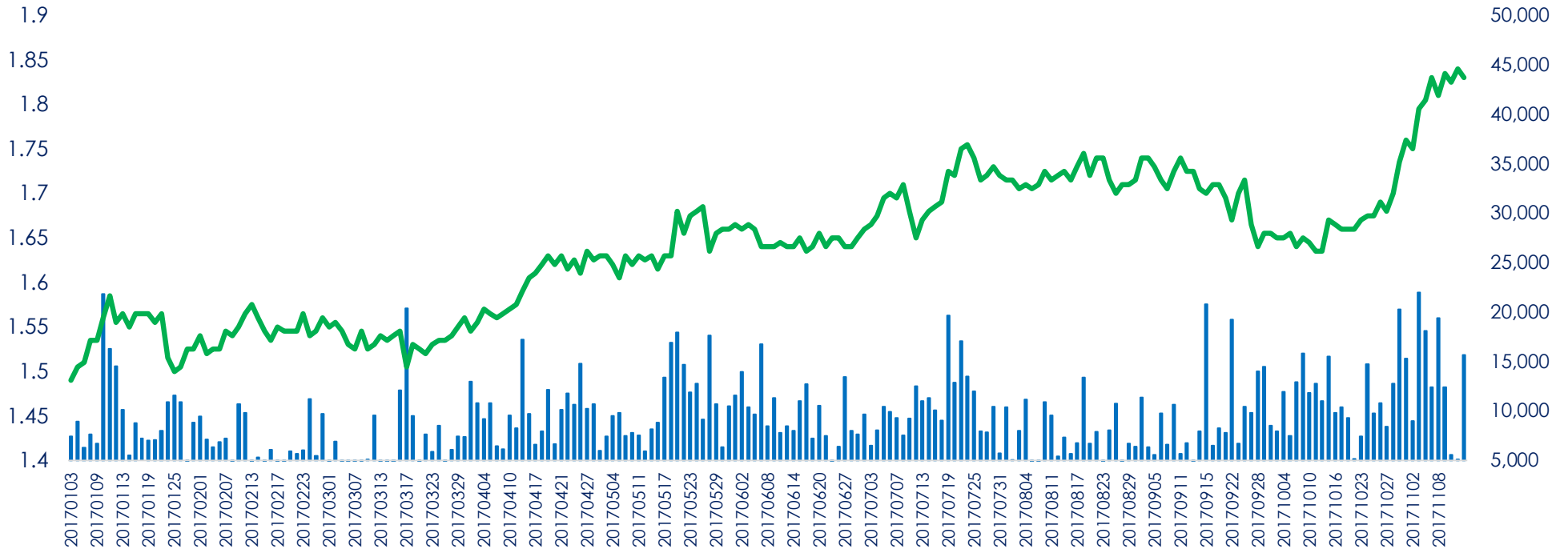
Raffles City Singapore



# CCT closed at S\$1.83 per unit on 14 Nov 2017

Trading at 4.6% above adjusted NAV per unit of S\$1.75 and 11.0% above theoretical ex-rights price (TERP) of S\$1.648

