



# CapitaLand Commercial Trust

## Singapore's First and Largest Commercial REIT

### Presentation for investor meetings in Hong Kong

27 February to 1 March 2019



# Important Notice

**This presentation shall be read in conjunction with CCT's FY 2018 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. 2018 Highlights	04
2. Financials and Capital Management	10
3. Portfolio Performance	20
4. Portfolio Value Creation	31
5. Singapore Office Market	37
6. Frankfurt Office Market	41
7. Looking Ahead	45
8. Additional Information	47

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

A low-angle photograph of the Capital Tower in Singapore, showing its distinctive stepped design and glass facade against a blue sky with scattered white clouds. The tower's structure is composed of several distinct sections, each with a different window pattern and color scheme, ranging from dark blue to light grey.







# 1. 2018 Highlights

Capital Tower, Singapore



# Highlights of CCT's value creation journey

Total deposited property value increased 4.0% YoY to S\$11.2 billion

2017		2018					
							
							
<b>Divested:</b>		<b>Acquired:</b>		<b>Divested:</b>		<b>Developing:</b>	
<ul style="list-style-type: none"> <li>• One George Street (50.0% interest) (June)</li> <li>• Golden Shoe Car Park (July)</li> <li>• Wilkie Edge (September)</li> </ul>		<ul style="list-style-type: none"> <li>• Asia Square Tower 2 (November)</li> </ul>		<ul style="list-style-type: none"> <li>• Gallileo (94.9% interest) which was funded via private placement<sup>(1)</sup> and borrowings (June)</li> </ul>		<ul style="list-style-type: none"> <li>• Twenty Anson (August)</li> </ul>	<ul style="list-style-type: none"> <li>• CapitaSpring (45.0% interest) (completion in 1H 2021)</li> </ul>

**Note:**  
(1) Private placement of 130 million units was 3.1 times covered

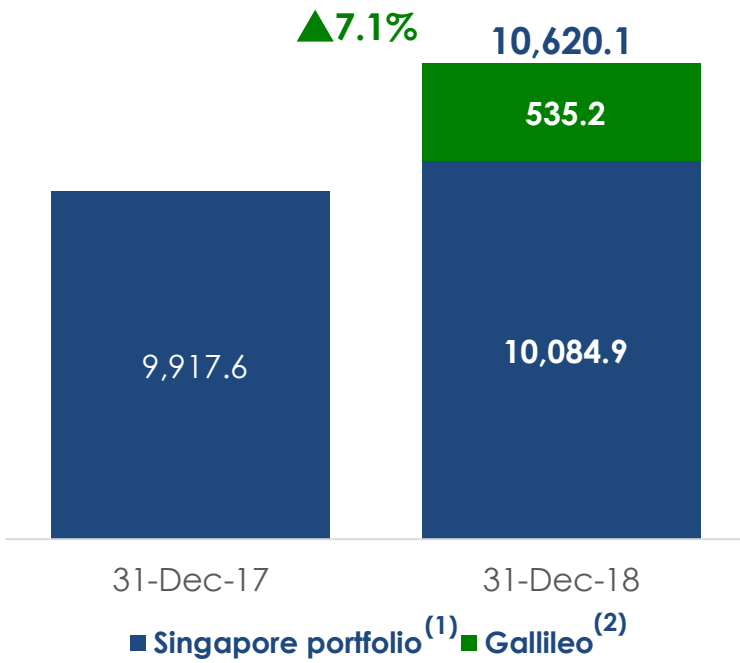




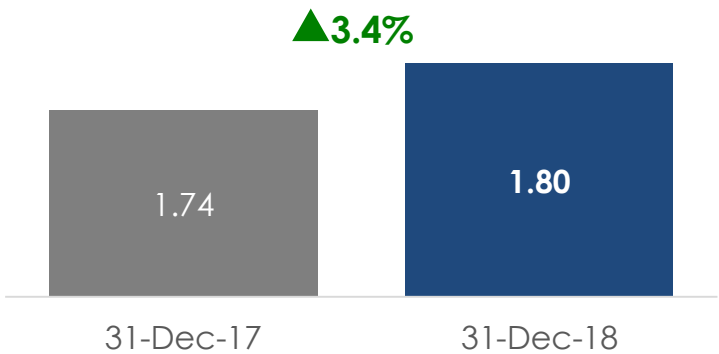
# Value of CCT's investment properties up 7.1% YoY

## Singapore portfolio valuation up 1.7%

Value of CCT's Investment Properties (\$ million)



Adjusted Net Asset Value per Unit (3) (\$)



Notes:

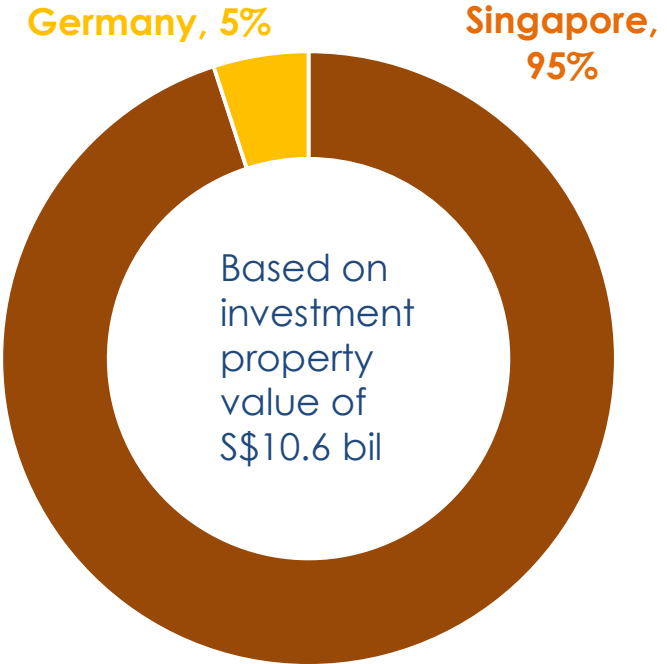
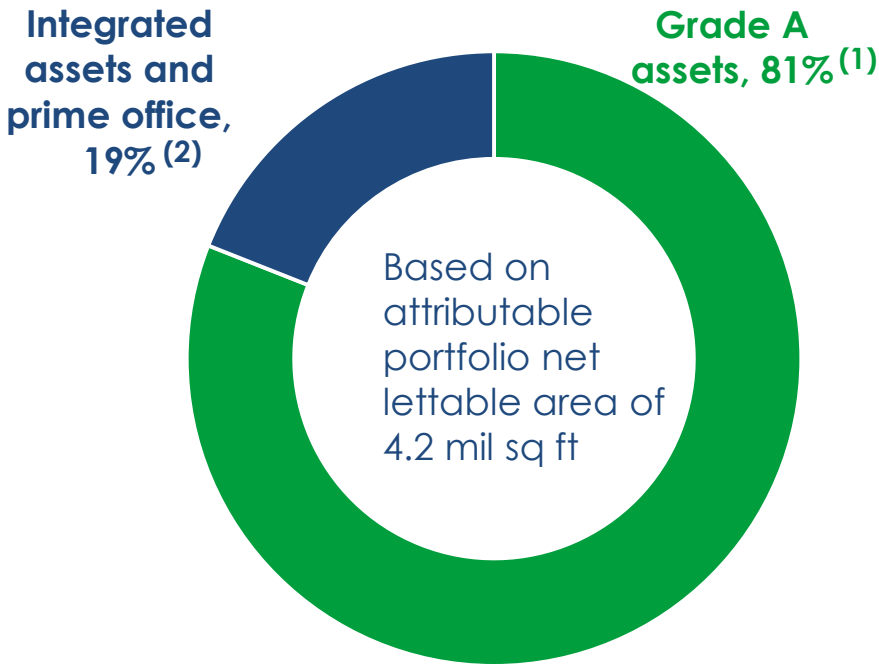
- (1) Includes CCT's proportionate interests for the investment properties under joint ventures. Excludes Bugis Village as the property was accounted for under Assets Held for Sale.
- (2) Valuation in Singapore dollars as at 31 December 2018 for 94.9% interest in Gallileo. Valuation for 100% interest in Gallileo, Frankfurt was EUR361.2 million and converted to S\$ based on an exchange rate of S\$1 = EUR1.56128
- (3) Excludes distributable income





# Largest commercial REIT with market cap of S\$6.9 billion

Majority of CCT's portfolio NLA comprise Grade A assets; largest Grade A office footprint in Singapore CBD

