



CapitaLand Commercial Trust Singapore's First and Largest Commercial REIT

Acquisition of AST2 Property and Rights Issue

21 September 2017



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

* For terms not defined herein, please refer to the announcements titled "Acquisition of Asia Square Tower 2" and "Launch of S\$700.0 million Rights Issue" dated 21 September 2017

1. Overview

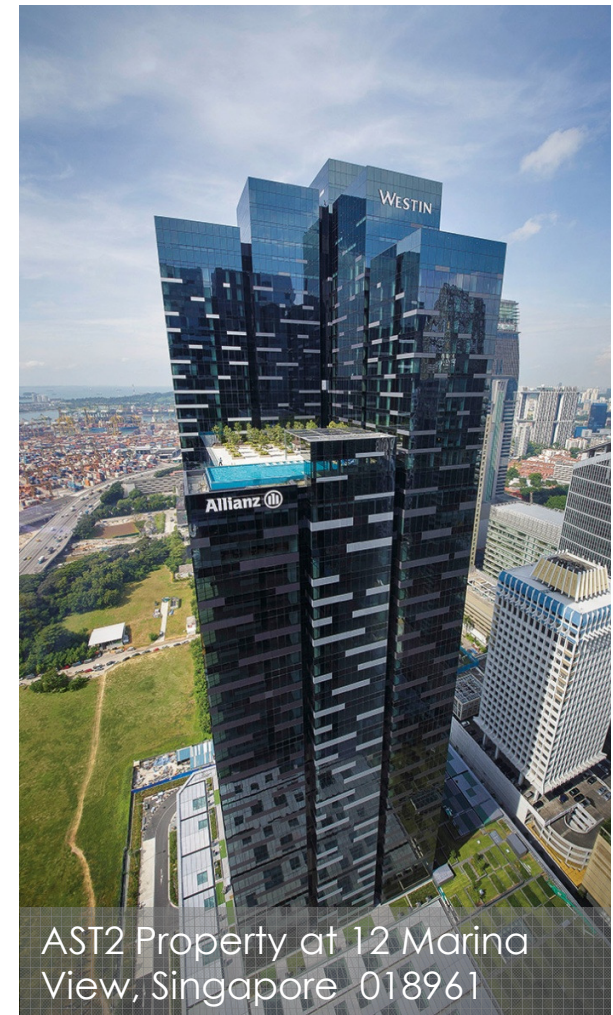


Asia Square, Singapore



Transaction overview

- ✓ Acquisition of premium Grade A office and retail units in Asia Square Tower 2 (“AST2 Property”)
- ✓ 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⁽¹⁾ of S\$2,110.0 million or S\$2,710 per sq ft
- ✓ Funded by fully-underwritten and renounceable rights issue, bank borrowings and part of divestment proceeds



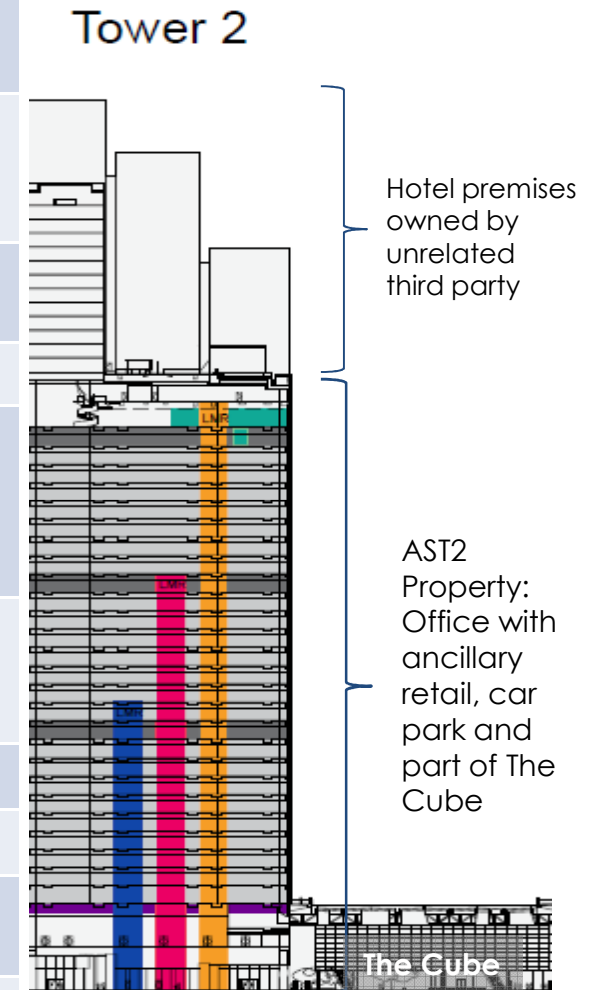
AST2 Property at 12 Marina View, Singapore 018961

Note:
(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%



Overview of AST2 Property

Description	Premium Grade A office building with ancillary retail space completed in September 2013
AST2 Property	Office units from 6 th to 31 st storey; Car park from 3 rd to 5 th storey; and Retail units on 1 st and 2 nd storey
Land Tenure	99-year leasehold commencing 3 March 2008 ⁽¹⁾
Gross Floor Area⁽²⁾	1,222,575 sq ft (113,580 sq m)
Net Lettable Area	778,719 sq ft (72,345 sq m) Office: 753,445 sq ft (97%) Retail: 25,274 sq ft (3%)
Key Specifications	Floor plate: 29,700 - 31,300 sq ft Core to window depth: Up to 17.0m Floor to ceiling height: 2.9m
Car Park Lots	263
Bicycle Lots	98
Committed Occupancy Rate as at 30 June 2017	88.7%
Initial Yield	3.6% p.a. ⁽³⁾



Notes:

- (1) Refers to Lot 294L Town Subdivision 30
- (2) Includes the hotel premises which is owned by an unrelated third party
- (3) 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



Total acquisition cost and funding

Transaction expected to be completed in November 2017

- ✓ Acquisition of 100% shares in an existing special purpose vehicle
- ✓ Total acquisition cost : S\$2,150.5 million
- ✓ To be funded by:
 - Rights issue: net proceeds of S\$690.4 million (32.1%)
 - Bank borrowings: S\$1,120.0 million (52.1%)
 - Divestment proceeds: S\$340.1 million (15.8%)

Funding Requirements	S\$ million	Sources of Funding	S\$ million
Purchase consideration ⁽¹⁾	2,115.7	166 for 1,000 Rights issue	690.4
Transaction costs ⁽²⁾	13.9	Bank borrowings	1,120.0
Acquisition fee ⁽³⁾	20.9	Divestment proceeds ⁽⁴⁾	340.1
Total Acquisition Cost	2,150.5	Total Funding	2,150.5

Notes:
 (1) 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) Assuming part of the sale proceeds from the OGS Transaction, sale of GSCP and WE Transaction are used to partly fund the Acquisition