CCT's trading performance for year-to-date 2017



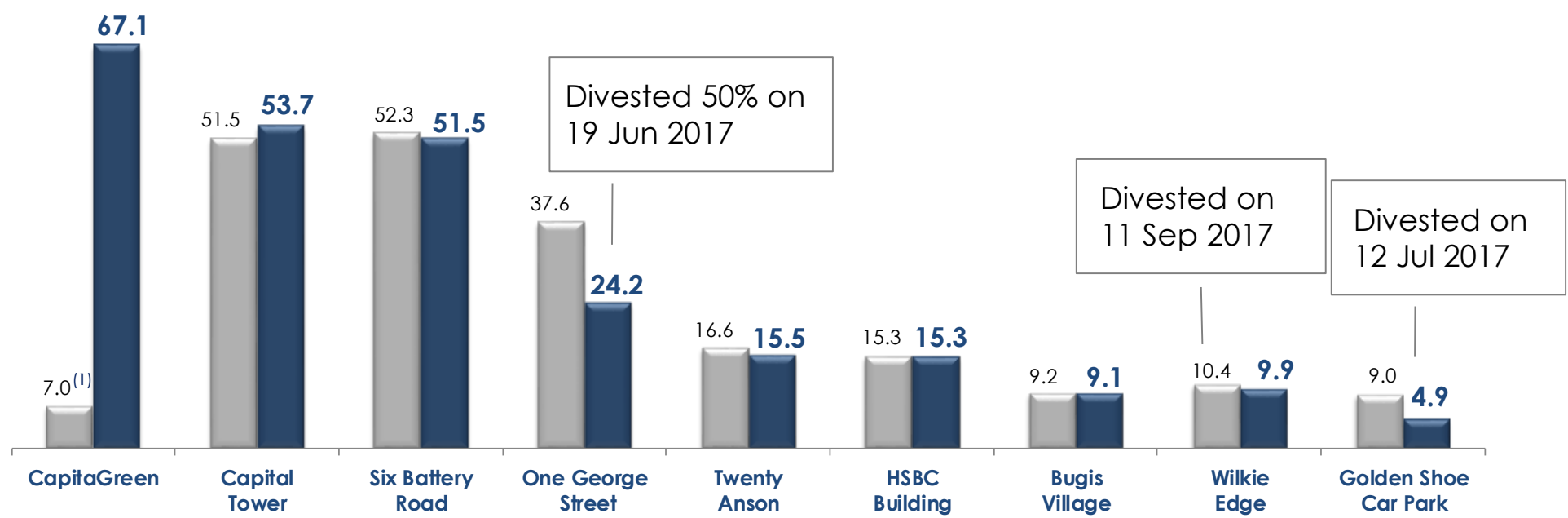


# YTD Sep 2017 Gross Revenue higher by 20.3% YoY

Higher gross revenue contributed by acquisition of 60.0% CapitaGreen

S\$ million

■ YTD Sep 2016 ■ YTD Sep 2017



Note:

(1) Revenue from CapitaGreen was consolidated to CCT Group from September 2016





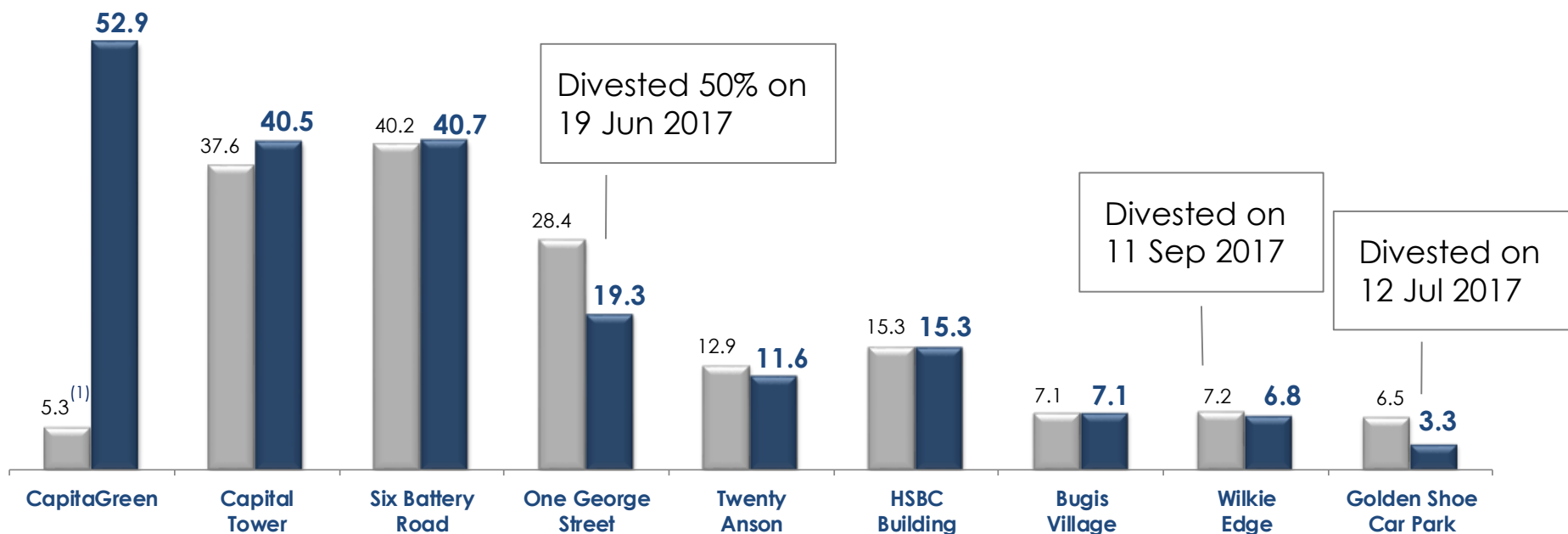
# YTD Sep 2017 Net Property higher by 23.1% YoY

