



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

Divestment of One George Street to One George Street LLP,  
CCT to own 50.0% interest thereafter

Tuesday, 2 May 2017



# Important Notice

**This presentation shall be read in conjunction with CCT's Announcement on this transaction.**

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.

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

# 1. Divestment details

Capital Tower, Singapore



# Divestment of One George Street to One George Street LLP, CCT owns 50.0% interest thereafter

## Existing ownership structure

CapitaLand  
Commercial Trust

100.0%

**OneGeorge**  
STREET



## New ownership structure after divestment

CapitaLand  
Commercial Trust (1)

50.0%

OGS (II) Limited  
owned by insurer  
FWD Group

50.0%

One George Street Limited  
Liability Partnership (OGS LLP)  
Agreed value: S\$1,183.2 million

**OneGeorge**  
STREET

### Notes:

- (1) CCT's share of income from One George Street through One George Street LLP is tax transparent



# Agreed value for OGS LLP at premium above book value

Book value for One George Street as at 31 Dec 2016	Agreed value for OGS LLP	Premium
S\$1,014.0 million (S\$2,271 psf)	S\$1,183.2 million (S\$2,650 psf)	+16.7%

Net property yield of One George Street is 3.2% per annum based on net property income of S\$38.0 million for the 12 months preceding 31 Mar 2017 and agreed value of S\$1,183.2 million

**Note:**

- (1) CCT acquired One George Street for S\$1,165.0 million (S\$2,600 psf) in July 2008. The original purchase price was conditional upon the then vendor paying to CCT a yield protection sum which aggregated to S\$55.3 million from July 2008 to July 2013.



# CCT expected to receive estimated net gain of S\$79.7 million

**Completion of transaction expected by end June 2017**

	100.0% basis (S\$ million)	50.0% of LLP (S\$ million)	S\$ psf
Agreed value for OGS LLP	1,183.2	591.6	2,650
Book value as at 31 Dec 2016	1,014.0	507.0	2,271
<b>Estimated gain for CCT</b>	-	<b>84.6</b>	
<u>Less</u> estimated transaction and related costs <sup>(1)</sup>	-	4.9	
<b>Estimated net gain</b>	-	<b>79.7</b>	

**Note:**

(1) Transaction cost includes divestment fee at 0.5% of agreed value on 50.0% basis, legal and advisory fees as well as expenses relating to the disposal of the asset



# Pro forma financial effects of the transaction

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Property Transaction on the adjusted net asset value (NAV) per unit in CCT (Unit) and the distribution per Unit (DPU) of CCT presented below were prepared based on the audited financial statements of CCT for the financial year ended 31 December 2016.