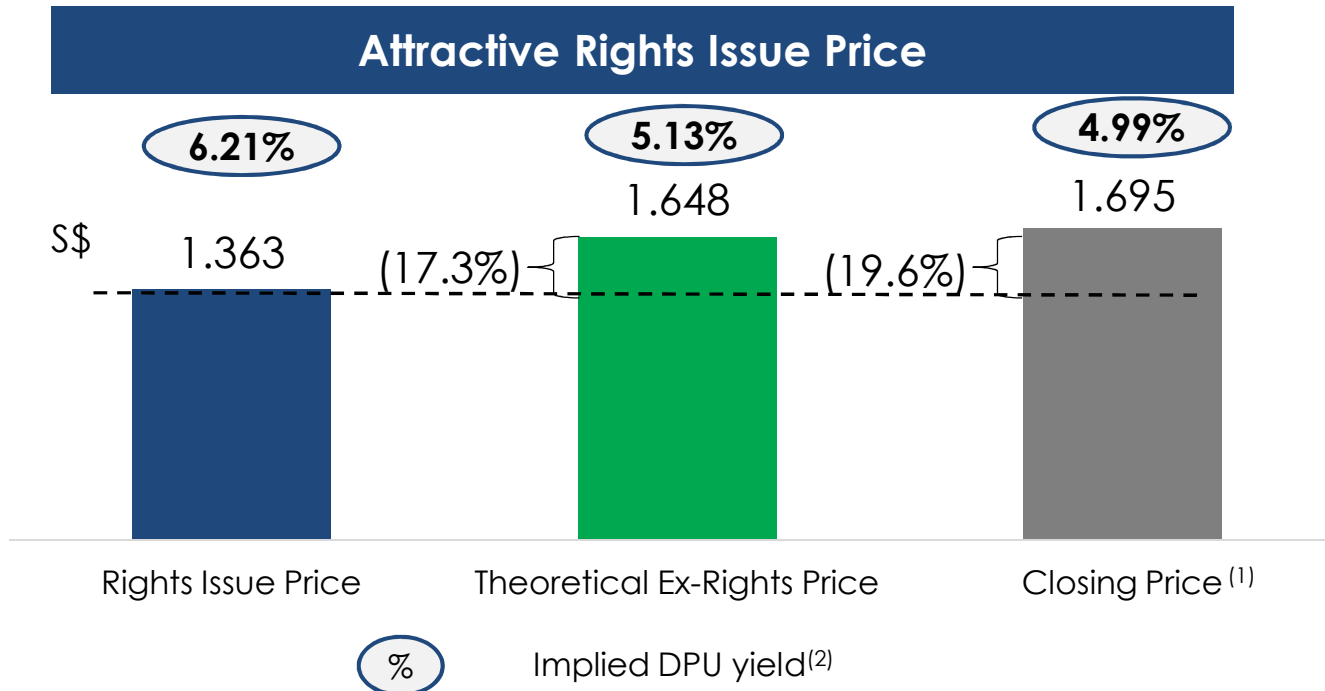




Details of the Rights Issue

Fully underwritten, renounceable Rights Issue of S\$700.0 million in gross proceeds

- ✓ Rights ratio of 166 Rights Units for every 1,000 Existing Units
- ✓ Irrevocable undertaking by CapitaLand Singapore Limited (“CLS”) for its subsidiaries to subscribe fully for their pro rata rights entitlements comprising c.31% of the Rights Issue
- ✓ Underwriting banks⁽³⁾: DBS, HSBC, J.P. Morgan



Notes:

(1) Closing price as of 20 September 2017

(2) Based on annualised pro forma 1H2017 DPU

(3) Banks underwriting Right Units exclude those to be subscribed under the CLS undertaking



2. Transaction Rationale & Benefits

Asia Square, Singapore

Capital and Commercial Trust Presentation September 2017



Transaction Rationale & Benefits

- ① Strategic addition of a premium Grade A property
- ② Acquisition of a premium Grade A property at an attractive price and potential to benefit from expected uptick in Grade A office rents
- ③ Expansion of CCT's footprint into Marina Bay
- ④ Augments CCT's portfolio for long term growth
- ⑤ Enhances resilience, diversity and quality of CCT's portfolio
- ⑥ Potential increase in trading liquidity of CCT's Units
- ⑦ Rights Issue partly funds the Acquisition and enhances CCT's financial flexibility



1

Strategic addition of a premium Grade A property

One of the newest premium Grade A properties in Marina Bay

Offering high quality office space

- ✓ Large, highly efficient and column-free floor plates of up to 31,300 sq ft
- ✓ Core to window depth up to 17.0 metres
- ✓ Floor to ceiling height of 2.9 metres



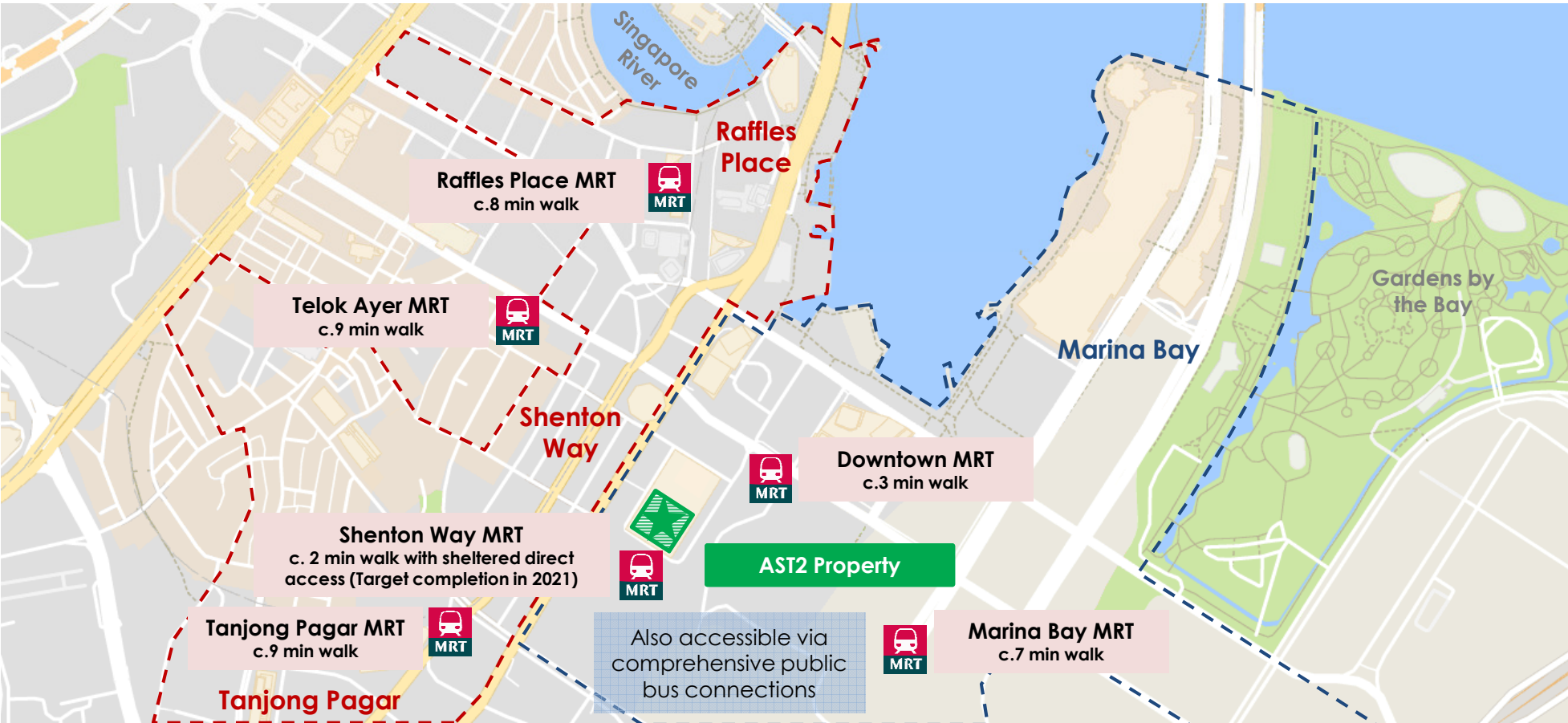


1

Strategic addition of a premium Grade A property

Premium Grade A property located in the heart of Marina Bay

Marina Bay is a 360 hectare development designed by the Singapore government to extend Singapore's downtown district and support the city-state's continuing growth as a major business and financial hub in Asia



Note: Walking time based on estimated distance from AST2 Property



1

Strategic addition of a premium Grade A property

Superior “work-play-live” environment with a full suite of integrated amenities

F&B options⁽¹⁾



Two-storey retail podium that houses numerous food and beverage options and services

Other amenities



Include lifestyle and service retailers, gym and yoga, as well as cycling end of trip facilities

The Cube⁽¹⁾



100,000 sq ft naturally lit and ventilated covered plaza with a 17-metre ceiling height used for networking, entertainment and recreation activities

The Westin Singapore⁽²⁾



5-star luxury business hotel located in Asia Square Tower 2 (32nd to 46th storey)

Notes:

(1) CCT will only own part of the retail area and The Cube post-Acquisition

(2) The Westin Singapore is not part of the Acquisition



1

Strategic addition of a premium Grade A property

Environmentally sustainable building with top accolades

- ✓ Awarded the LEED Core & Shell Platinum certification by the U.S Green Building Council⁽¹⁾
- ✓ BCA Green Mark Award (Platinum) in 2017⁽²⁾
- ✓ PUB Water Efficiency Building Gold Award⁽³⁾