Net property income lifted by acquisition of 60.0% CapitaGreen

S\$ million

■ YTD Sep 2016

■ YTD Sep 2017



Note:

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

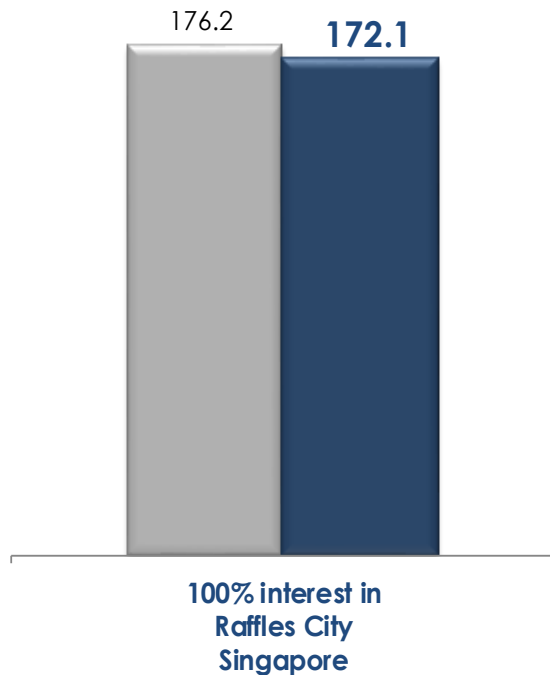


# YTD Sep 2017 performance of Raffles City Singapore<sup>(1)</sup> (100.0% basis)

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

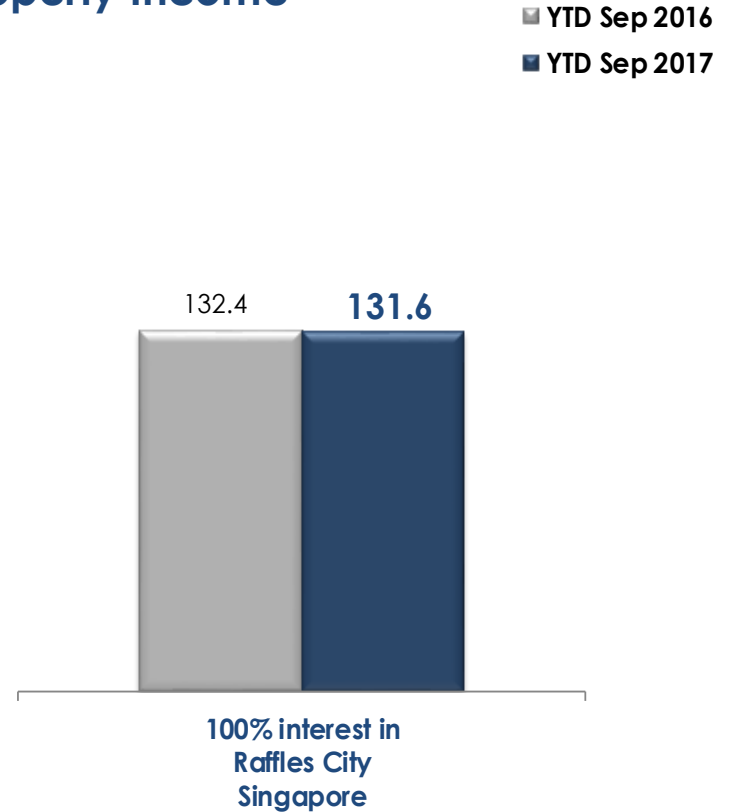