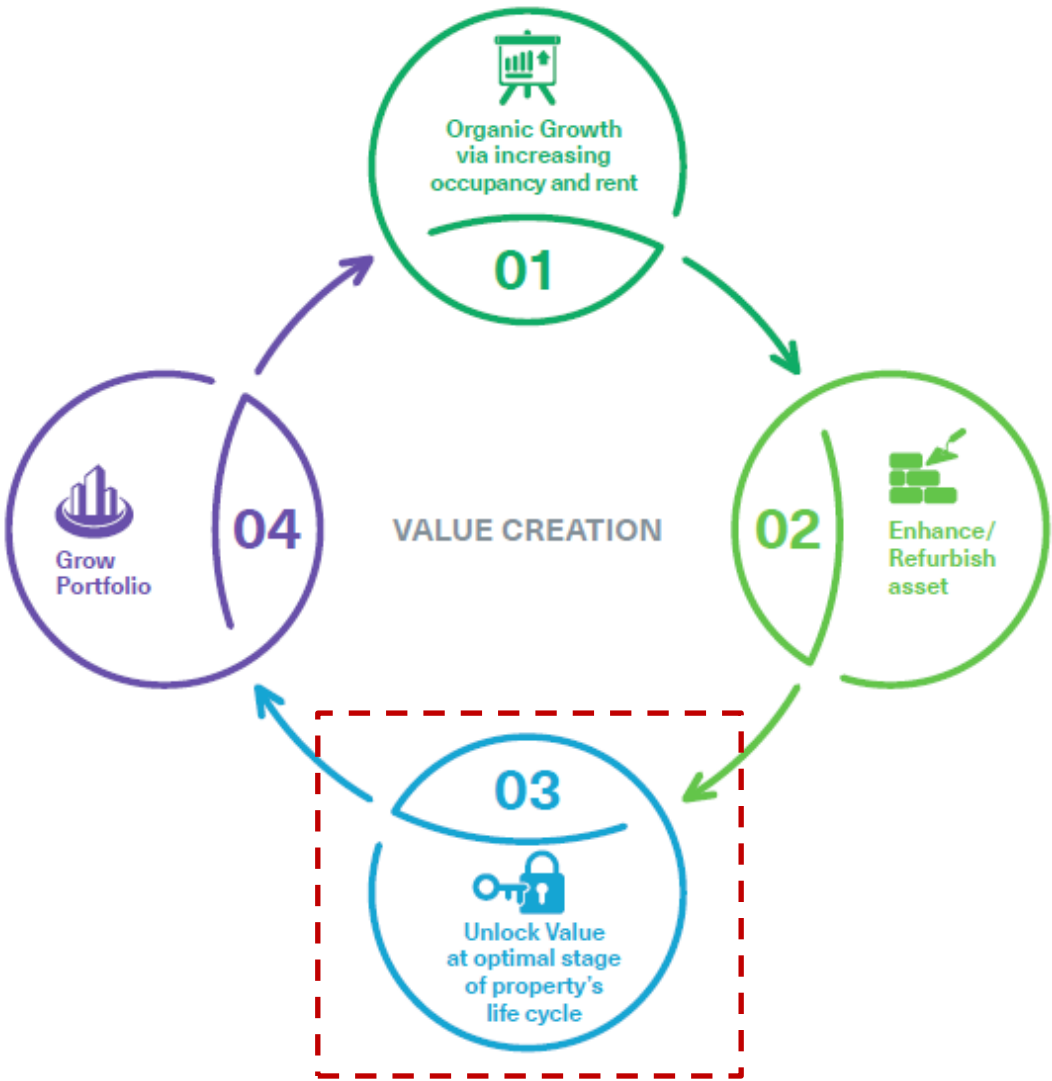
Pro forma Financial Effects of the Property Transaction	Before Divestment	After Divestment
Adjusted NAV per Unit <sup>(1)</sup>	S\$1.73	S\$1.77
DPU <sup>(2)(3)</sup>	9.08 cents	8.68 cents

**Notes:**

- (1) The Adjusted NAV per Unit is computed on the basis that CCT will indirectly retain 50.0% interest in One George Street through CCT's 50.0% interest in OGS LLP
- (2) Assume 50.0% of the agreed value of S\$591.6 million would reduce CCT's bank borrowings
- (3) Assume LLP incurred borrowings of S\$591.6 million