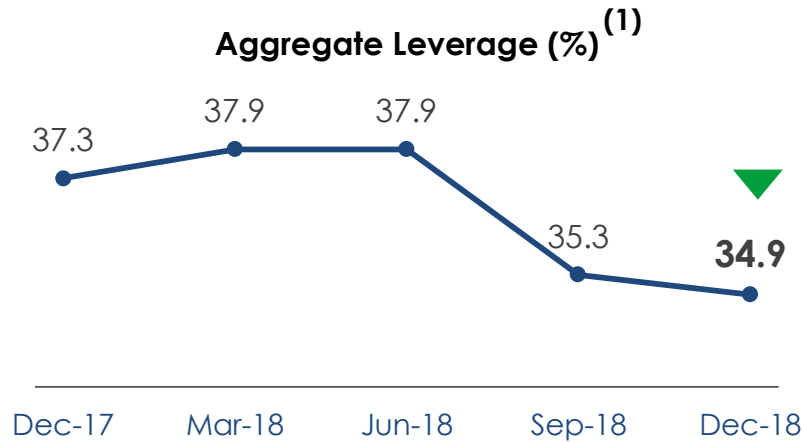


- Notes:
- (1) Grade A assets include Capital Tower, Asia Square Tower 2, CapitaGreen, Six Battery Road, Gallileo and One George Street (50% interest)
  - (2) Integrated assets are Raffles City Singapore (60% interest) and Bugis Village, while prime office refers to 21 Collyer Quay (HSBC Building)
  - (3) Market capitalisation based on closing price of S\$1.83 on 23 January 2019
  - (4) Overseas exposure in key gateway cities of developed markets of up to 20% of investment property value

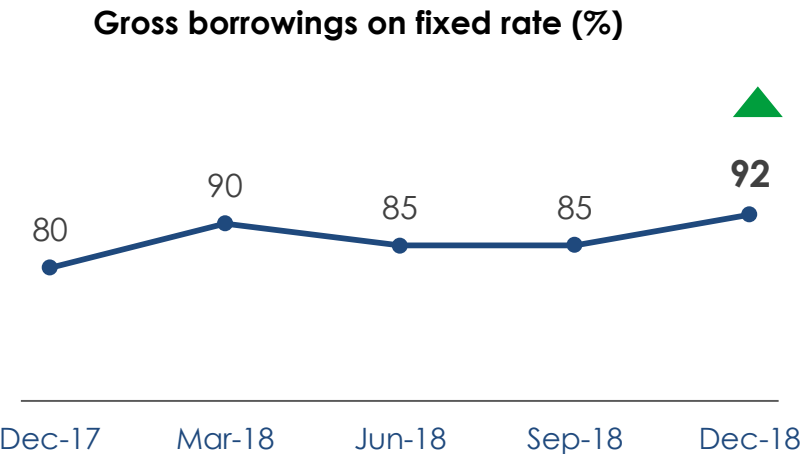
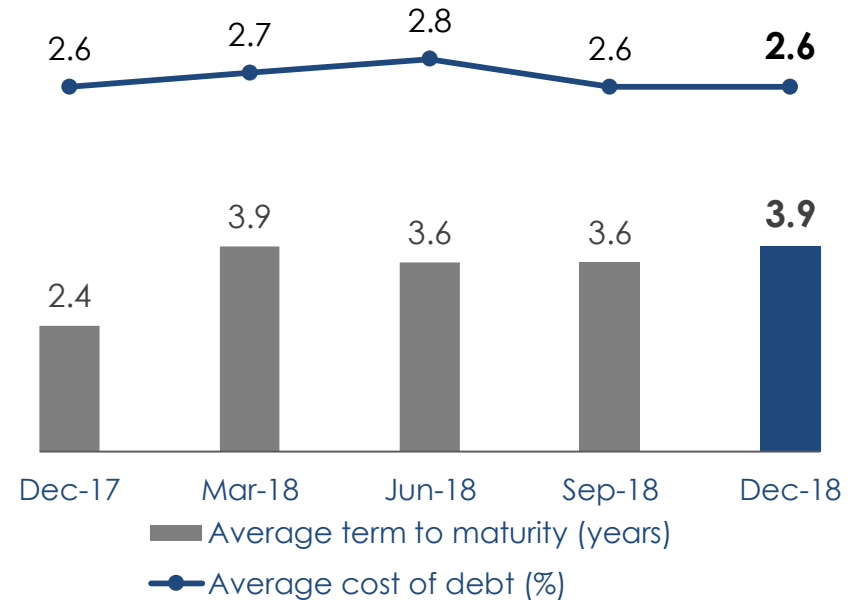


# Maintained strong balance sheet through proactive and prudent capital management

Concluded **\$2.2 billion** of debt financing in 2018



Extended average term to maturity while maintaining average cost of debt



**Note:**

(1) In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures' borrowings and deposited property values are included when computing aggregate leverage

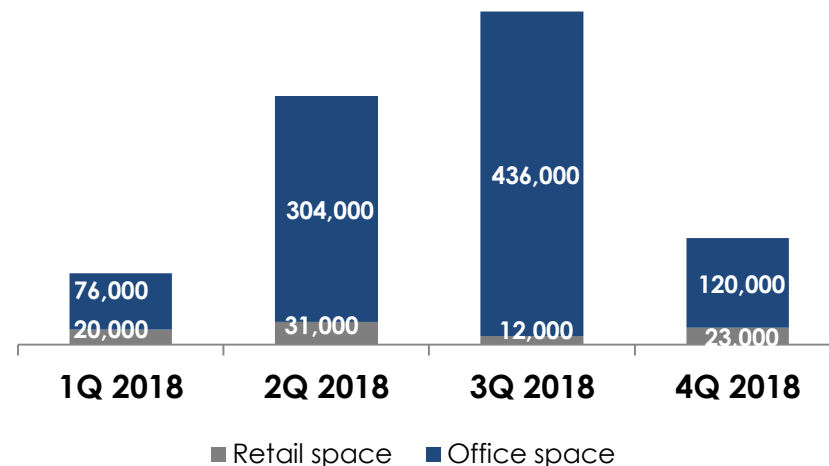




# Active leasing activities in Singapore portfolio

4Q 2018 new leases and renewals: 143,000 sq ft  
(15% are new leases)

<b>CCT Portfolio <sup>(1)</sup> (Singapore &amp; Germany)</b>	99.4%
<b>CCT Singapore Portfolio <sup>(1)</sup> higher than Singapore Core CBD occupancy of 94.8%</b>	99.3%



	FY 2017	FY 2018
Total new and renewal leases	666,000 sq ft <sup>(2)</sup>	1,022,000 sq ft
% of new leases	38%	22%
Portfolio occupancy as at 31 Dec	97.3%	99.4%
Tenant retention rate <sup>(3)</sup>	78%	77%

**Notes:**

- (1) Committed occupancy as at 31 Dec 2018
- (2) Based on net lettable area of new leases and renewals committed and using 100.0% basis for all leases
- (3) Tenant retention rate =  $\frac{\text{Net lettable area renewed in the subject year}}{\text{Total net lettable area due for renewal in the subject year}}$



## 2. Financials and Capital Management

One George Street, Singapore





# 4Q 2018 distributable income rose 10.7% YoY

	4Q 2018	4Q 2017	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>99.0</b>	86.3	14.8	Please see note (1)
<b>Property Operating Expenses (\$\$ million)</b>	<b>(19.8)</b>	(18.3)	7.7	
<b>Net Property Income (\$\$ million)</b>	<b>79.3</b>	68.0	16.6	
<b>Distributable Income (\$\$ million)</b>	<b>83.1</b>	75.0	10.7	Please see note (2)
<b>DPU (cents)</b>	<b>2.22</b>	2.08	6.7	Please see note (3)

## Notes:

- (1) Higher revenue due to contributions from Asia Square Tower 2 (AST2) and Gallileo which offset divestment of Twenty Anson on 29 August 2018.
- (2) 4Q 2018 distributable income includes tax-exempt income of S\$3.9 million from dividends received from wholly owned subsidiaries which own AST2 and Gallileo.
- (3) 4Q 2018 DPU was computed on total units issued as at 31 December 2018 which included the 130.0 million new CCT units issued for the Equity Placement on 28 May 2018 and 513.5 million new CCT units issued for the Rights Issue on 26 October 2017.



# FY 2018 distributable income rose 11.4% YoY

	FY 2018	FY 2017	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>394.0</b>	337.5	16.7	Please see note (1)
<b>Property Operating Expenses (\$\$ million)</b>	<b>(79.4)</b>	(72.0)	10.2	
<b>Net Property Income (\$\$ million)</b>	<b>314.6</b>	265.5	18.5	
<b>Distributable Income (\$\$ million)</b>	<b>321.7</b>	288.9	11.4	Please see note (2)
<b>DPU (cents)</b>	<b>8.70</b>	8.66	0.5	

**Notes:**

- (1) Higher revenue due to contributions from AST2 and Gallileo which offset divestments of One George Street (50.0% interest), Golden Shoe Car Park and Wilkie Edge in 2017 and Twenty Anson on 29 August 2018.
- (2) The increase was due to higher net property income and includes dividends received from wholly owned subsidiaries which own AST2 and Gallileo.