## Revenue

S\$ million



## Net Property Income

S\$ million



**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.

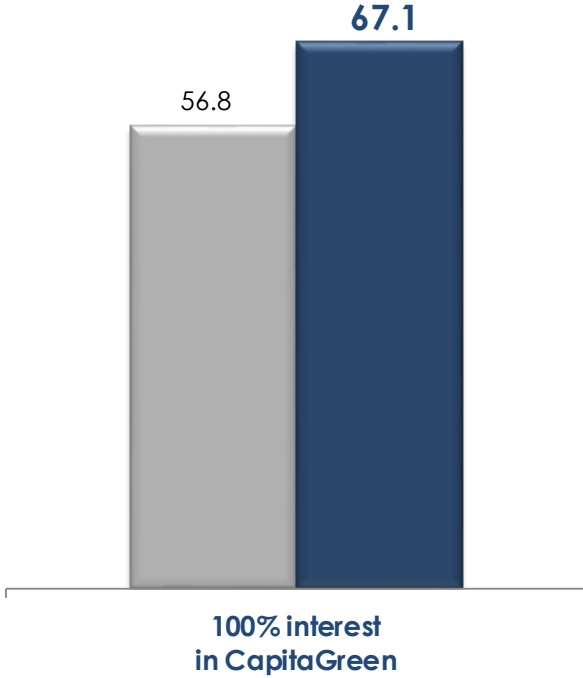


# YTD Sep 2017 performance of CapitaGreen <sup>(1)</sup> (100.0% basis)

CapitaGreen's strong performance due to higher revenue occupancy

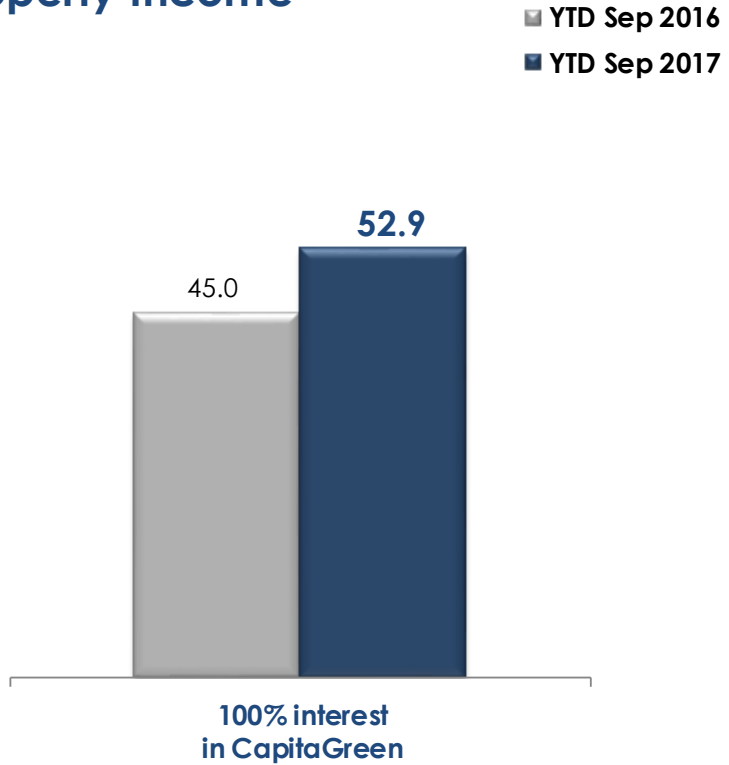
## Revenue

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.