# Divestment is part of Portfolio Reconstitution Strategy to enhance CCT's value and increase financial flexibility





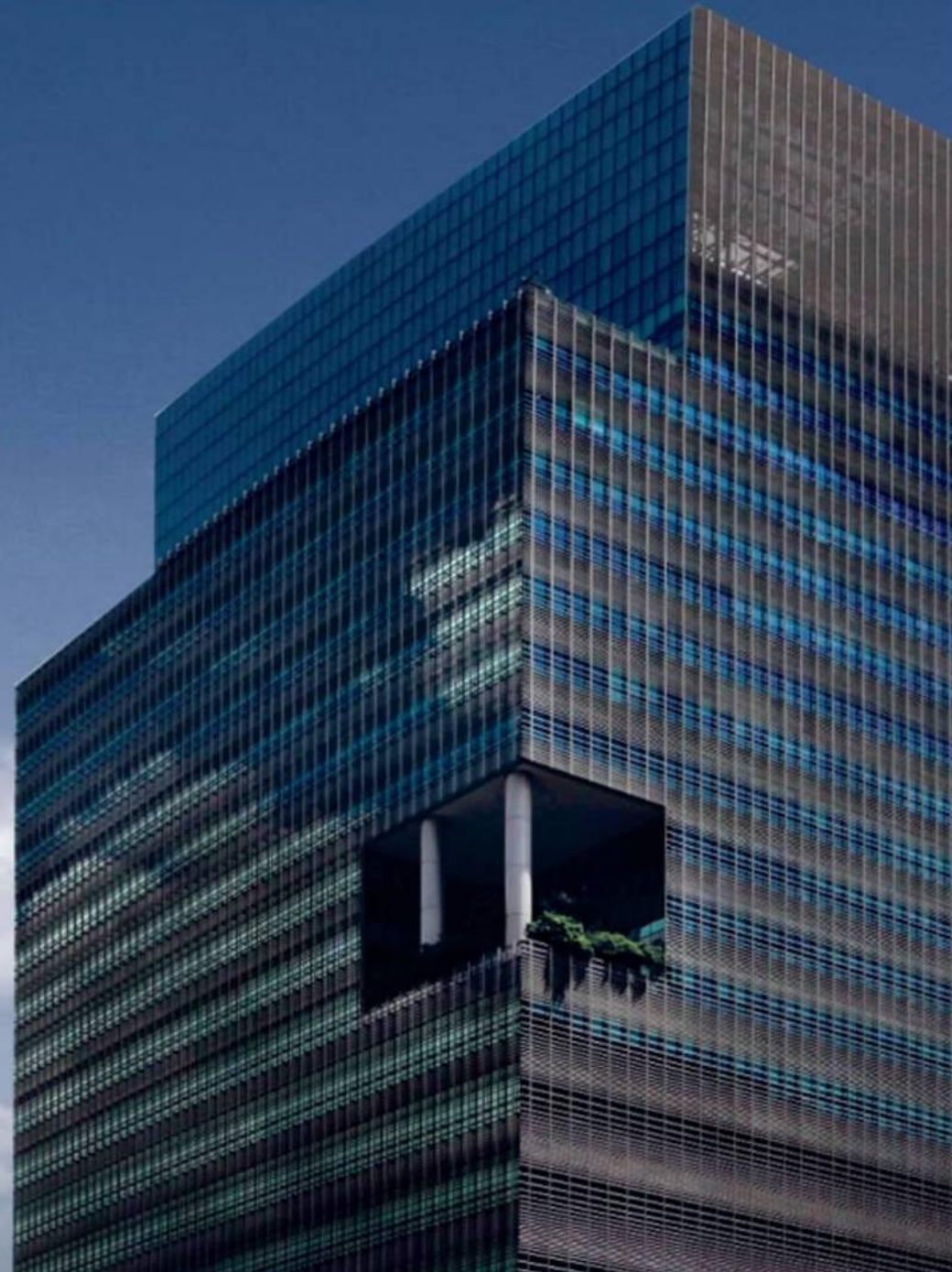


# 100% of One George Street: CCTML as Asset Manager; CCMPL as Property Manager

Appointments	Fee Structure (consistent with CCT's existing fee structure for wholly owned properties)
CapitaLand Commercial Trust Management Limited (CCTML) as Asset Manager for 5 years; may be renewed at the option of CCTML for successive periods of three years each	Asset Management Agreement <ol style="list-style-type: none"><li>Base fee of 0.1% per annum of the value of the deposited property of OGS LLP and</li><li>Performance fee of 5.25% per annum of OGS LLP's net investment income</li></ol>
CapitaLand Commercial Management Pte. Ltd. (CCMPL) as Property Manager for 5 years; may be renewed at the option of CCMPL for successive periods of three years each	Property Management Agreement <ol style="list-style-type: none"><li>Property management fee of 3.0% per annum of net property income and</li><li>Marketing commission of between 0.5 to 2 months' gross rent in respect of tenancies and licences secured by the property manager.</li></ol>