# Singapore property values largely stable

Investment Properties <sup>(1)</sup>	31 Dec 17	30 Jun 18	31 Dec 18	31 Dec 18	12-month Variance	6-month Variance
	\$m	\$m	\$m	\$ per sq foot	(Dec 2017 to Dec 2018) %	(Jun 2018 to Dec 2018) %
Asia Square Tower 2	2,094.0 <sup>(2)</sup>	2,135.0	<b>2,143.0</b>	2,752	2.3	0.4
CapitaGreen	1,616.0	1,638.0	<b>1,638.0</b>	2,337	1.4	0.0
Six Battery Road	1,402.0	1,416.0	<b>1,420.0</b>	2,868	1.3	0.3
Capital Tower	1,363.0	1,381.0	<b>1,387.0</b>	1,885	1.8	0.4
21 Collyer Quay (HSBC Building)	456.0	461.0	<b>461.7</b>	2,303	1.3	0.2
Raffles City Singapore (60%)	1,956.0	1,978.8	<b>1,993.2</b>	NM	1.9	0.7
One George Street (50%)	558.1	569.0	<b>569.5</b>	2,556	2.0	0.1
CapitaSpring (45%) - under construction	472.5	472.5	<b>472.5</b>	NM	0.0	0.0
<b>Singapore Portfolio</b>	<b>9,917.6</b>	<b>10,051.3</b>	<b>10,084.9</b>		<b>1.7</b>	<b>0.3</b>
Gallileo, Frankfurt (94.9%)	-	535.0	<b>535.2</b>	1,293	-	0.0
<b>Total Portfolio</b>	<b>9,917.6</b>	<b>10,586.3</b>	<b>10,620.1</b>		<b>7.1</b>	<b>0.3</b>

**Notes:**

(1) Excludes Bugis Village which is accounted for under Assets Held for Sale

(2) Based on agreed property value

(3) Valuation for Raffles City Singapore, One George Street and CapitaSpring as at 31 December 2018 on a 100% basis were S\$3,322 million, S\$1,139 million and S\$1,050 million respectively. Residual approach was applied to derive the value of CapitaSpring.

(4) Valuation as at 31 December 2018 for 100% interest in Gallileo, Frankfurt was EUR361.2 million. Valuation is converted to S\$ based on an exchange rate of S\$1 = EUR1.5612

(5) NM indicates "Not Meaningful"



# Key valuation metrics remained unchanged from June 2018

- Terminal yields are 0.25% higher than capitalization rates for the portfolio except for Six Battery Road and 21 Collyer Quay 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 generally averaged 3.8% over 10 years.

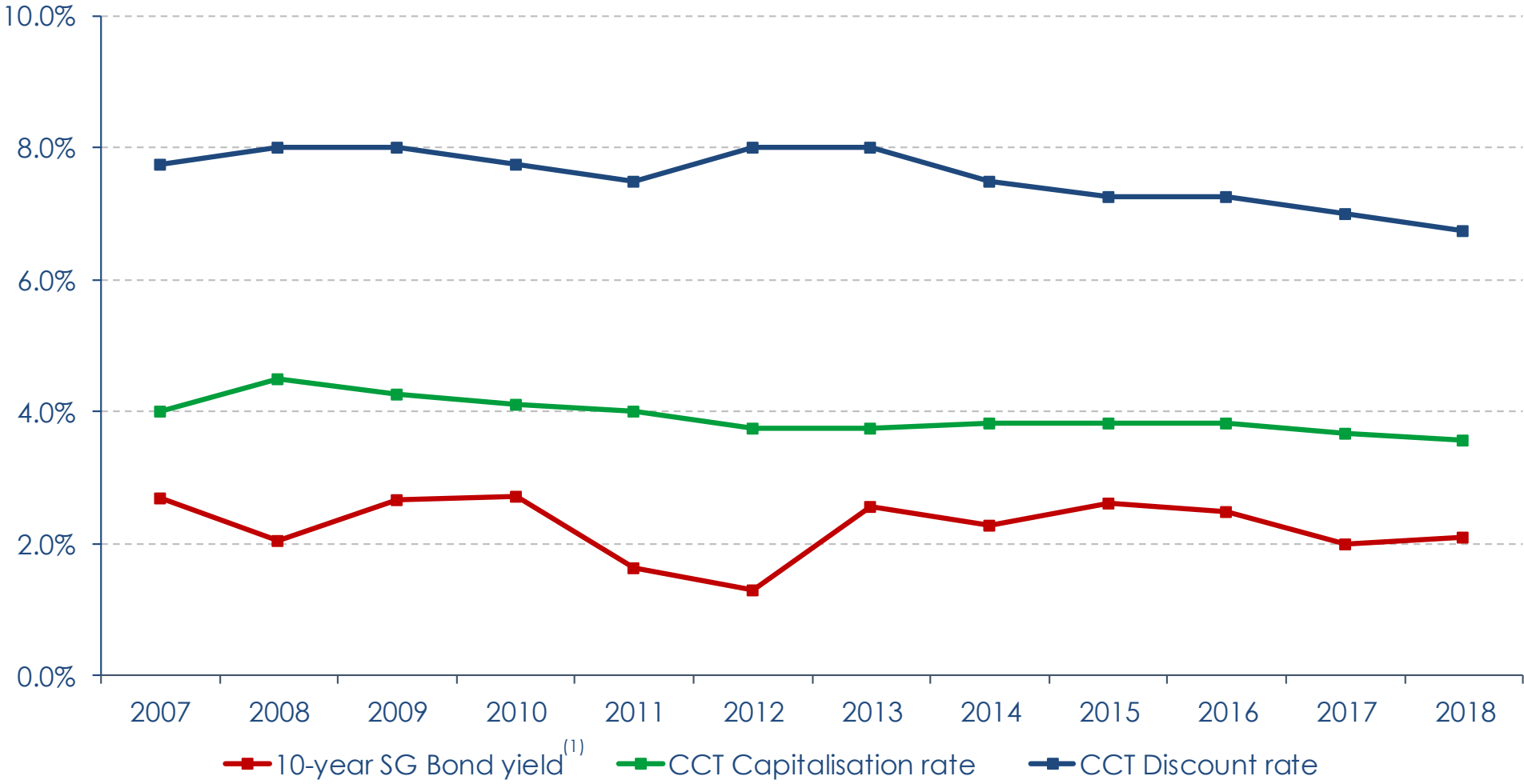
	Capitalisation Rates							Discount Rates						
	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Jun-18	Dec-18 <sup>(1)</sup>	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Jun-18	Dec-18 <sup>(1)</sup>
Asia Square Tower 2	NA	NA	NA	NA	NA	3.50	<b>3.50</b>	NA	NA	NA	NA	NA	6.75	<b>6.75</b>
CapitaGreen	NA	4.00	4.15	4.15	4.10	4.00	<b>4.00</b>	NA	7.25	7.25	7.25	7.00	6.75	<b>6.75</b>
Six Battery Road	3.75	3.75	3.75	3.75	3.60	3.50	<b>3.50</b>	8.00	7.50	7.25	7.25	7.00	6.75	<b>6.75</b>
Capital Tower	3.75	3.85	3.85	3.85	3.70	3.60	<b>3.60</b>	8.00	7.50	7.25	7.25	7.00	6.75	<b>6.75</b>
21 Collyer Quay	3.75	3.85	3.85	3.75	3.60	3.50	<b>3.50</b>	8.00	7.50	7.25	7.25	7.00	6.75	<b>6.75</b>
One George Street	3.75	3.85	3.85	3.85	3.70	3.60	<b>3.60</b>	8.00	7.50	7.25	7.25	7.00	6.75	<b>6.75</b>
Raffles City SG														
Office	4.25	4.25	4.25	4.25	4.10	4.00	<b>4.00</b>	7.35	7.50	7.25	7.25	7.00	6.75	<b>6.75</b>
Retail	5.25	5.25	5.25	5.25	4.85	4.70	<b>4.70</b>	7.65	7.50	7.50	7.50	7.25	7.00	<b>7.00</b>
Hotel	5.55	5.25	5.13	5.11	4.75	4.75	<b>4.75</b>	7.75	7.75	7.75	7.40	7.15	7.00	<b>7.00</b>

## Notes:

- Excludes CapitaSpring and Gallileo, Frankfurt
- CBRE was the appointed valuer for Capital Tower, Six Battery Road, CapitaGreen and Raffles City Singapore; Cushman & Wakefield was the appointed valuer for One George Street, 21 Collyer Quay (HSBC Building) and Gallileo, Frankfurt; Knight Frank was the appointed valuer for Asia Square Tower 2; and CapitaSpring, an integrated development under construction was appraised by JLL and residual approach was applied to derive the value.



# 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 capitalization rates and discount rates due to varying assumptions used by different valuers





# Robust balance sheet

## Statement of Financial Position As at 31 Dec 2018

	S\$ million		S\$ million
Non-current Assets	9,425.5	<b>Deposited Property</b> <sup>(1)</sup>	<b>11,193.5</b>
Current Assets	265.0		
<b>Total Assets</b>	<b>9,690.5</b>	<b>Net Asset Value Per Unit</b>	<b>\$1.84</b>
Current Liabilities	224.8	<b>Adjusted Net Asset Value Per Unit</b>	<b>\$1.80</b>
Non-current Liabilities	2,556.5	<b>(excluding distributable income)</b>	
<b>Total Liabilities</b>	<b>2,781.3</b>		
<b>Net Assets</b>	<b>6,909.2</b>	<b>Credit Rating</b>	
<u>Represented by:</u>		<b>BBB+ by S&amp;P, Outlook Stable</b>	
Unitholders' Funds	6,892.0		
Non-controlling interests	17.2		
<b>Total Equity</b>	<b>6,909.2</b>		
<b>Units in issue ('000)</b>	<b>3,744,429</b>		

**Note:**

(1) Deposited property 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), CCT's 45.0% interest in Glory Office Trust and Glory SR Trust (which holds CapitaSpring) and CCT's 94.9% interest in Gallileo.