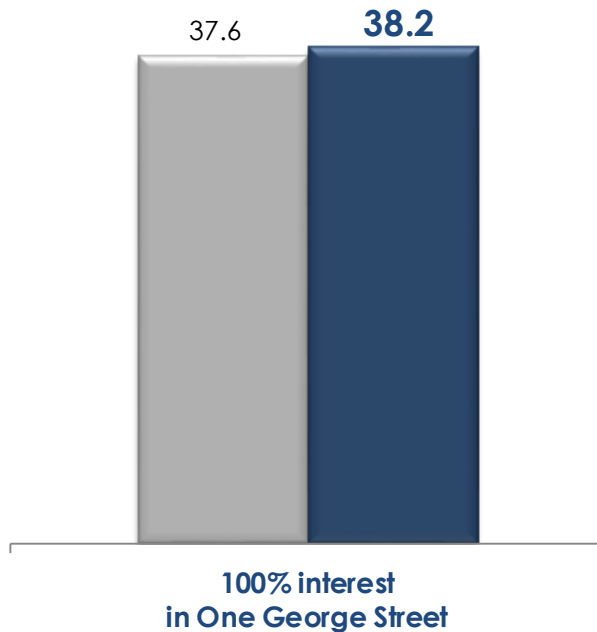


# YTD Sep 2017 performance of One George Street <sup>(1)</sup> (100.0% basis)

Higher performance due to higher revenue occupancy

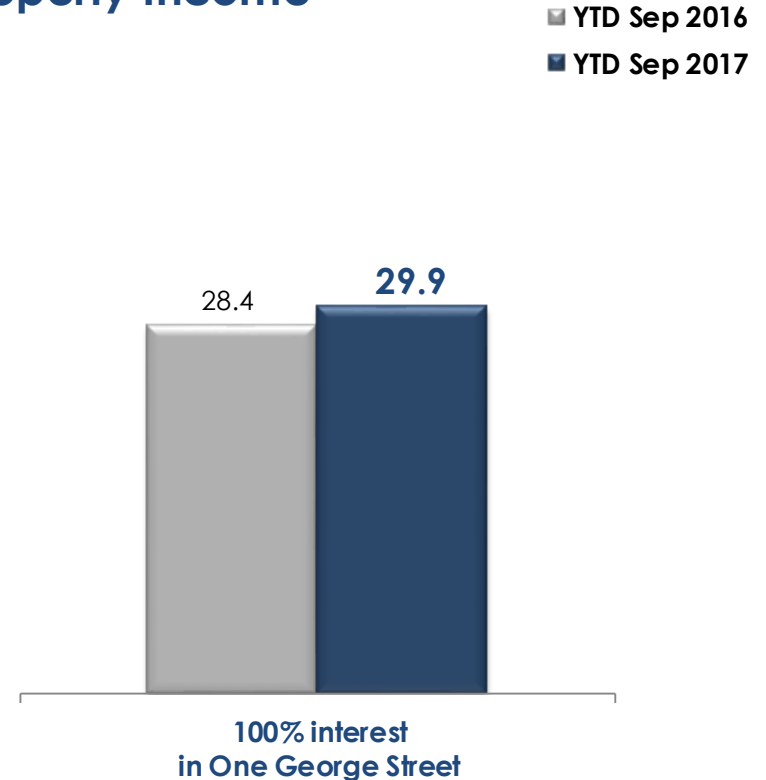
## Revenue

S\$ million



## Net Property Income

S\$ million



**Note:**

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



# 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	3Q 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
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
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
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	- <sup>(2)</sup>
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
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
Wilkie Edge			52.5	77.9	98.4	98.4	93.9	99.6	100.0	100.0	99.6	99.9	99.4	- <sup>(3)</sup>
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
Twenty Anson							100.0	98.1	97.8	97.9	91.7	93.0	84.2	86.1
CapitaGreen									69.3	91.3	95.9	98.2	99.0	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>	<b>98.5</b>

**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 Jul 2017.

(3) Divestment of Wilkie Edge was completed on 11 Sep 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	10.1	2,500
One George Street (100%) <sup>(2)</sup>	1,014.0	1,116.2	102.2		
HSBC Building	455.0	456.0	1.0	0.2	2,275
Wilkie Edge (divested)	201.0	205.0	4.0	2.0	1,328
Golden Shoe Car Park (divested)	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	2.6	NM <sup>(1)</sup>
Raffles City (100%)	3,169.0	3,250.0	81.0		
<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>	
<b>Portfolio Total (60% RCS &amp; 50% OGS<sup>(2)</sup>)</b>	<b>-</b>	<b>8,168.1</b>	<b>-</b>	<b>-</b>	

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 compressed cap and discount rates

- 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.