Notes:

- (1) LEED is the most widely used green building rating system in the world
- (2) Awarded by Singapore's Building and Construction Authority
- (3) Awarded by the Public Utilities Board



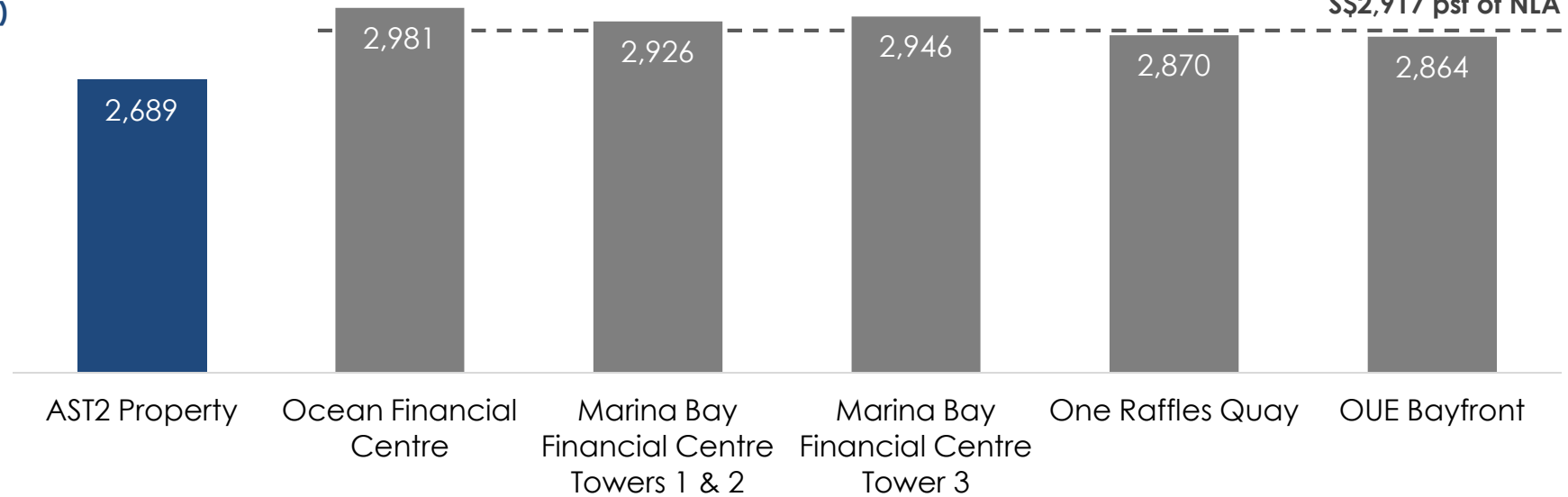
2

Acquisition of a premium Grade A property at an attractive price and potential to benefit from expected uptick in Grade A office rents

Agreed Property Value is below valuation of comparable Grade A office assets

Valuation⁽¹⁾
(S\$ psf of NLA)

Average valuation:
S\$2,917 psf of NLA



NLA (sq ft)⁽²⁾	778,719	881,356	579,656	446,663	443,603	400,123
Remaining tenure (years)	89	93	87	89	83	89

Sources: Company information, respective REITs' reports and website

Notes:

(1) Valuation as at 31 December 2016, except for AST2 Property which is based on the Agreed Property Value

(2) Attributable net lettable area proportionate to stake owned in the properties

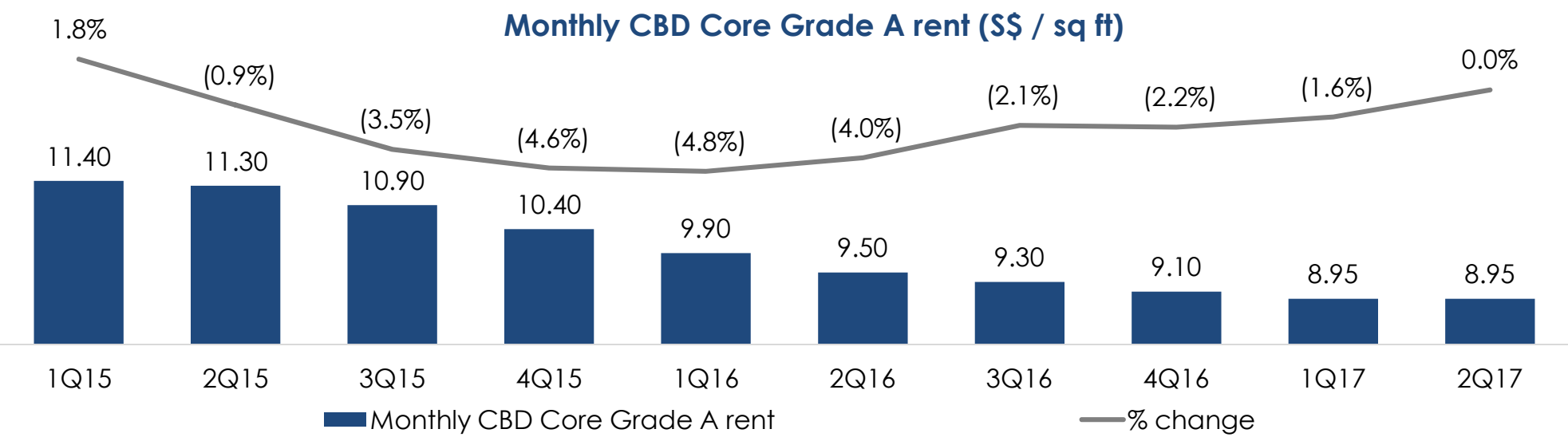


2

Acquisition of a premium Grade A property at an attractive price and potential to benefit from expected uptick in Grade A office rents

Well-positioned to benefit from expected uplift in Grade A office rents

Decline in office market rent is slowing down



Better quality buildings best placed to capture future projected upswing in rents

"...there is a general consensus that the outlook for the office sector has improved and the worst could be over for this sector. ...landlords of better quality buildings look best placed to capture the future projected upswing in rents."
- CBRE, 2Q 2017

Source: CBRE



2

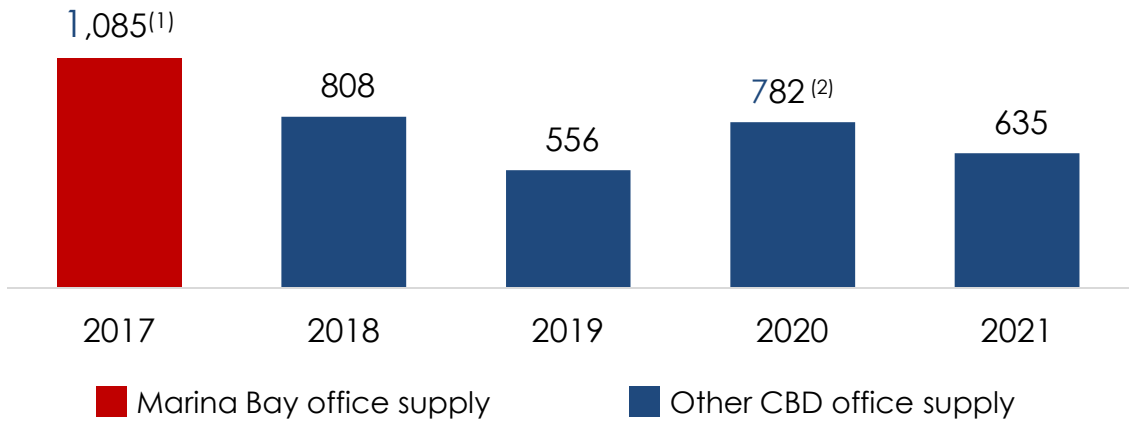
Acquisition of a premium Grade A property at an attractive price and potential to benefit from expected uptick in Grade A office rents

Well-positioned to benefit from expected uplift in Grade A office rents

Pipeline of future office supply in CBD to moderate after 2017

Prior fears around supply overhang have diminished

Pipeline of future office supply ('000 sq ft)



*“Economic indicators have firmed in recent months and, in tandem, **prior fears around a supply overhang have also diminished** as the new developments have been able to attract tenants.”*