# Stable financial ratios

	3Q 2018	4Q 2018	Remarks
<b>Total Gross Debt <sup>(1)</sup></b>	S\$3,911.6m	<b>S\$3,903.7m</b>	<b>Stable</b>
<b>Aggregate Leverage <sup>(2)</sup></b>	35.3%	<b>34.9%</b>	<b>Lower</b> (Higher deposited property)
<b>Unencumbered Assets as % of Total Assets <sup>(3)</sup></b>	83%	<b>78%</b>	<b>Lower</b> (Refinanced secured Gallileo loan)
<b>Average Term to Maturity <sup>(4)</sup></b>	3.6 years	<b>3.9 years</b>	<b>Higher</b> (Extended EUR debt maturity)
<b>Average Cost of Debt (p.a.) <sup>(4, 5)</sup></b>	2.6%	<b>2.6%</b>	<b>Stable</b>
<b>Interest Coverage <sup>(4, 6)</sup></b>	5.1 times	<b>5.4 times</b>	<b>Higher</b> (Lower interest rate expense)

**Notes:**

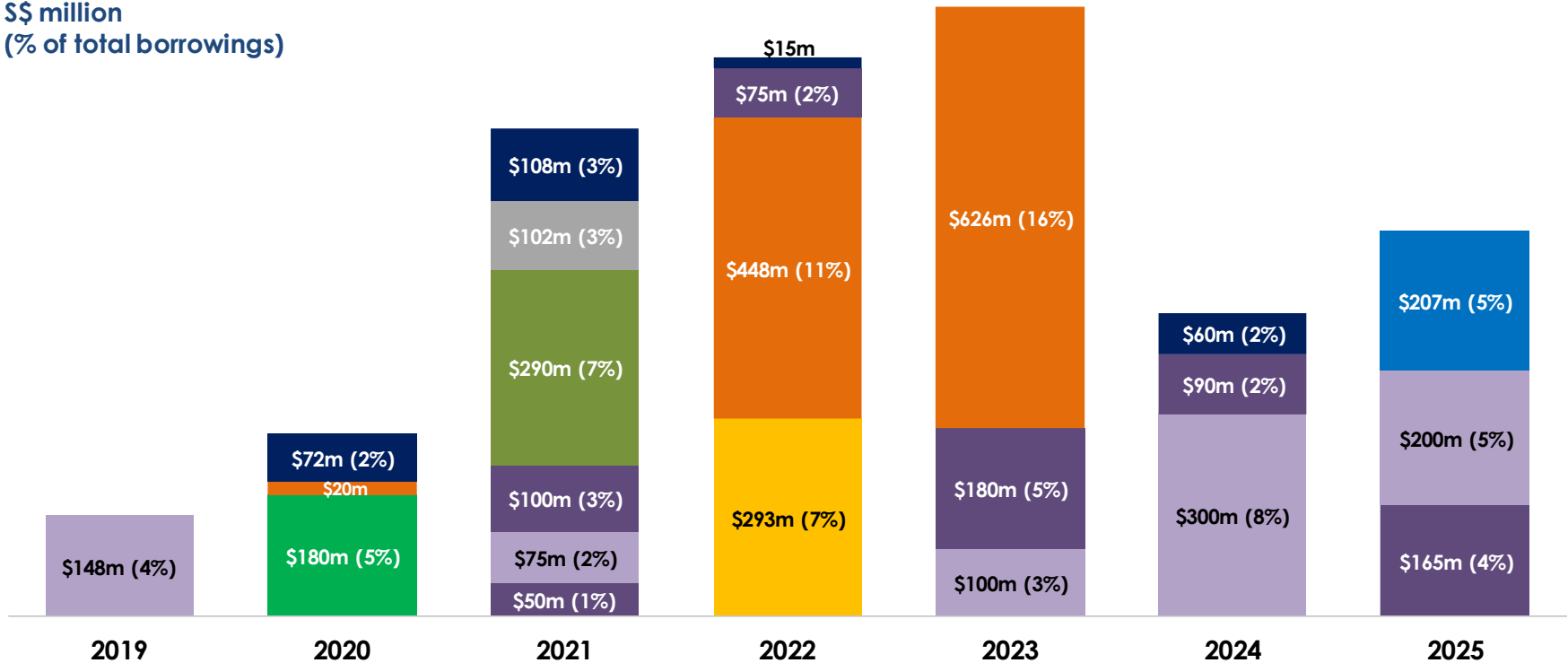
- (1) Total gross debt includes CCT's proportionate share of joint ventures' borrowings.
- (2) In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures' borrowings and deposited property values are included when computing aggregate leverage. The ratio of total gross borrowings to total net assets is 56.5%.
- (3) Investment properties at CCT (exclude Joint Ventures) are all unencumbered except for CapitaGreen and Gallileo.
- (4) Excludes borrowings of joint ventures.
- (5) Ratio of interest expense (excludes amortization of transaction costs) over weighted average gross borrowings.
- (6) Ratio of EBITDA over finance costs includes amortisation of transaction costs except for one-off fees and expenses relating to pre-payment of bank loans and pre-termination of interest rate swaps.



# Debt Maturity Profile

as at 31 Dec 2018

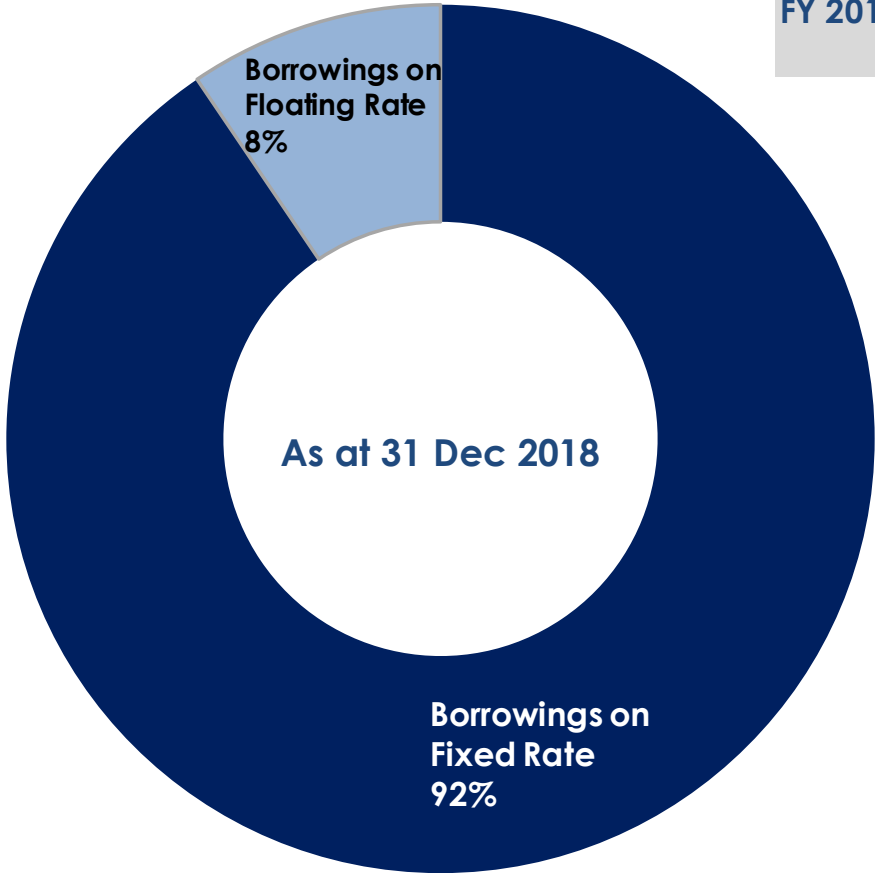
S\$ million  
(% of total borrowings)



- 2.89% p.a. CCT fixed rate JPY bond swapped to S\$148m MTN due 2019
- Unsecured RCS bank loans due 2020, 2021, 2022 and 2024
- Unsecured CCT bank loans due 2020, 2022 and 2023
- Secured CapitaGreen 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
- Secured CapitaSpring 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
- 3.05% p.a. RCS fixed rate S\$90m MTN due 2024
- 3.17% p.a. CCT fixed rate S\$300m MTN due 2024
- Secured Gallileo bank loan due 2025
- 3.327% p.a. CCT fixed rate S\$200m MTN due 2025
- 3.20% p.a. RCS fixed rate S\$165m MTN due 2025



# 92% of borrowings on fixed rate provides certainty of interest expense



Proforma 2018 impact on:	Assuming +0.5% p.a. increase in interest rate
Estimated additional annual Interest expense	+\$1.6 million p.a.
FY 2018 DPU	-0.04 cents (0.5% of FY 2018 DPU)