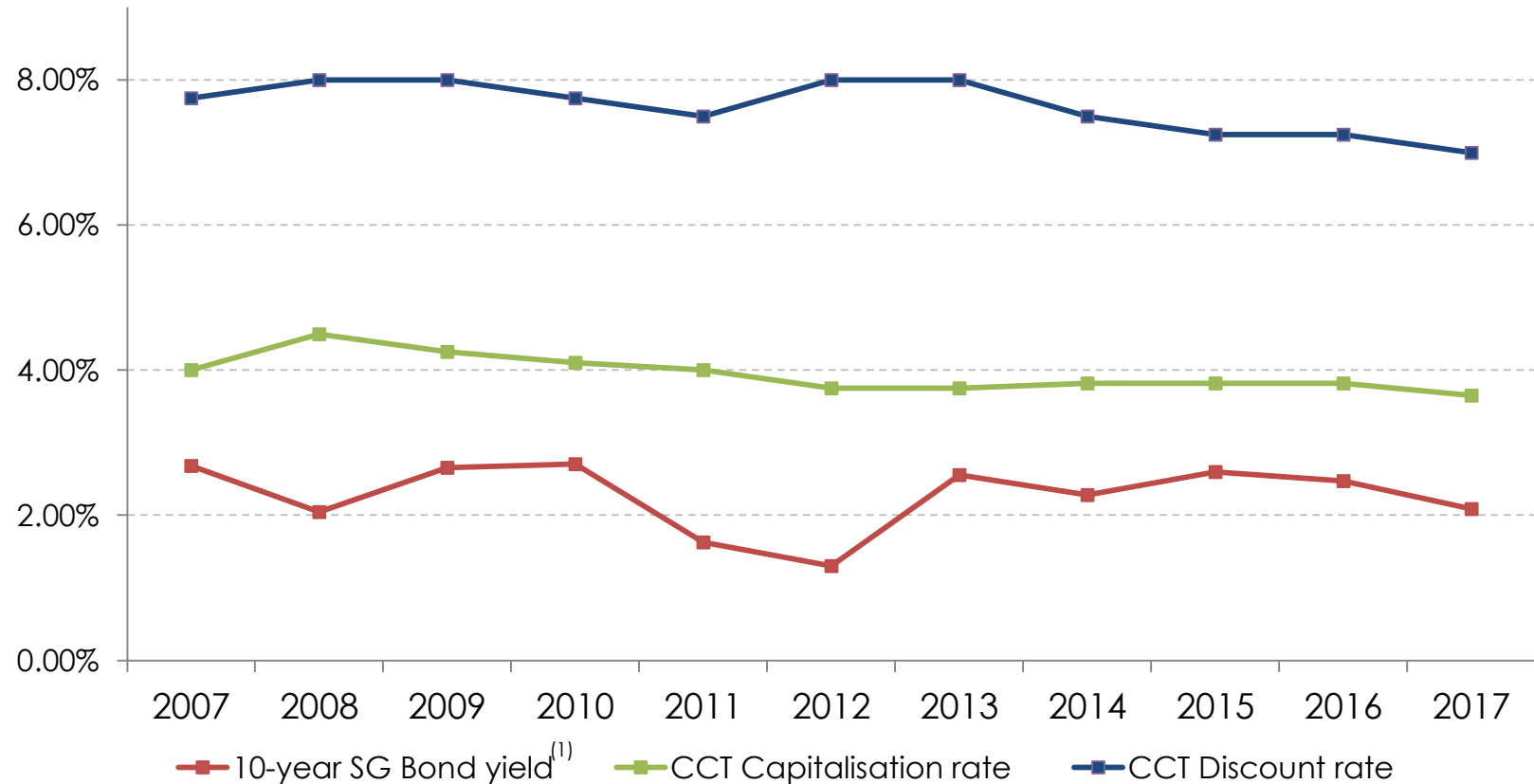
	Capitalisation Rates							Discount Rates						
	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17
Capital Tower	4.00	3.75	3.75	3.85	3.85	3.85	<b>3.70</b>	7.50	8.00	8.00	7.50	7.25	7.25	<b>7.00</b>
Six Battery Road	4.00	3.75	3.75	3.75	3.75	3.75	<b>3.60</b>	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>
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:

- Excludes Golden Shoe Car Park and Bugis Village, and calculated on a simple average basis
- 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