– CBRE, 2Q 2017

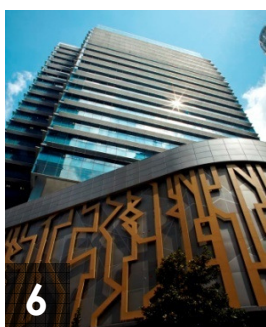
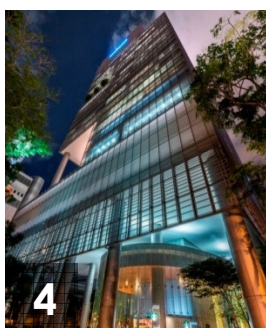
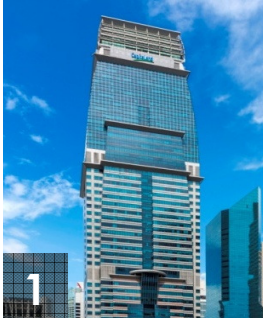
Sources: CBRE, respective media reports

Notes:

- (1) Pipeline from 3Q 2017 and onward, includes West Tower of Marina One (East Tower was granted TOP in 2Q 2017) and EON Shenton
- (2) Pipeline includes, amongst other offices, the 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) According to CBRE and JLL, companies have committed to rent or have submitted leasing proposals for about 30 percent of Frasers Tower’s NLA. Reported in The Straits Times dated 8 Feb 2017

3 Expansion of CCT's footprint into Marina Bay

CCT's first premium Grade A property located in the vibrant Marina Bay area



- 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. **AST2 Property**

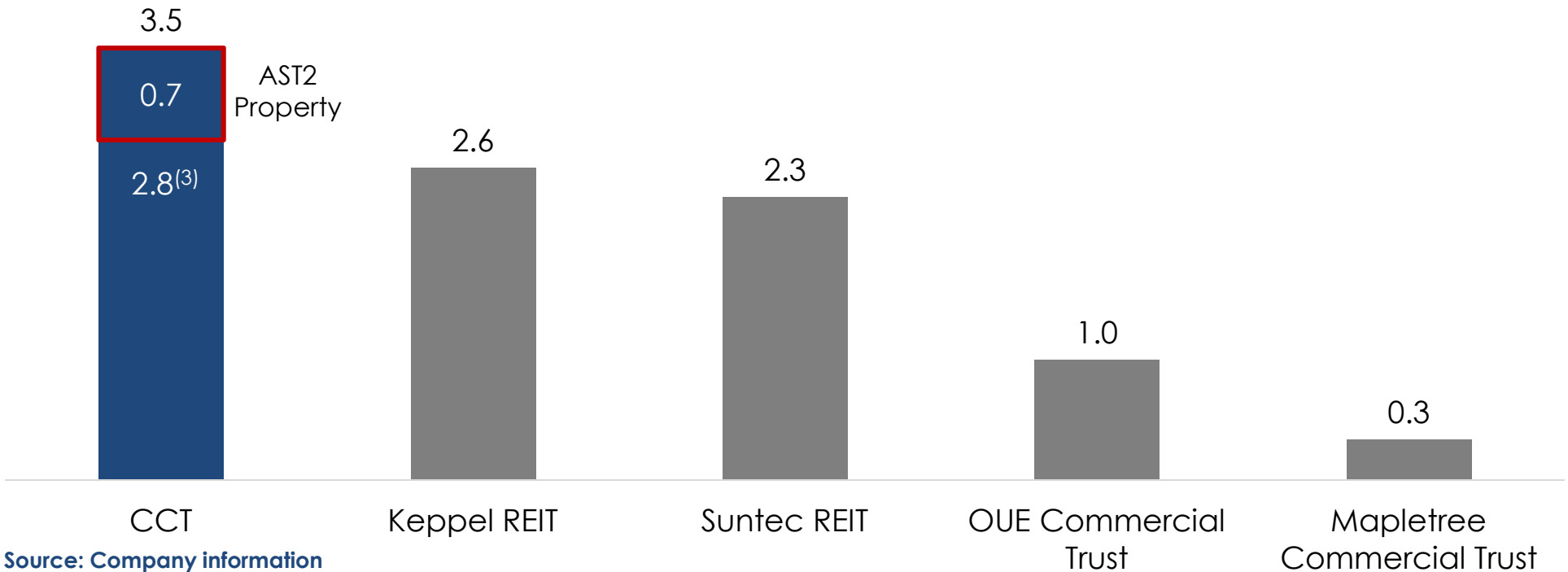


3

Expansion of CCT's footprint into Marina Bay

Solidifies CCT's position as the largest office landlord in Singapore's central area

Attributable Singapore central area office NLA⁽¹⁾ of comparable commercial S-REITS⁽²⁾ (million sq ft)



Source: Company information

Notes:

- (1) Attributable NLA only includes the respective REITs' office (including ancillary retail) properties located in Singapore central area
- (2) FCOT excluded from commercial REIT peers due to non-availability of its office/retail breakdown
- (3) Attributable office portfolio includes 60.0% of Raffles City Tower, 50.0% of One George Street and the rest of CCT's office properties in the CBD. Excludes Raffles City Shopping Centre, Bugis Village, Wilkie Edge (divested in September 2017) and Golden Shoe Car Park (currently under redevelopment)





4

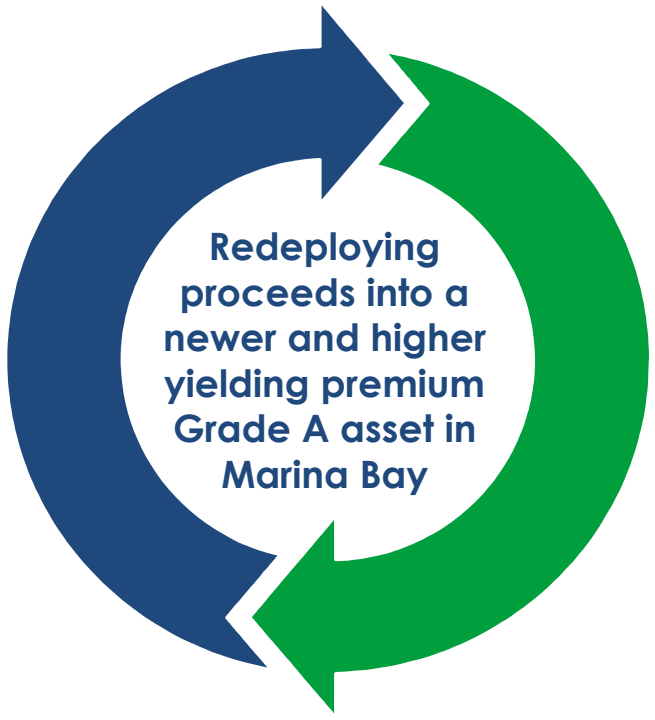
Augments CCT's portfolio for long term growth

Redeployment of divestment proceeds to rejuvenate the portfolio

One George Street	
Exit NPI Yield	3.2% ⁽¹⁾
NLA (sq ft)	446,473
Year of completion	2005
Wilkie Edge	
Exit NPI Yield	3.4% ⁽²⁾
NLA (sq ft)	154,388
Year of completion	2008




Value creation through portfolio reconstitution strategy



AST2 Property	
	
Agreed Property Value	S\$2,094.0 mil
NPI Yield	3.6% ⁽³⁾
NLA (sq ft)	778,719
Committed occupancy	88.7%
Year of completion	2013

Notes:

(1) Based on NPI of S\$38.0 million for the 12 months preceding 31 March 2017 and the agreed value of S\$1,183.2 million for the OGS Transaction

(2) Based on NPI of S\$9.5 million for the 12 months preceding 31 March 2017 and the sale consideration of S\$280.0 million for the WE Transaction