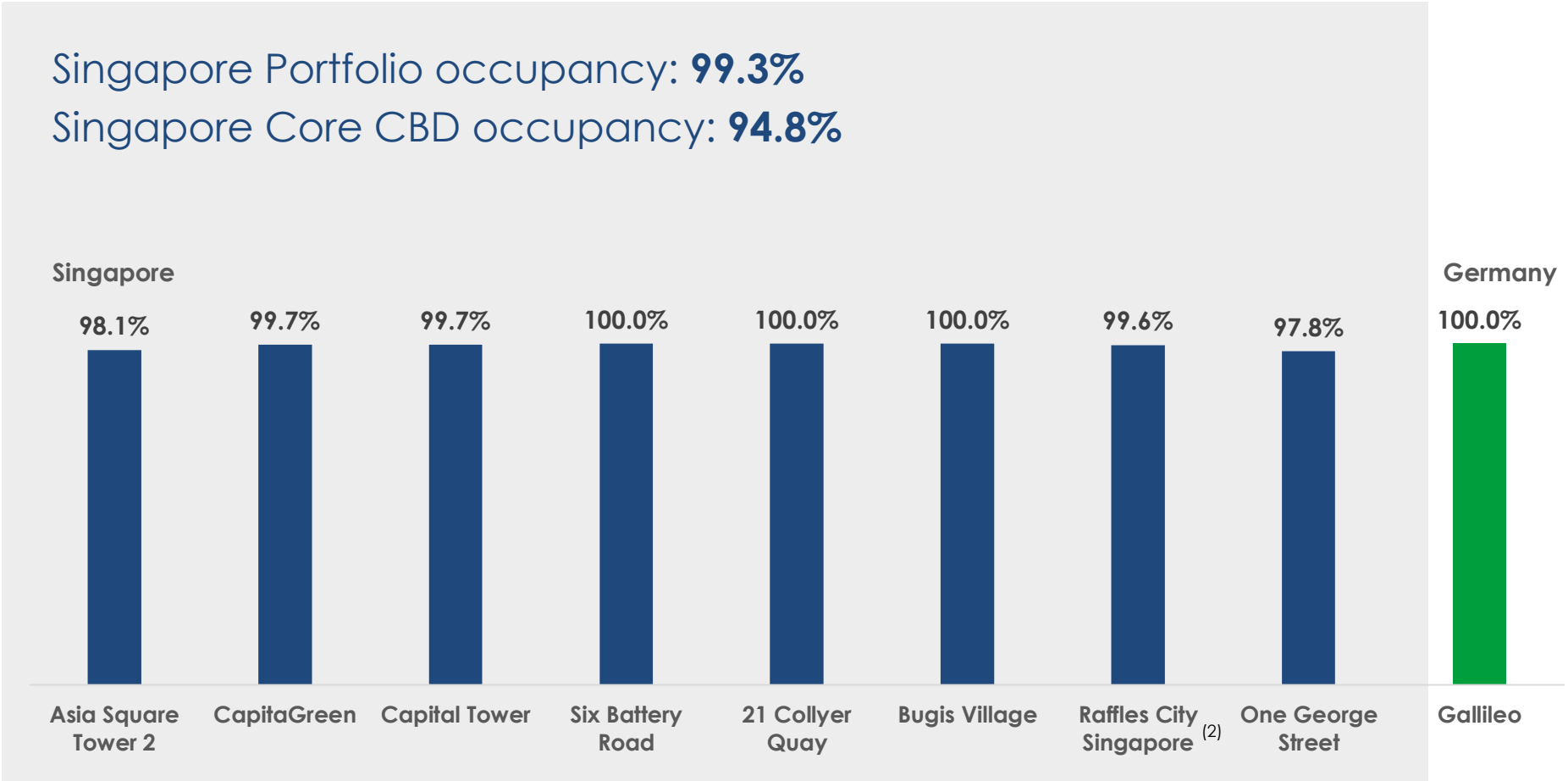
### 3. Portfolio Performance

Capita Commercial  
Capita Mall  
Raffles City



# Higher portfolio occupancy at 99.4%

Singapore Portfolio occupancy: **99.3%**  
 Singapore Core CBD occupancy: **94.8%**

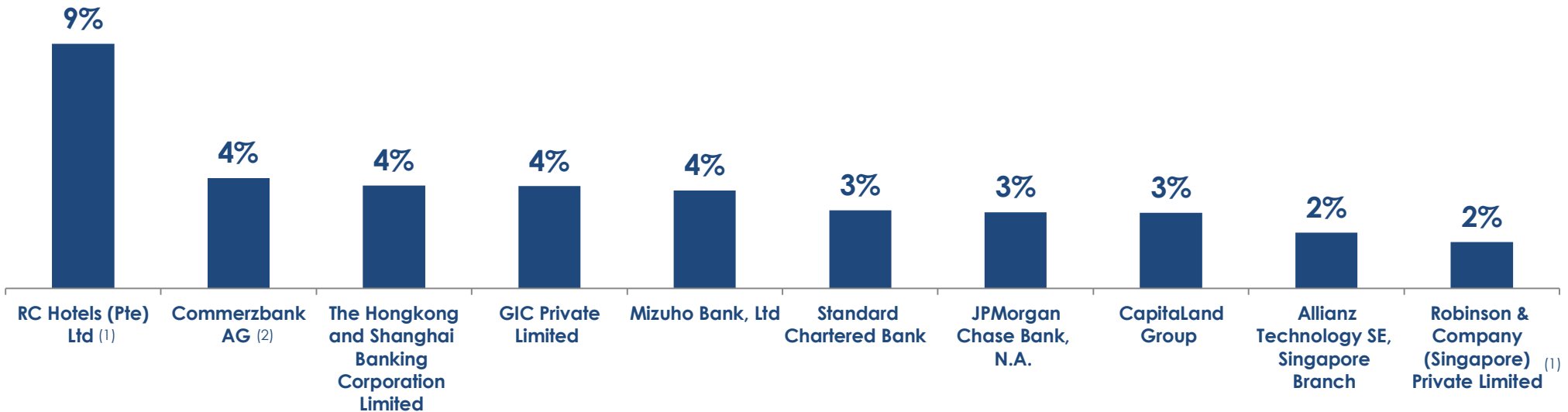


**Notes:**  
 (1) All occupancies as at 31 Dec 2018  
 (2) Office occupancy is at 99.7% while retail occupancy is at 99.4%



# Top 10 tenants contribute 37% of monthly gross rental income

Based on monthly gross rental income as at 31 Dec 2018, excluding retail turnover rent



**Notes:**

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

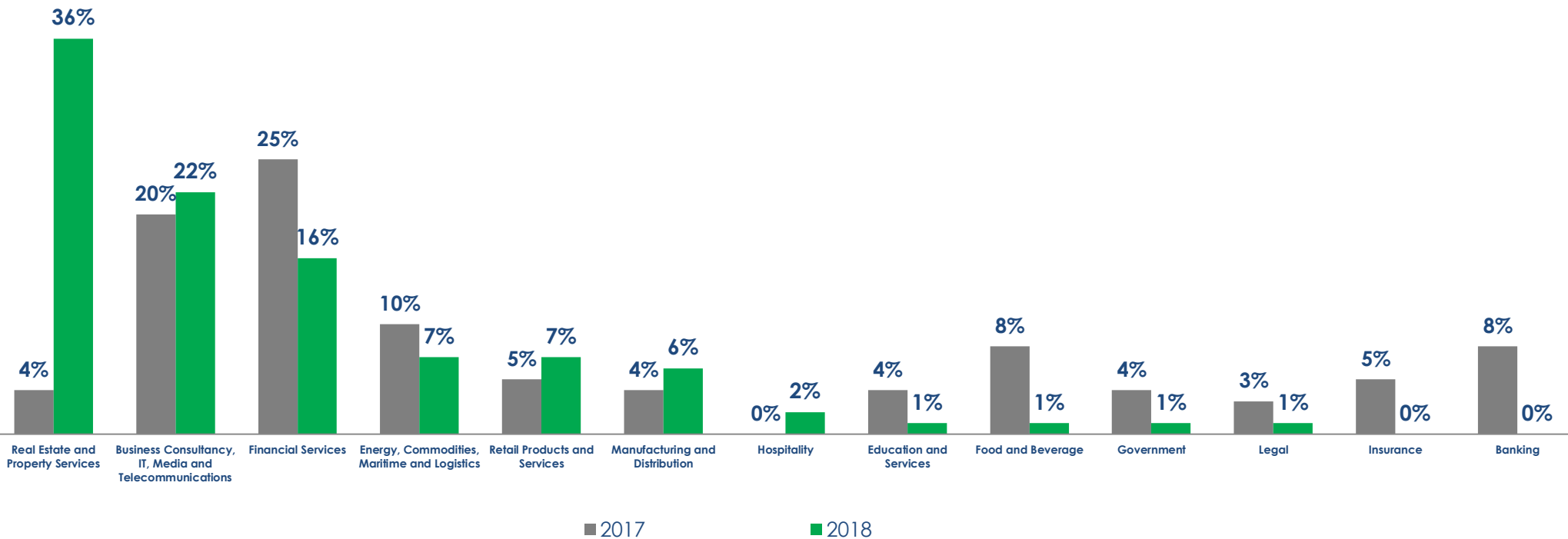
(2) Based on CCT's 94.9% interest in Gallileo, Frankfurt