# CapitaLand Commercial Trust

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

**S\$6.06b<sup>#</sup>**

Market Capitalisation

**9**

Properties in Singapore's Central Area

**S\$8.9b\***

Deposited Properties

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

**31%**

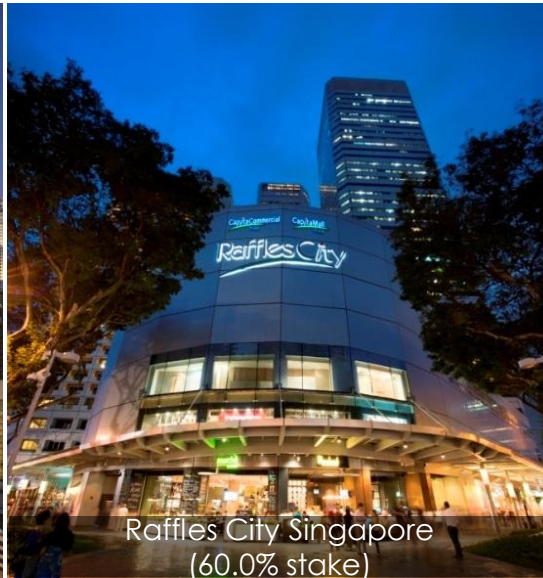
Owned by CapitaLand Group



Capital Tower



CapitaGreen



Raffles City Singapore (60.0% stake)



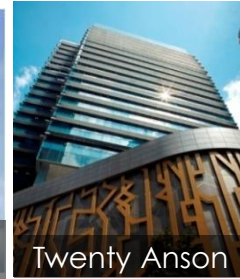
Six Battery Road



Redevelopment of Golden Shoe Car Park (45.0% stake)



One George Street (50.0% stake)



Twenty Anson



HSBC Building



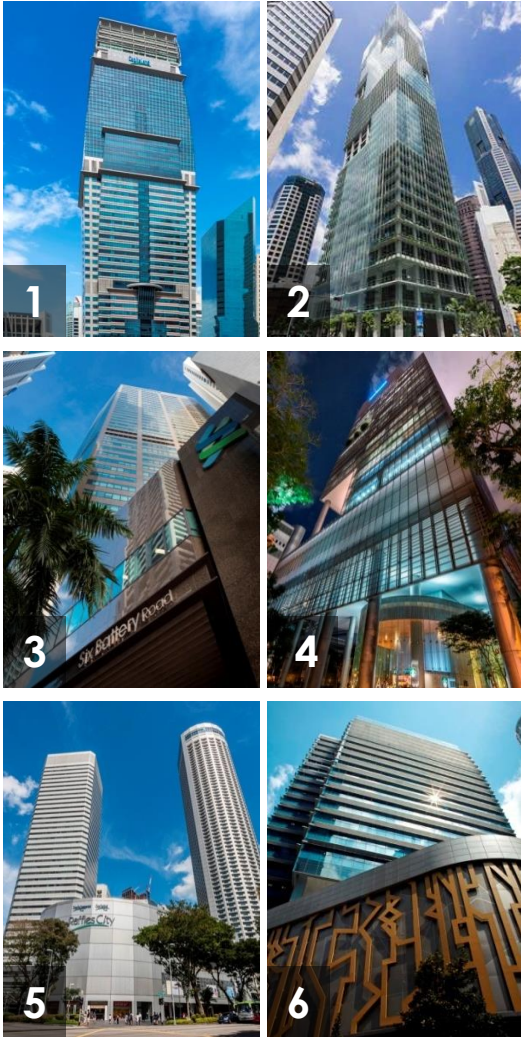
Bugis Village

**# Market Capitalisation as at 27 Oct 2017 based on total units in issue of 3,607,156,065 and closing price of S\$1.68**