(3) 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

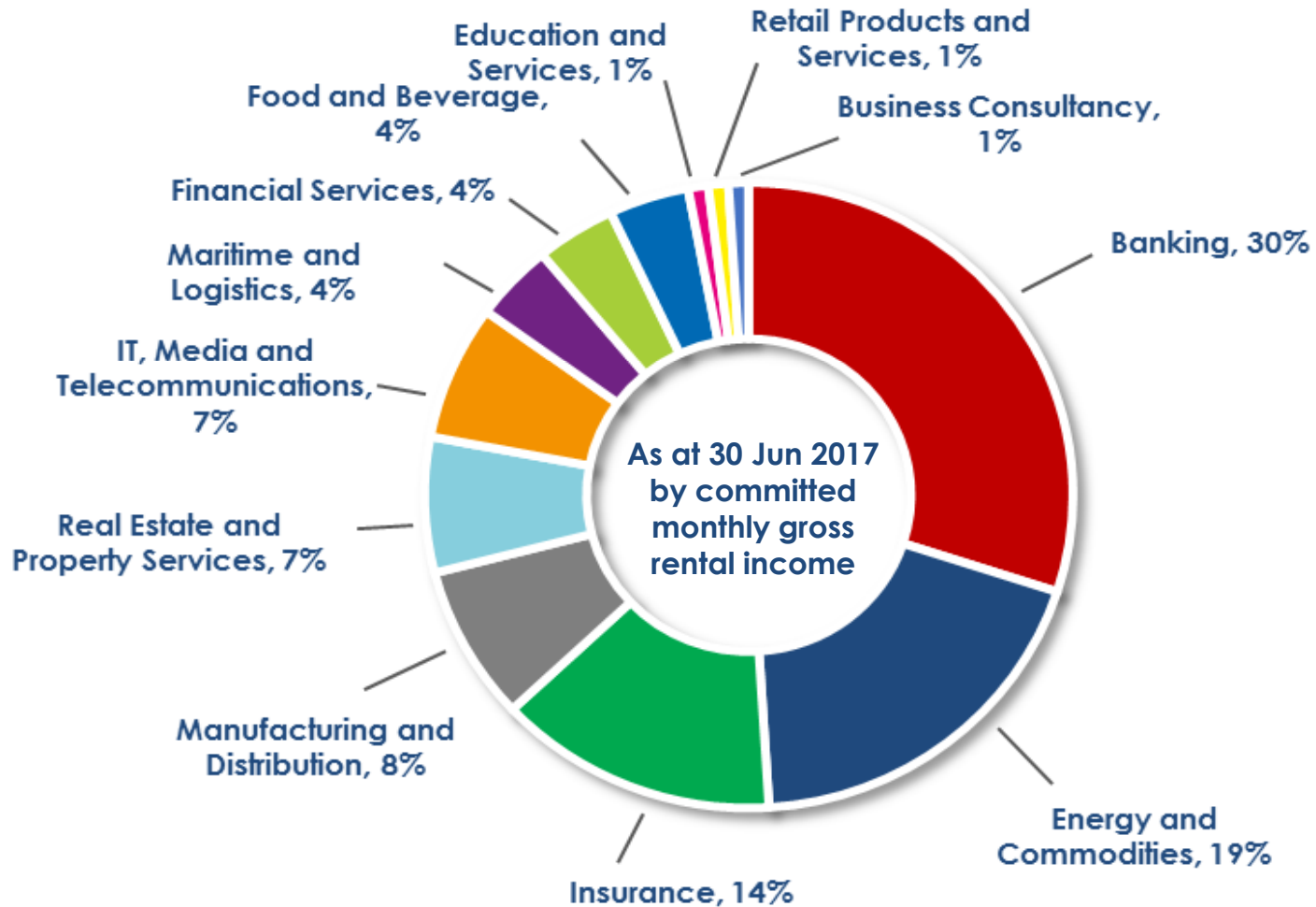




4

Augments CCT's portfolio for long term growth

Strong, diversified tenant mix at AST2 Property



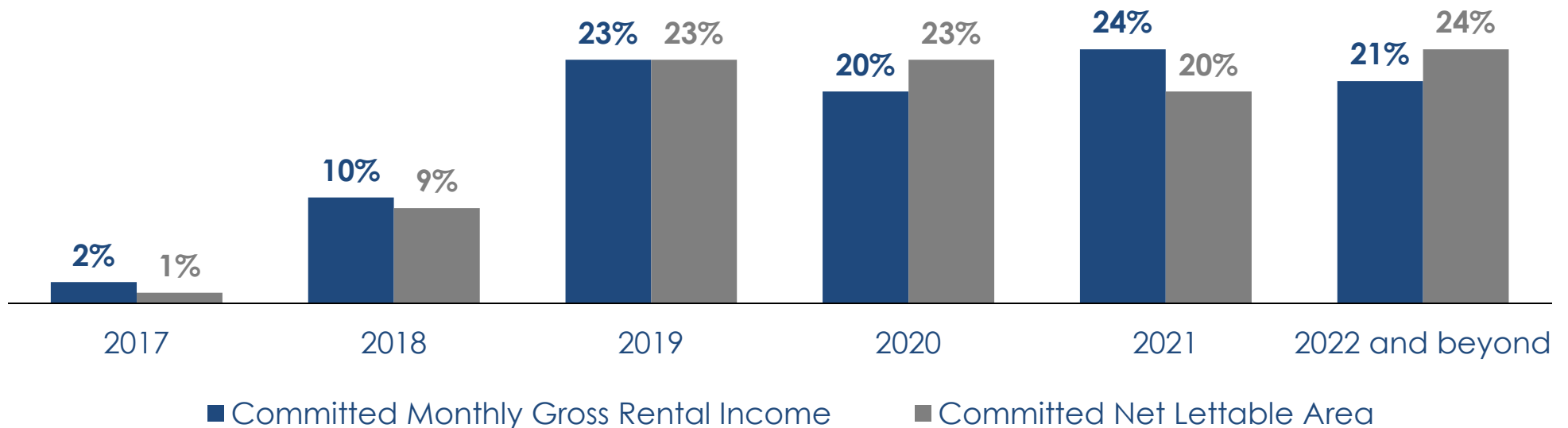


4

Augments CCT's portfolio for long term growth

AST2 Property 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:

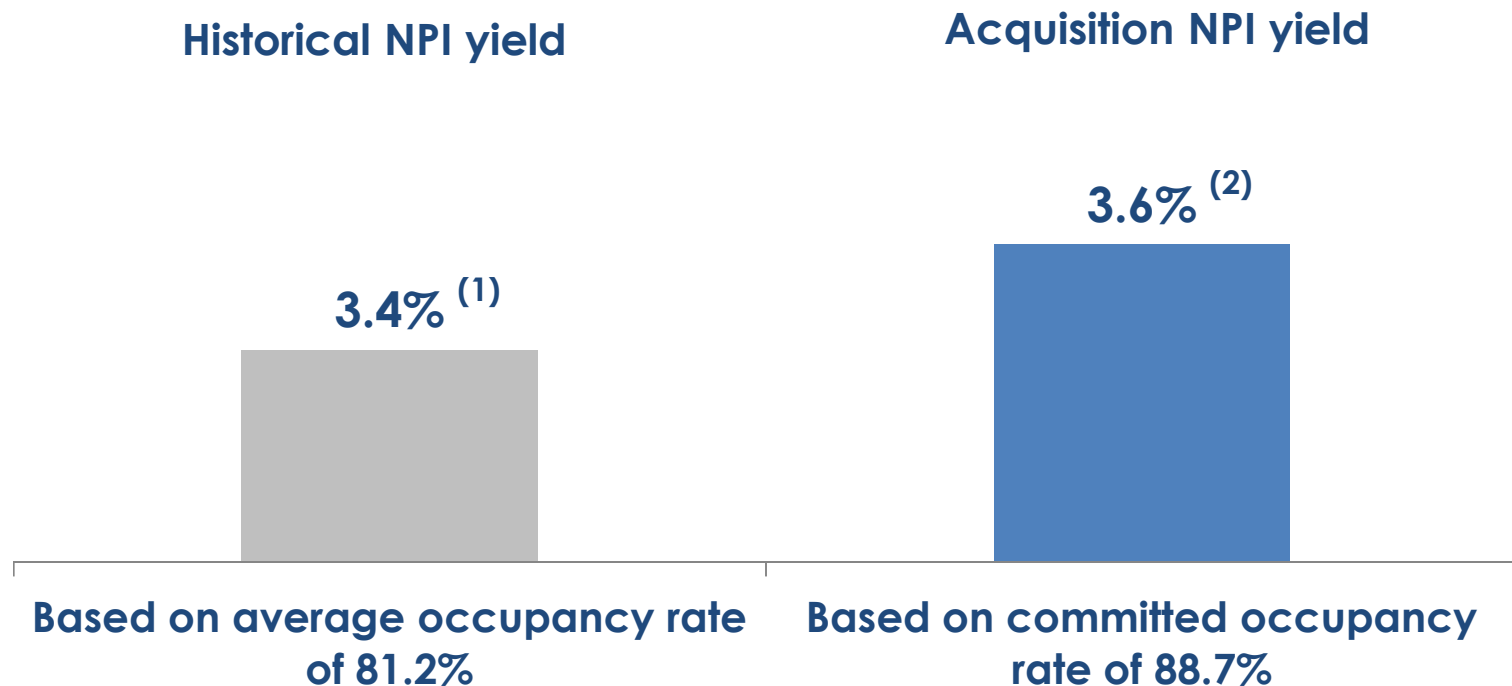
Lease expiry profile as at 30 June 2017



4

Augments CCT's portfolio for long term growth

Potential NPI yield upside from improvement in AST2 Property's occupancy rate



Notes:

- (1) Based on an annualised NPI for pro forma 1H2017 and the Agreed Property Value
- (2) Based on an annualised NPI for pro forma 1H2017 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

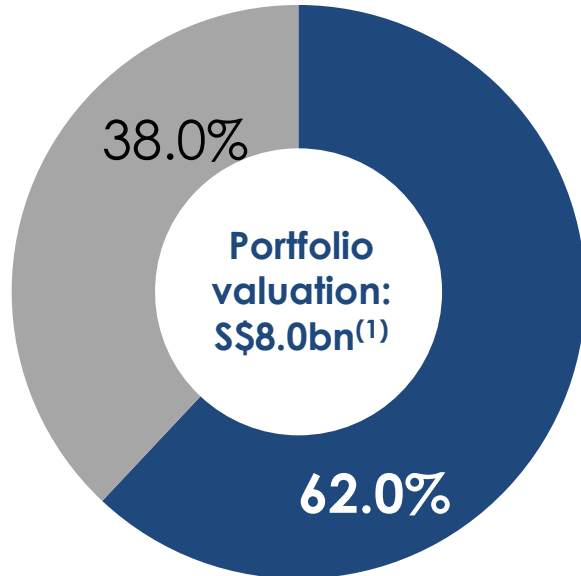


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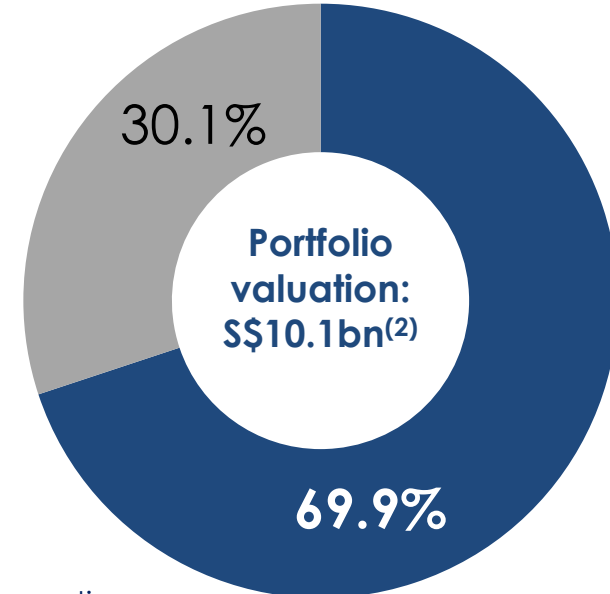
Enhances resilience, diversity and quality of CCT's portfolio

Increases portfolio value from S\$8.0 billion to S\$10.1 billion and exposure to Grade A assets from 62.0% to 69.9%

Before acquisition of the AST2 Property⁽¹⁾



After acquisition of the AST2 Property⁽²⁾



■ Grade A properties ■ Other properties

Notes:

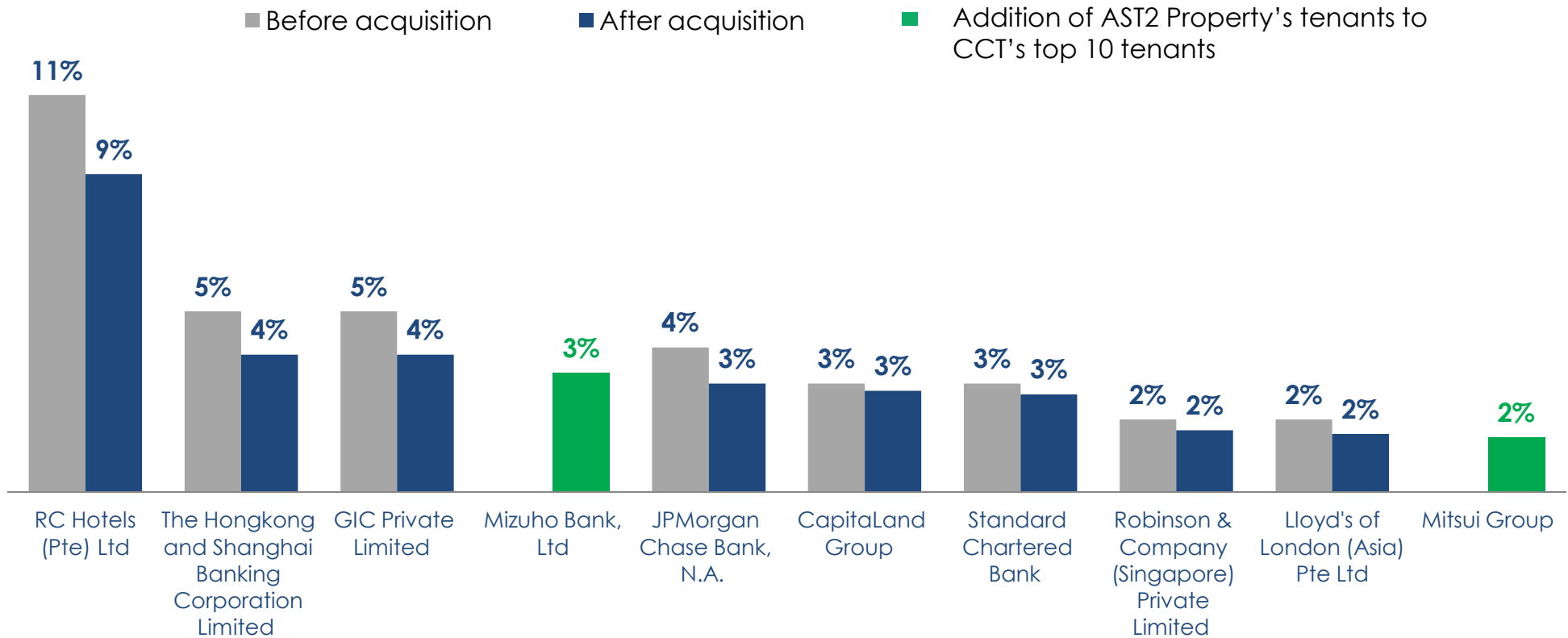
- (1) Based on 30 June 2017 valuation of CCT's Existing Properties (excluding Wilkie Edge which was divested on 11 September 2017) in the proportionate holdings
- (2) Based on 30 June 2017 valuation of CCT's Existing Properties (excluding Wilkie Edge which was divested on 11 September 2017) in the proportionate holdings and the Agreed Property Value of AST2 Property



5

Enhances resilience, diversity and quality of CCT's portfolio

Improves tenant diversification; contribution by largest tenant decreases from 10.6% to 8.8% and top 10 tenants from 36.8% to 33.0%



Note:

(1) Based on committed monthly gross rental income as at 30 June 2017

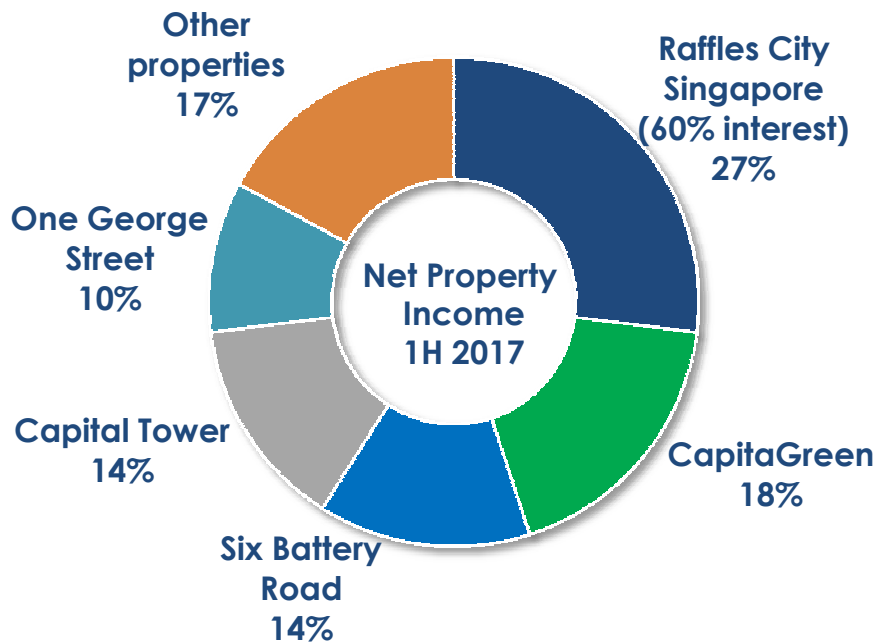


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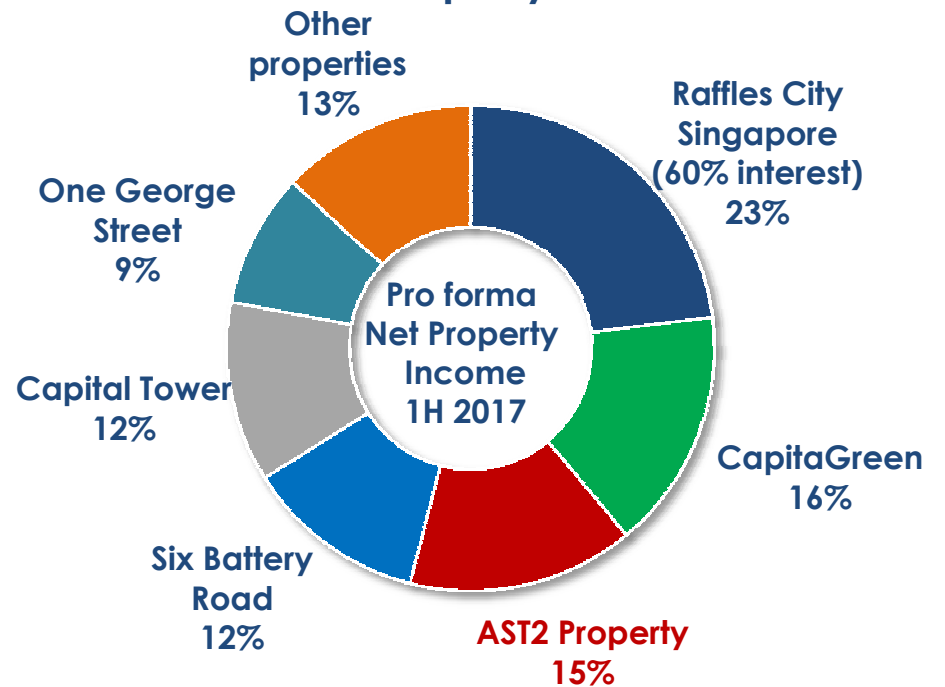
Enhances resilience, diversity and quality of CCT's portfolio

Improves asset diversification; maximum NPI contribution by any single property decreases from 27% to 23%

Before acquisition of the AST2 Property⁽¹⁾



After acquisition of the AST2 Property⁽²⁾



Notes:

- (1) Based on NPI for the period ended 30 June 2017 and before taking into account the impact of the three divestments, namely 50% of One George Street (completed on 19 June 2017), Wilkie Edge (completed on 11 September 2017) and Golden Shoe Car Park (completed in July 2017 to a joint venture for redevelopment pursuant to the GSCP Transaction)
- (2) Based on footnote (1) and pro forma NPI contribution from the AST2 Property, assuming the acquisition was in CCT's portfolio from 1 January 2017

3. Financial Effects Of The Transaction

The Cube, Asia Square, Singapore

CapitaLand Commercial Trust Presentation September 2017

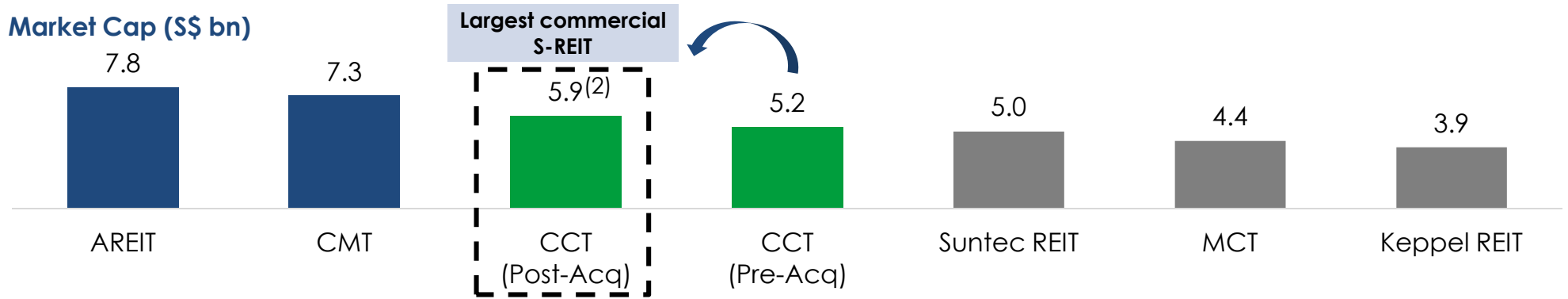


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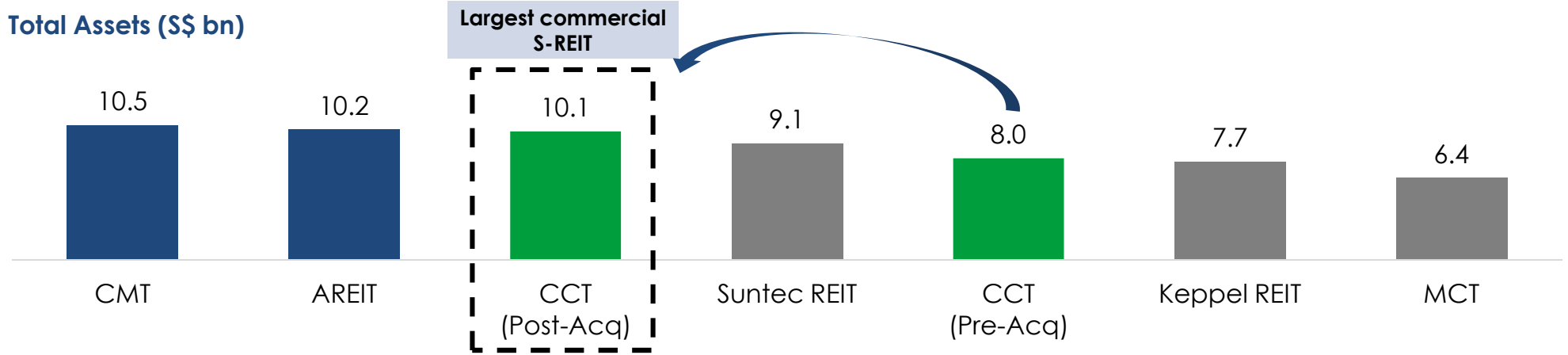
Potential increase in trading liquidity of CCT's Units

The acquisition will increase CCT's market capitalisation which could potentially improve trading liquidity

Reinforcing CCT's position as the third largest S-REIT by market capitalisation⁽¹⁾