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



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

## Trade mix of new leases signed in 2018 compared to 2017



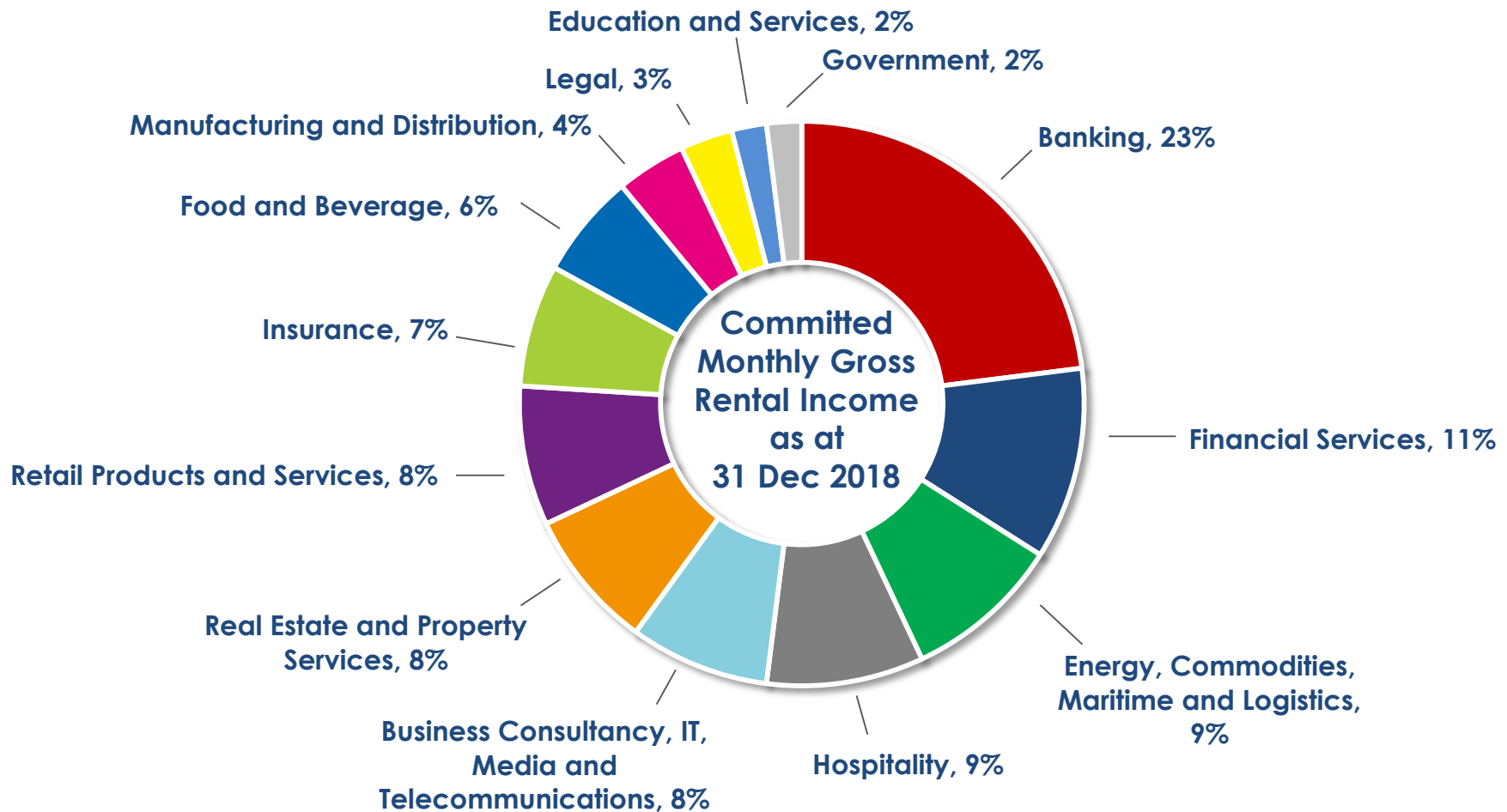
**Notes:**

- (1) Based on net lettable area ("NLA") of new leases committed and using 100.0% basis for Raffles City Singapore and One George Street
- (2) NLA of new leases committed in 2017 and 2018 is approximately 251,000 square feet and 224,000 square feet respectively





# Diverse tenant mix in CCT's portfolio

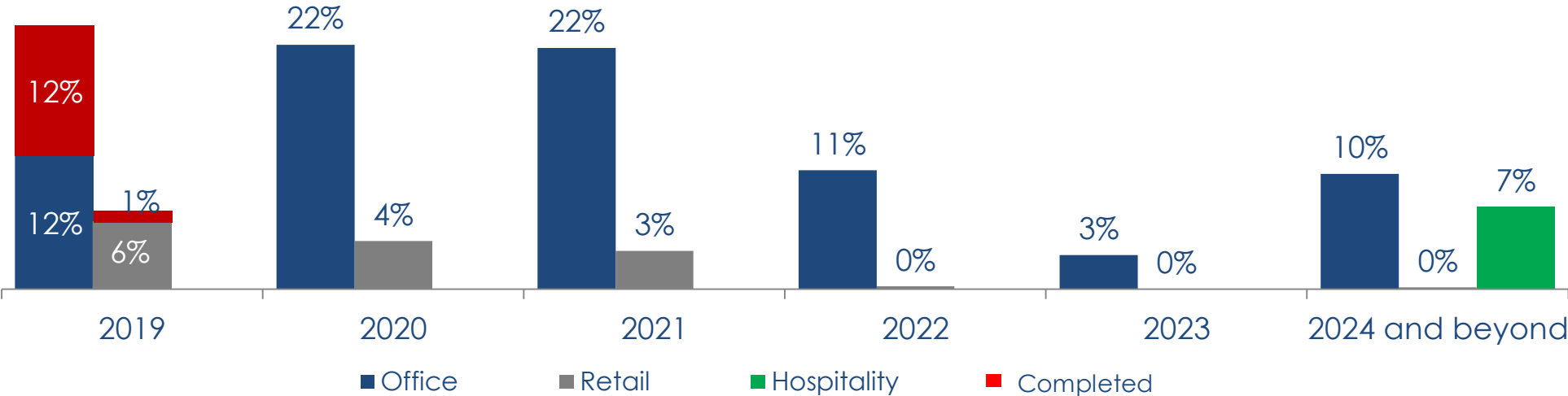


Based on committed monthly gross rental income of tenants as at 31 December 2018, including CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Gallileo, Frankfurt (with effect from 19 June 2018); and excluding retail turnover rent





# Well spread lease expiry profile

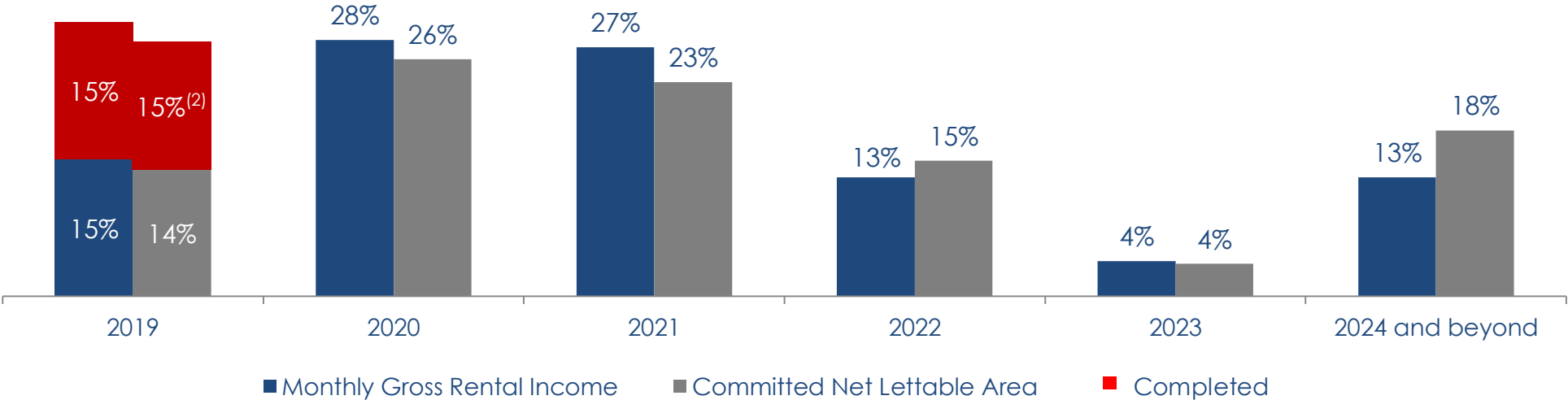


**Portfolio Weighted Average Lease term to Expiry (WALE)  
by NLA as 31 December 2018 = 5.8 years**



# Committed half of expiring 2019 leases

Leasing momentum continues to be steady



Office WALE by NLA as at 31 December 2018 = 3.2 years

Notes:

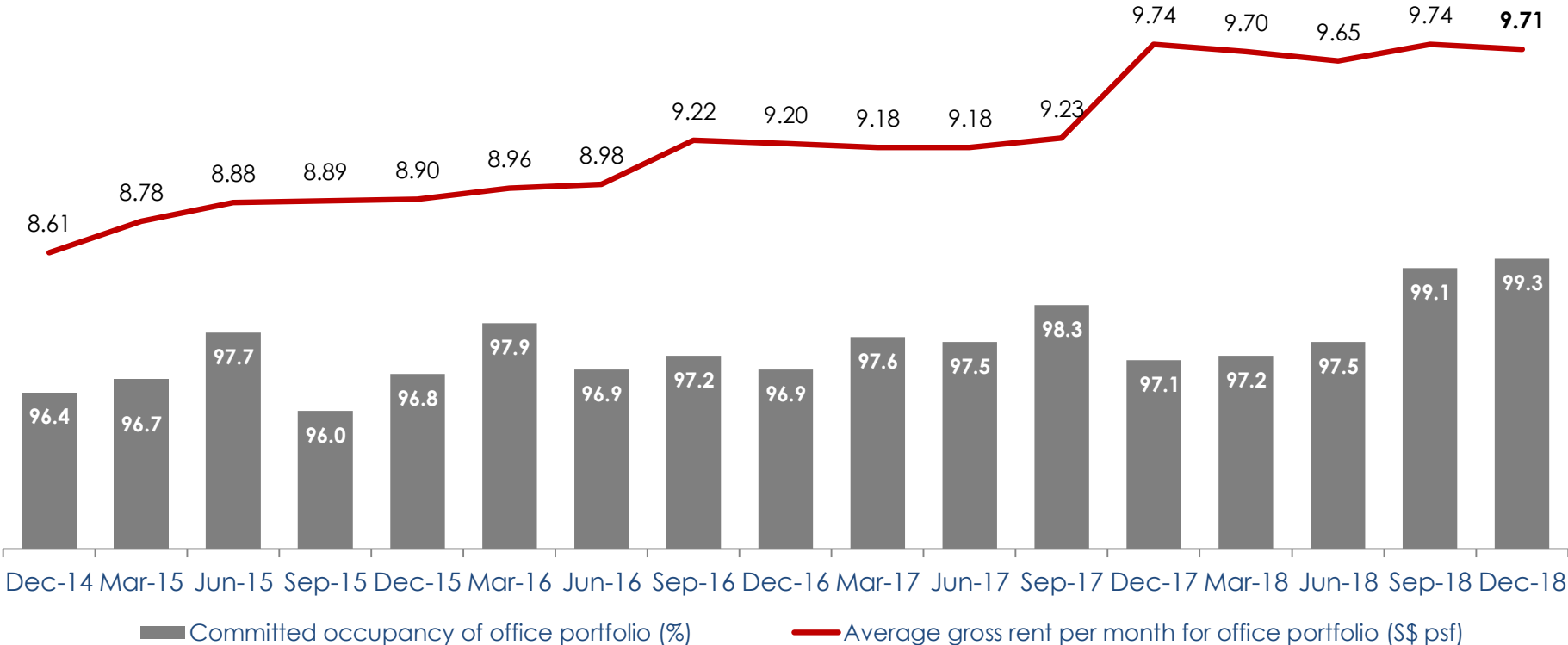
- (1) Completed renewals of 15% in 2019 include HSBC's lease extension to 2020 and JPM's lease extension to 2021
- (2) Represents approximately 936,000 sq ft





# Monthly average office rent of CCT's portfolio<sup>(1)</sup> eased by 0.3% YoY

Largely due to flow through of negative rent reversion committed in earlier quarters



**Notes:**

(1) Average gross rent per month for office portfolio (\$\$ psf) = 
$$\frac{\text{Actual gross rent for occupied office} + \text{Committed gross rent for vacant office}}{\text{Committed area of office}}$$

(2) Exclude Gallileo, Frankfurt





# Majority of leases achieved positive reversions despite higher expiring rents

Building	Average Expired Rents (S\$)	Committed Rents <sup>(1)</sup> (S\$)	Sub-Market	Market Rents of Comparative Sub-Market (S\$)	
				Cushman & Wakefield <sup>(2)</sup>	Knight Frank <sup>(3)</sup>
Six Battery Road	12.38	11.30 – 13.50	Grade A Raffles Place	10.61	9.50 – 10.00
One George Street	9.28	9.35 – 10.30	Grade A Raffles Place	10.61	9.50 – 10.00
CapitaGreen	13.62	11.31 – 13.00	Grade A Raffles Place	10.61	9.50 – 10.00

**Notes:**

(1) Renewal/new leases committed in 4Q 2018

(2) Source: Cushman & Wakefield 4Q 2018

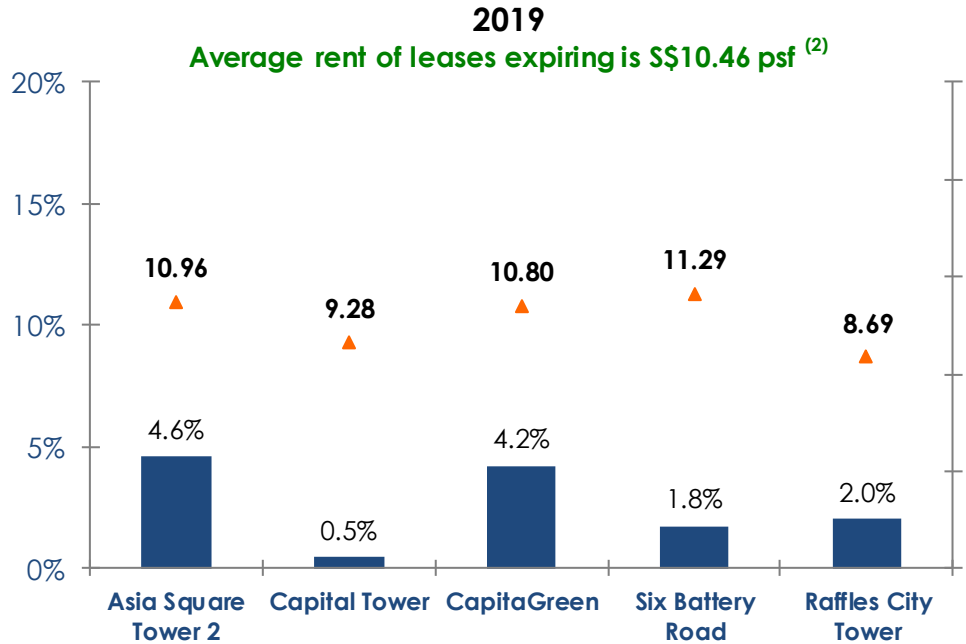
(3) Source: Knight Frank 3Q 2018; based on leases of a whole floor office space on the mid-floor levels of office properties, and taking into account rent free period and other concessions

(4) For reference only: CBRE Pte. Ltd.'s 4Q 2018 Grade A rent is S\$10.80 psf per month and they do not publish sub-market rents



# Average expiring rent in 2019 lower than 4Q 2018 market rent

4Q 2018 Grade A office market rent at S\$10.80 psf per month<sup>(1)</sup>



Period	1H 2019		2H 2019	
	% of Expiring Leases	Rental Rates of Expiring Leases	% of Expiring Leases	Rental Rates of Expiring Leases
Asia Square Tower 2	3.0%	S\$10.63	1.6%	S\$11.64
Capital Tower	0.1%	S\$10.60	0.4%	S\$9.07
CapitaGreen	0.5%	S\$12.40	3.7%	S\$10.62
Six Battery Road	0.8%	S\$10.94	1.0%	S\$11.60
Raffles City Tower	0.4%	S\$9.74	1.6%	S\$8.48
<b>Total / Weighted Average</b>	<b>4.8%</b>	<b>S\$10.76</b>	<b>8.3%</b>	<b>S\$10.29</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:**

