

NEWS RELEASE

**CCT's 1Q 2019 distributable income up 8.0% year-on-year**  
***Positive rental reversions achieved for leases signed in 1Q 2019***  
***as portfolio occupancy continues to outperform market***

**Singapore, 18 April 2019** – CapitaLand Commercial Trust Management Limited, the Manager of CapitaLand Commercial Trust (CCT or Trust), is pleased to report distributable income of S\$82.7 million for the quarter ended 31 March 2019 (1Q 2019), an uplift of 8.0% from 1Q 2018. Distribution per unit (DPU) was 2.20 cents, 3.8% higher than the 2.12 cents a year ago.

Gross revenue and net property income for the quarter increased by 3.5% and 3.4% year-on-year to S\$99.8 million and S\$79.8 million respectively. The improved performance was largely due to contributions from Gallileo – acquired in June 2018 – and higher occupancy at Asia Square Tower 2, which more than offset the divestment of Twenty Anson. Based on the annualised 1Q 2019 DPU and CCT's closing price per unit of S\$1.93 on 18 April 2019, CCT's distribution yield is 4.6%.

As at 31 March 2019, CCT's total deposited property value was S\$11.1 billion while its adjusted net asset value per unit (excluding distributable income payable to unitholders) was S\$1.79.

The Trust's unaudited Consolidated Financial Statements for 1Q 2019 results are available on its website ([www.cct.com.sg](http://www.cct.com.sg)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

**SUMMARY OF CCT GROUP RESULTS**

	1Q 2019	1Q 2018	Change (%)
<b>Gross Revenue (S\$'000)</b>	<b>99,762</b>	96,418	<b>3.5</b>
<b>Net Property Income (S\$'000)</b>	<b>79,802</b>	77,209	<b>3.4</b>
<b>Distributable Income (S\$'000)<sup>1</sup></b>	<b>82,723</b>	76,606	<b>8.0</b>
<b>Distribution Per Unit (cents)</b>	<b>2.20</b>	2.12	<b>3.8</b>

Mr Kevin Chee, Chief Executive Officer of the Manager, said: "We are pleased to report that CCT achieved a DPU of 2.20 cents in 1Q 2019 and maintained a strong portfolio occupancy rate of 99.1% as at 31 March 2019. The Trust delivered a strong set of results from its strategic portfolio reconstitution achieved by the acquisition of a 94.9% stake in Gallileo and the divestment of Twenty Anson, which mitigated the flow through of negative rental reversions from leases committed last year. This resilient performance was further underpinned by CCT's proactive asset and capital management."

<sup>1</sup> Distributable income in 1Q 2019 includes tax-exempt income of S\$3.4 million.

Mr Chee added: “With monthly Grade A office rent trending upwards and limited new supply coming onstream from now until 2021, it is an opportune time to ride the positive office market cycle. CCT will focus on maintaining a high portfolio occupancy, signing office rents above market levels and securing positive rental reversions. We will also be ramping up marketing activities for CapitaSpring, with plans to open an interactive marketing showsuite in 2Q 2019.”

1Q 2019 also saw the launch of flexible spaces and new community activities at Capital Tower. These include the 230-seater Big Picture theatre, an auditorium by day and a cinema by night; Flex, a multi-purpose wellness studio for fitness and dance classes on the ninth floor; and MARK, a members-only business club by The Work Project.

### Active portfolio leasing

In 1Q 2019, CCT signed over 225,000 square feet of new leases and renewals, of which 18% were new leases. Rental reversions for most of the office leases signed were positive. New demand for office space was driven by tenants from diverse trade sectors. These included companies in Retail Products and Services; Financial Services; and Business Consultancy, IT Media & Telecommunications. To date, more than half of 2019 expiring leases (based on monthly gross rental income) have already been committed. However, the negative rent reversions for leases signed in prior quarters are expected to flow through as seen in the year-on-year gross revenue for CapitaGreen and Six Battery Road in 1Q 2019. This may impact overall portfolio revenue growth in 2019.

CCT returned leasehold interest of Bugis Village to the State on 1 April 2019 and received the agreed compensation sum of S\$40.7 million. Concurrently, CCT signed a one-year master lease with the State for Bugis Village from 1 April 2019 to 31 March 2020, with a projected net income of S\$1.0 million. As at 1 April 2019, about 84% of tenants at Bugis Village have committed to extend their leases.

### Proactive capital management

As part of CCT’s proactive capital management efforts, most of the borrowings due in 2019 have been refinanced ahead of their maturity and the Trust only has a fixed rate Japanese Yen (equivalent S\$148.3 million) medium term notes due end of this year. Average cost of debt was 2.5% per annum as at 31 March 2019. Aggregate leverage inched up slightly from 34.9% in 4Q 2018 to 35.2% in 1Q 2019, largely due to a S\$9 million debt drawdown for CapitaSpring (45.0% interest). To provide certainty of interest expense, 92% of CCT’s total borrowings are on fixed rates.

### Outlook

The monthly Grade A office market rent in Singapore increased by 3.2% year-on-year to S\$11.15 per square foot in 1Q 2019, according to data from CBRE Research. Occupancy in Singapore’s Core CBD office buildings as at end March was 95.4%, up from 94.8% in the previous quarter. Barring unforeseen events affecting macro environment, the Singapore office market is expected to see continued rental growth in 2019.

Prime office market rent in Frankfurt has remained resilient through property cycles. Vacancy rates have declined to record lows in the Banking District, where Gallileo is located, due to active office leasing. Leasing commitments at new developments have also increased.

## **About CapitaLand Commercial Trust ([www.cct.com.sg](http://www.cct.com.sg))**

CapitaLand Commercial Trust is Singapore's first and largest commercial REIT with a market capitalisation of approximately S\$7.2 billion. CCT aims to own and invest in real estate and real estate-related assets which are income producing and predominantly used, for commercial purposes. CCT's deposited property is approximately S\$11.1 billion as at 1 April 2019 comprising a portfolio of eight prime commercial properties in Singapore and one property in Frankfurt, Germany acquired on 18 June 2018. The properties in Singapore are Capital Tower, CapitaGreen, Asia Square Tower 2, Six Battery Road, Raffles City (60.0% interest through RCS Trust), One George Street (50.0% interest through OGS LLP), 21 Collyer Quay (HSBC Building), and CapitaSpring (45.0% interest through Glory Office Trust and Glory SR Trust), an upcoming 51-storey integrated development in Raffles Place. The property in the Banking District of Frankfurt, Germany is Gallileo (94.9% interest).

CCT has been a constituent of FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices derived from the globally recognised FTSE Global Equity Index Series. FTSE4Good is designed to track the performance of companies meeting international corporate responsibility standards and forms the basis for over 70 different funds and investment products. CCT is also a constituent of other widely recognised benchmark indices such as MSCI, MSCI World ESG Leaders Index, the SGX Sustainability Index and FTSE Straits Times Index.

CCT is managed by an external manager, CapitaLand Commercial Trust Management Limited, which is an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

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The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CCT is not necessarily indicative of the future performance of CCT.