CCT becomes third largest S-REIT by total assets post-Transaction⁽³⁾



Notes: ■ Comparable commercial S-REITs ■ Other comparable large cap S-REITs

- (1) Market data as of 20 September 2017
- (2) Market cap post acquisition is based on total enlarged units
- (3) Balance sheet figures reported as at 30 June 2017





Pro forma financial effects of the Transaction for illustrative purposes

FY 2016	Amount available for distribution (\$ million)	Distribution per Unit ("DPU") (\$)	DPU Yield based on the Issue Price ⁽⁵⁾ (%)	DPU Yield (%)	Adjusted Net Asset Value ("NAV") per Unit
Actual ⁽¹⁾	269.0	9.08	N.A.	5.36 ⁽⁶⁾	\$1.73
Pro forma after Acquisition ⁽²⁾⁽³⁾	274.1	7.61	5.58	4.62 ⁽⁷⁾	\$1.75

1H 2017	Amount available for distribution (\$ million)	DPU (\$)	DPU Yield based on the Issue Price ⁽⁵⁾ (%)	DPU Yield (%)	Adjusted NAV per Unit
Actual ⁽¹⁾	140.8	4.56	N.A.	5.38 ⁽⁶⁾	\$1.75 ⁽⁸⁾
Pro forma after Acquisition ⁽²⁾⁽⁴⁾	152.6	4.23	6.21	5.13 ⁽⁷⁾	\$1.76

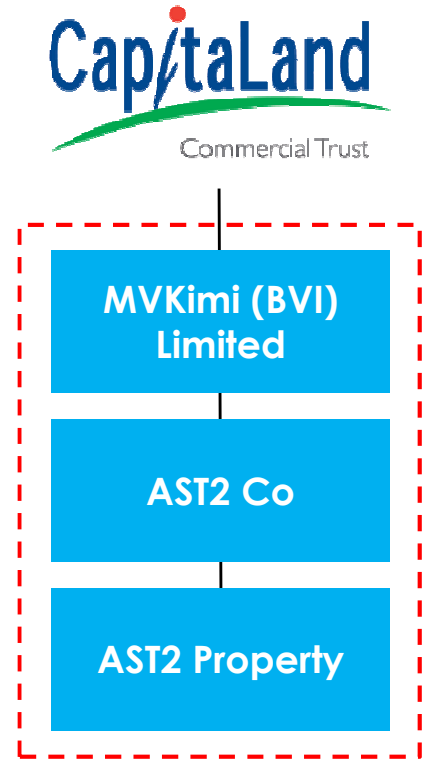
Notes:

- (1) Based on the audited financial statements of CCT for the financial year ended 31 December 2016 and unaudited financial statements for the six months ended 30 Jun 2017
- (2) Adjusted for pro forma financials effects of the OGS Transaction, the WE Transaction, the GSCP Transaction, the Rights Issue and the Acquisition. Please see page 43 of CCT's offer information statement dated 21 September 2017 for the bases and assumptions.
- (3) Based on the NPI of the AST2 Property for the financial year ended 31 December 2016 ("FY2016") of S\$65.8 million (NPI yield of 3.1%)
- (4) Based on the annualised NPI of the AST2 Property for the half year ended 30 June 2017 ("1H2017") of S\$35.3 million (NPI yield of 3.4%)
- (5) Based on issue price per Rights Unit of S\$1.363
- (6) Based on closing price per Unit of S\$1.695 on 20 September 2017
- (7) Based on TERP per Unit of S\$1.648
- (8) Based on Units in issue as at 27 July 2017



Acquisition structure

Acquisition of existing investment holding structure from BlackRock



Master lease structure to be put in place between CCT and AST2 Co ⁽¹⁾

Note:

(1) Following completion of the Acquisition, the Manager is expected to put in place an arrangement whereby AST2 Co and CCT will enter into a master lease, pursuant to which CCT will lease the AST2 Property from AST2 Co and have the right to manage the AST2 Property including the right to sub-lease the office and retail units comprised in the AST2 Property. Under such arrangement, CCT will derive rental and other income directly from the AST2 Property tenants as tax transparent income. However, it is noted that income earned by AST2 Co will still be subject to corporate income tax.



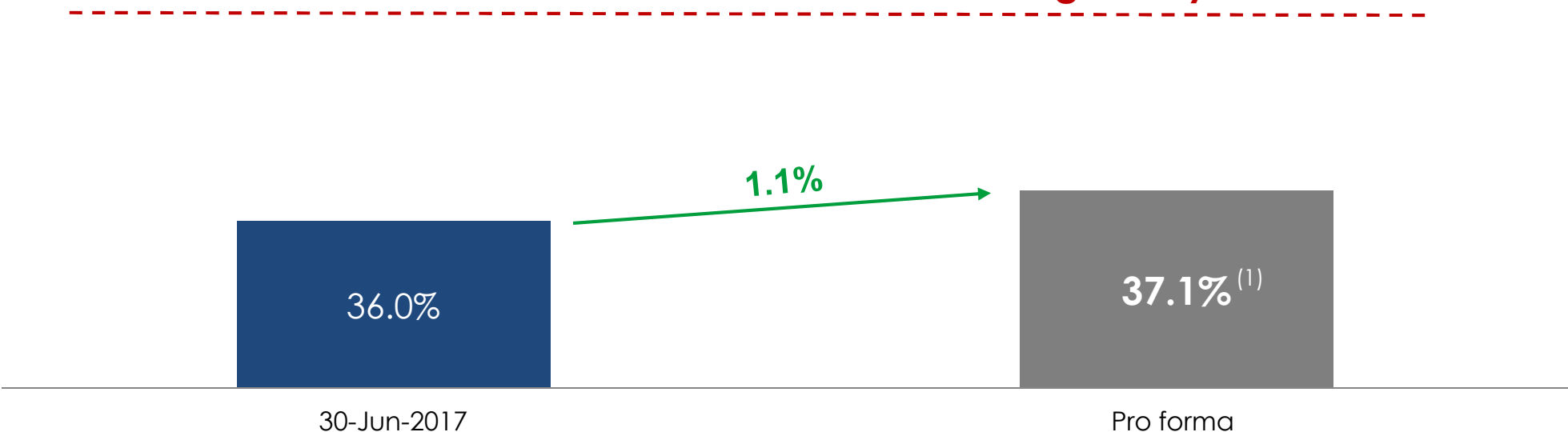
Balance Sheet remains strong

Pro forma aggregate leverage of 37.1%⁽¹⁾:

- ✓ Below regulatory limit of 45.0%
- ✓ Aligned with CCT's capital management strategy of under 40.0%

Aggregate leverage (%)

Regulatory limit: 45.0%



Note:
(1) Pro forma aggregate leverage as at 30 Jun 2017 after the OGS Transaction, the WE Transaction, the GSCP Transaction, the Rights Issue and the Acquisition as well as conversion of entire S\$175.0 million convertible bonds due 2017



4. Rights Issue Timetable



Food Garden, Asia Square, Singapore



Rights Issue timetable

Events	Date & Time
Last day of “cum-rights” trading	Tuesday, 26 September 2017
First day of “ex-rights” trading	Wednesday, 27 September 2017
Rights Issue Books Closure Date	Friday, 29 September 2017, 5 pm
Commencement of Rights Issue	Wednesday, 4 October 2017
Commencement of trading of Rights Entitlements	Wednesday, 4 October 2017
Despatch of Offer Information Statement and Application Forms	Wednesday, 4 October 2017
Close of trading of Rights Entitlements	Thursday, 12 October 2017
Close of Rights Issue	Thursday, 19 October 2017, 5 pm
Listing and commencement of trading of Rights Units on SGX-ST	Friday, 27 October 2017

5. Conclusion



The Cube, Asia Square, Singapore

CapitaLand Commercial Trust Presentation September 2017



Transaction Rationale & Benefits

- ① Strategic addition of a premium Grade A property
- ② Acquisition of a premium Grade A property at an attractive price and potential to benefit from expected uptick in Grade A office rents
- ③ Expansion of CCT's footprint into Marina Bay
- ④ Augments CCT's portfolio for long term growth
- ⑤ Enhances resilience, diversity and quality of CCT's portfolio
- ⑥ Potential increase in trading liquidity of CCT's Units
- ⑦ Rights Issue partly funds the Acquisition and enhances CCT's financial flexibility



Thank you

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