## 2. Property details

One George Street, Singapore



# Property details

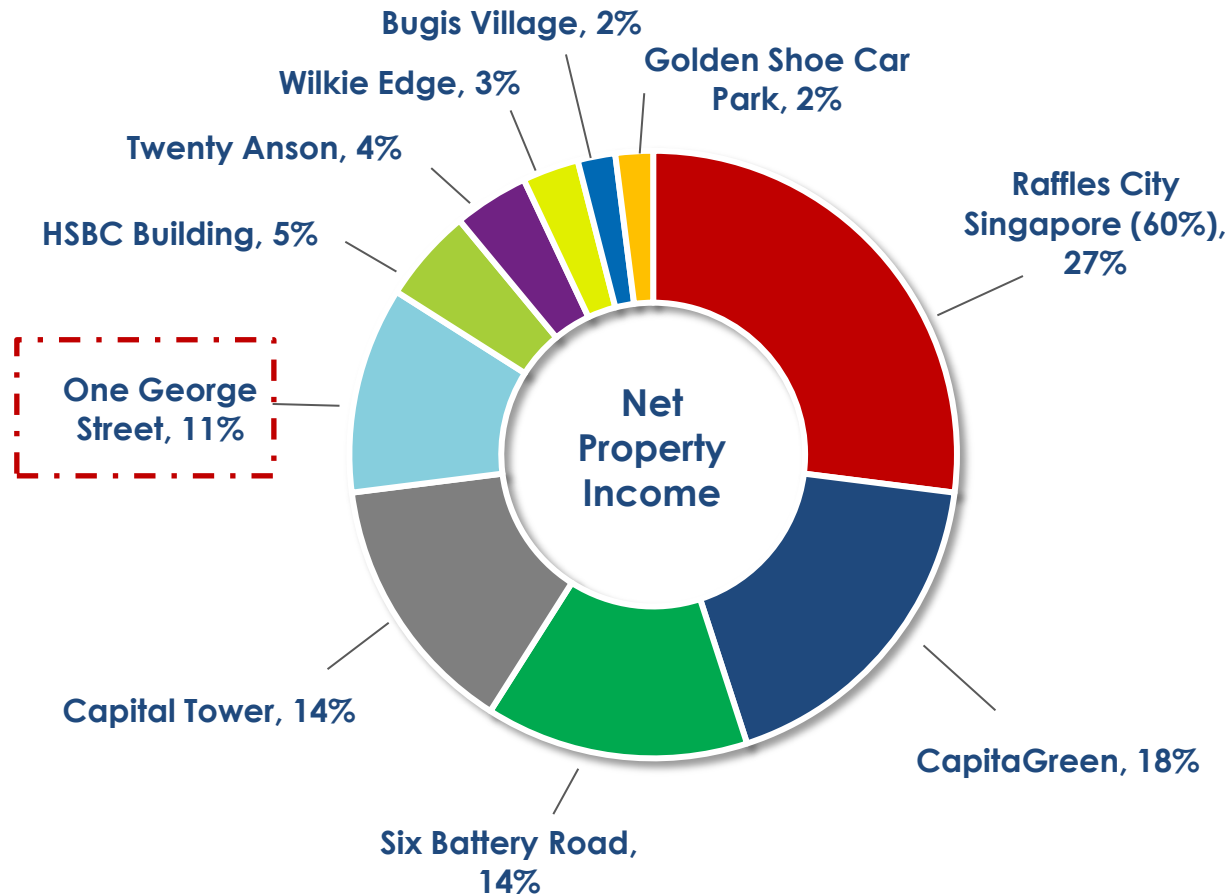


<b>Description</b>	23-storey Grade A office building with ancillary retail units
<b>Net Lettable Area</b>	446,473 sq ft (41,478 sq m)
<b>Committed Occupancy</b>	96.5% as at 31 Mar 2017
<b>Land Tenure</b>	Leasehold with remaining term of 85 years expiring 21 January 2102
<b>Car Park Lots</b>	178
<b>Award</b>	BCA Green Mark Gold <sup>PLUS</sup>
<b>1Q 2017 Gross Revenue Net Property Income</b>	\$S\$13.2 million \$S\$10.2 million
<b>Net property yield</b>	3.2% p.a. Based on net property income for the 12 months preceding 31 Mar 2017 and the agreed value