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

# Owns 9 centrally-located quality commercial properties

Asia Square Tower 2 acquisition to be completed in Nov 2017

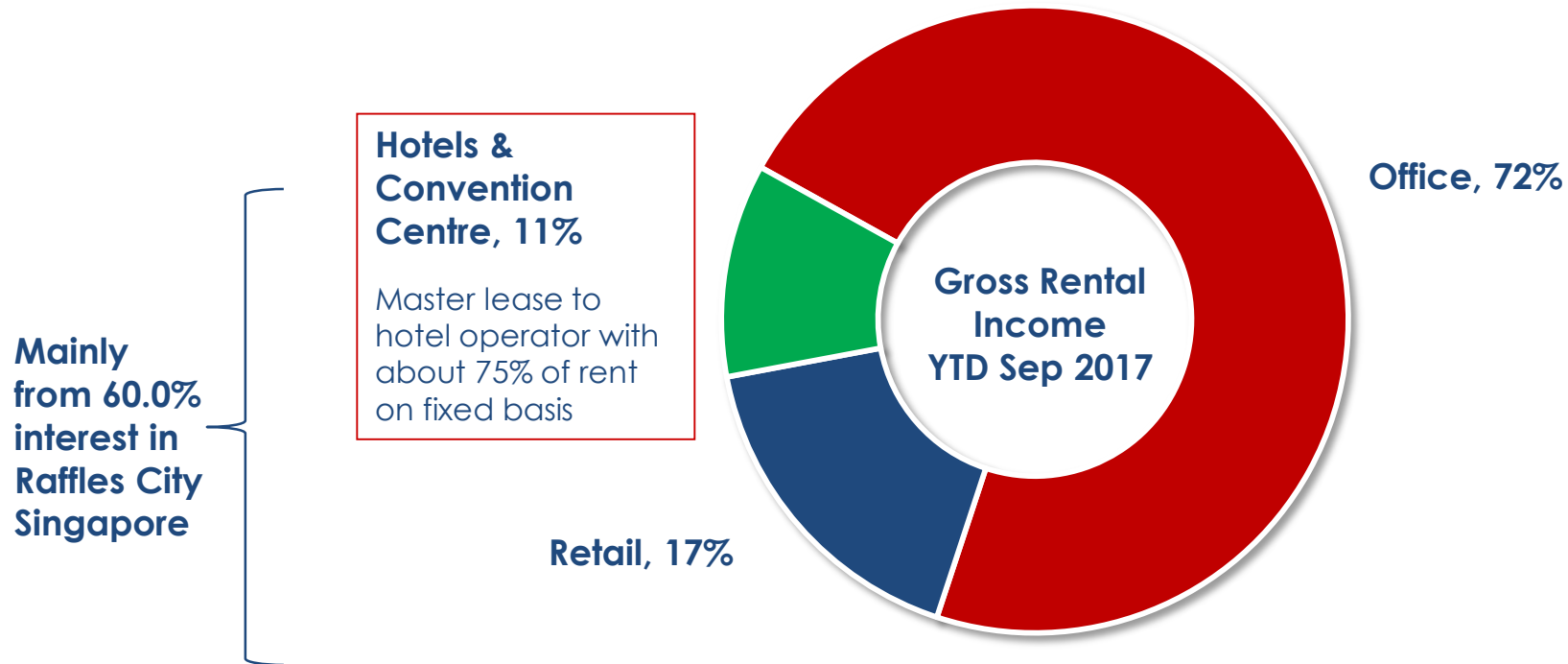


1. Capital Tower
2. CapitaGreen
3. Six Battery Road
4. One George Street (50.0% interest)
5. Raffles City Singapore (60.0% interest)
6. Twenty Anson
7. HSBC Building
8. Bugis Village
9. GSCP redevelopment
10. Asia Square Tower 2



# 72% of gross rental income<sup>(1)</sup> contributed by office and 28% 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 Sep 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 Jul 2017
- (3) Divestment of Wilkie Edge was completed on 11 Sep 2017



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



**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 - 2013:** Six Battery Road AEI

**2010:** Sale of Robinson Point and StarHub Centre

**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

**21 Sep 2017:** Announced acquisition of Asia Square Tower 2

TOP on 18 Dec 2014



# Property details (1)



	Capital Tower	CapitaGreen	Six Battery Road	One George Street (100.0%)	Raffles City Singapore (100.0%)
<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%	99.6%	98.0%	99.6%
<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	Bugis Village <sup>(2)</sup>	Redevelopment of Golden Shoe Car Park <sup>(3)</sup>
<b>Address</b>	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
<b>NLA (sq ft)</b>	207,000	200,000	121,000	647,000
<b>Leasehold expiring</b>	22-Nov-2106	18-Dec-2849	30-Mar-2088	31-Jan-2081
<b>Committed occupancy</b>	86.1%	100.0%	100.0%	N.A.
<b>Valuation (30 Jun 2017)</b>	S\$433.0 m	S\$456.0m	S\$47.0m	PDE: S\$1.82b
<b>Car park lots</b>	55	55	NA	350

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



# Thank you

For enquiries, please contact: Ms Ho Mei Peng , Head, Investor Relations & Communications, Direct: (65) 6713 3668

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