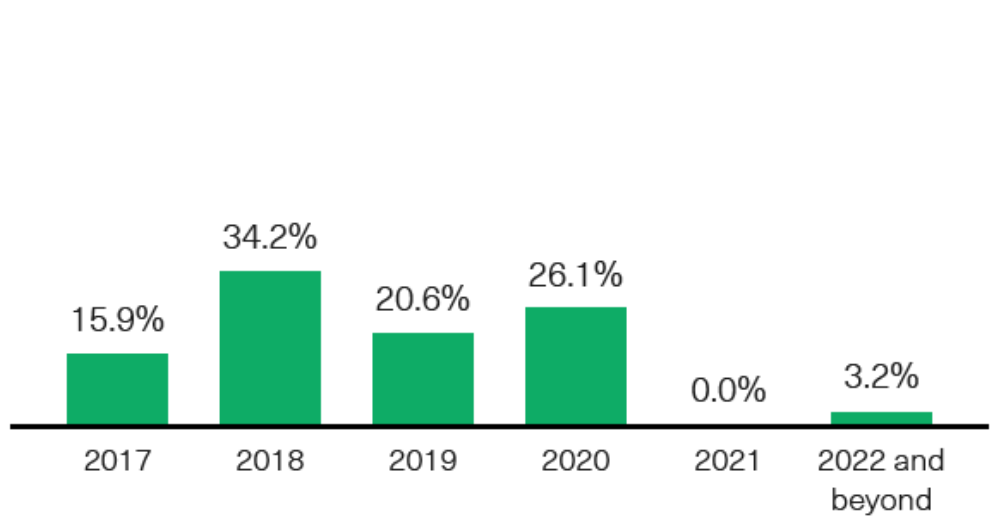
# One George Street contributed 11% to CCT's portfolio net property income in 1Q 2017 (before divestment)

## 1Q 2017 portfolio NPI (1)

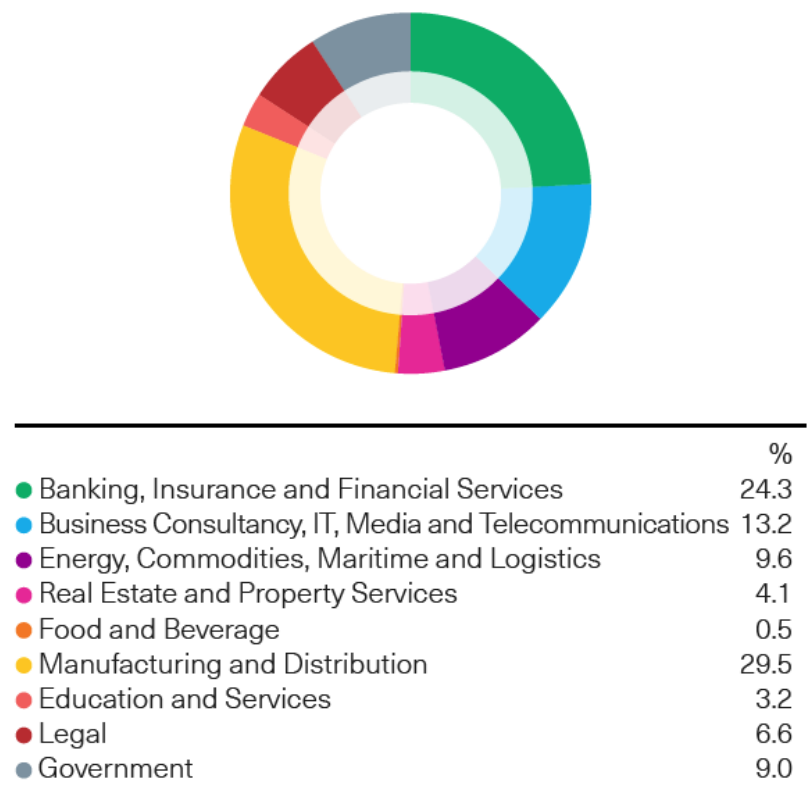


**Note:**  
(1) For reference only: Based on respective properties' proportionate net property income contribution in 1Q 2017. NPI from CCT's wholly owned properties was S\$69.9 million, while NPI from its 60.0% interest in Raffles City Singapore was S\$25.9 million.

## One George Street's lease expiry profile <sup>(1)</sup>



## One George Street's tenant mix <sup>(1)</sup>



**Note:**

(1) Based on the building's committed monthly gross rental income as at 31 December 2016



**CapitaLand**  
Commercial Trust

# 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)

**CapitalLand 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