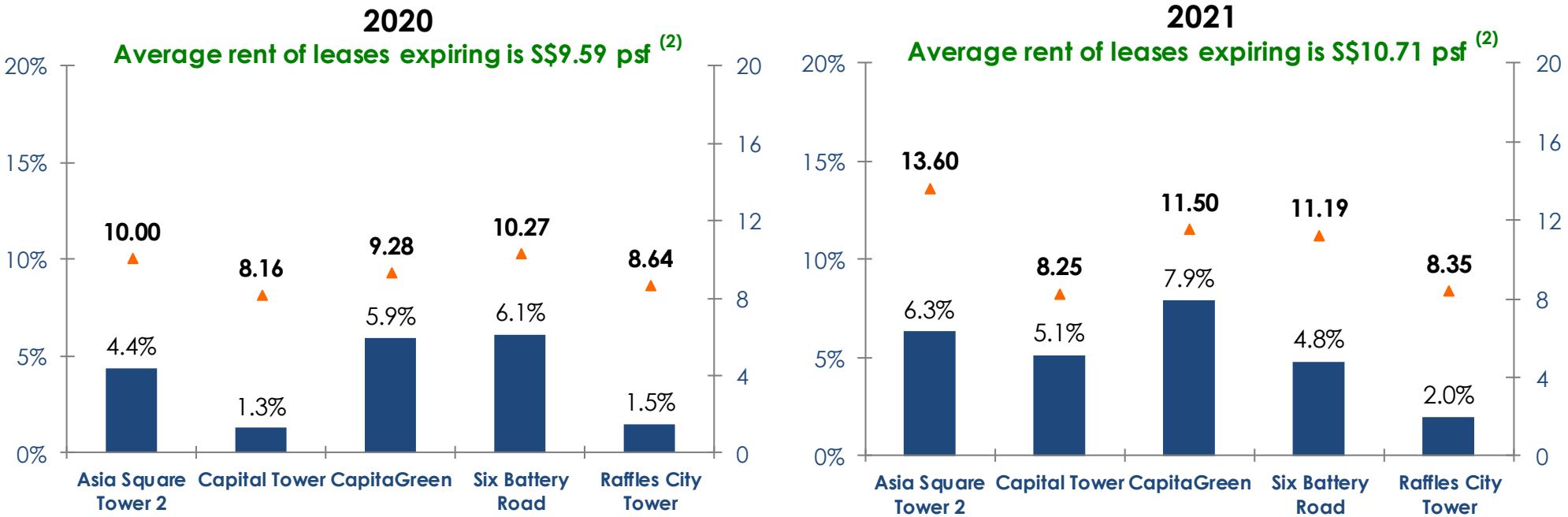
(1) Source: CBRE Pte. Ltd. as at 4Q 2018

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





# Average expiring rents are at the lowest in 2020



▲ Average monthly gross rental rate for expiring leases (\$\$ 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 4Q 2018
- (2) Four Grade A buildings and Raffles City Tower only



## 4. Portfolio Value Creation





# CCT's multi-pronged approach to portfolio value creation



## Generate organic growth

- Increase occupancy
- Increase rent



## Enhance / refurbish assets

- Improve positioning
- Create value



## Unlock value

- Realise maximum value
- Recycle proceeds



## Grow portfolio

- Acquire quality asset in Singapore and overseas (10-20%)
- Develop to transform value



## Proactive capital management

- Diversify funding sources
- Optimise tenure and manage funding cost

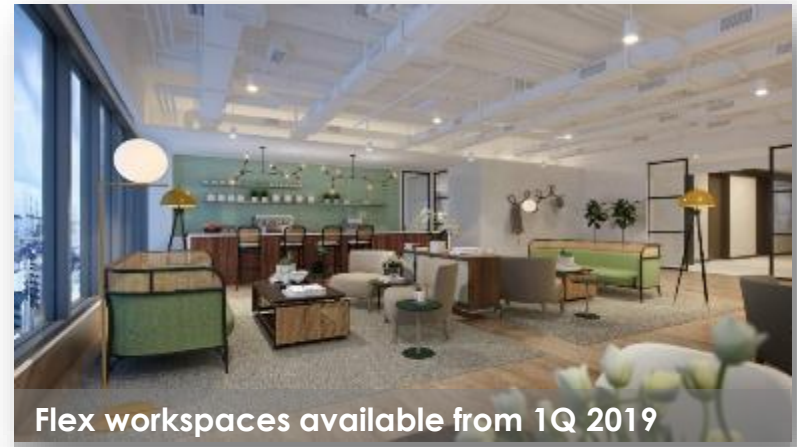




# Rolling out CapitaLand's 'Office of the Future' ecosystem at Capital Tower and Asia Square Tower 2 in 1Q 2019

**Integrated offering of conventional office space (core) and flexible space (flex) with community-driven and tech-enabled workplace solutions**

- ✓ Strategic approach to address tenants' evolving workspace needs by delivering value-add solutions
- ✓ Building vertical community in our portfolio through an integrated offering of:
  - Conventional workspace
  - Flexible workspace (such as coworking, business club and collaboration spaces)
  - Shared amenities (such as open spaces, auditorium, multi-purpose rooms, breakout spaces)
  - Proactive and dynamic community programming
  - Technology-enabled systems and applications



Flex workspaces available from 1Q 2019



Ongoing S\$3 million refurbishment at Level 9 of Capital Tower to be completed by 1Q 2019



# Building vertical community through integrated offerings

Leveraging on new shared spaces and technology to connect

## Big Picture (previously STI Auditorium)

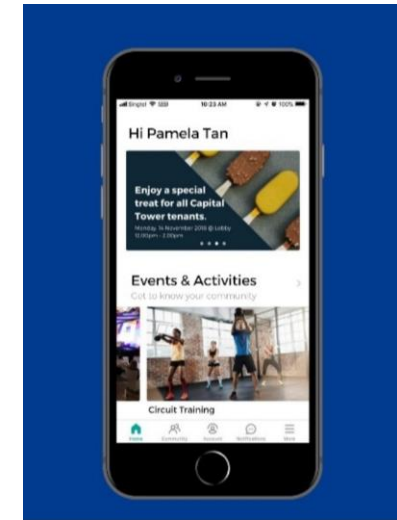


Movie Premiere of Storm Boy  
Photo credit: Salt Media and Entertainment

## Open Mind (Fireside/event space)



WCS Young Leaders Synergies: The Future of Retail, Work and Living  
Photo credit: Centre for Liveable Cities



- Pilot of mobile app CapitaStar@Work that allows our tenants to connect with each other, sign up for activities and in future, booking of flex spaces.



# Proactive and dynamic community programmes

Creating vibrant communities with our ongoing tenant engagement activities: Wellness Week, Gifts of Joy and Tenants Treats





# CapitaSpring on track for completion in 1H 2021

Balance of progress payment: S\$281.2 mil (CCT's 45.0% interest)

## Milestones



**9 Feb 2018**

Groundbreaking ceremony for redevelopment of Golden Shoe Car Park

**12 Apr 2018**

Secured anchor tenant, JPMorgan for 24% of the development's office NLA

Integrated development named **CapitaSpring**

**1H 2019**

Marketing showsuite to be ready in 1H 2019

**1H 2021**



Valuation as at 31 Dec 2018:  
S\$472.5 mil (45% interest)

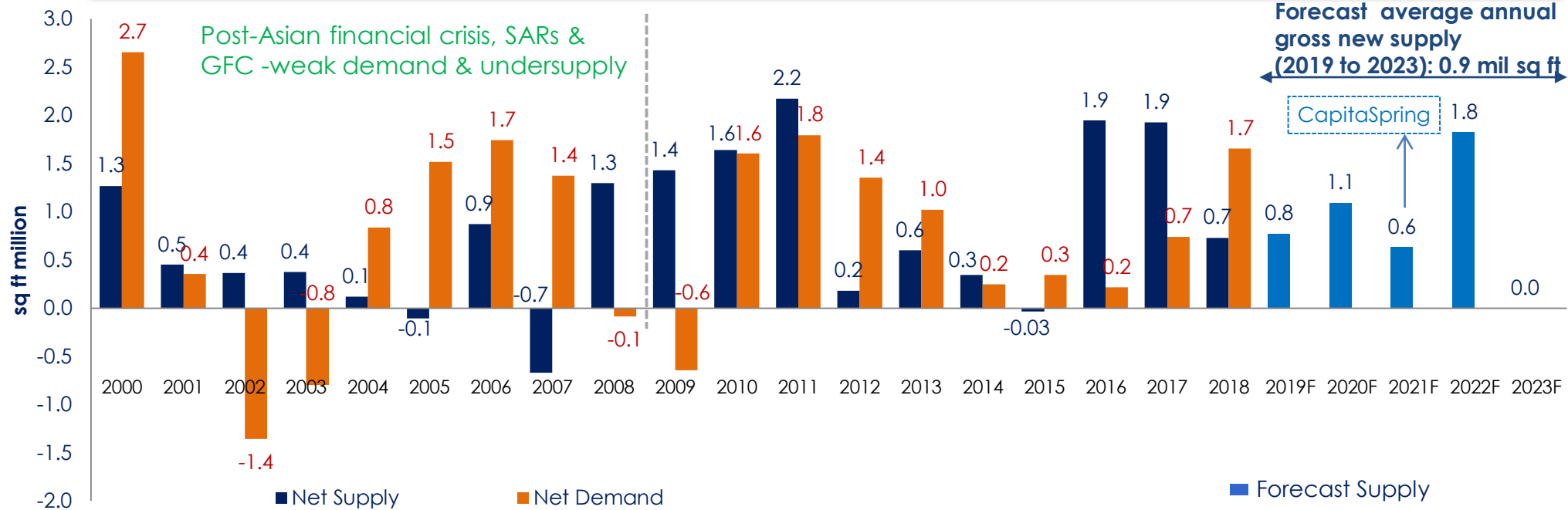
# 5. Singapore Office Market

Raffles City Singapore



# Annual new supply to average 0.9 mil sq ft over 5 years; CBD Core occupancy at 94.8% as at end Dec 2018

## Singapore Private Office Space (Central Area) <sup>(1)</sup> – Net Demand & Supply



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2009 – 2018 (through 10-year property market cycles)	1.1 mil sq ft	0.8 mil sq ft
2014 – 2018 (five-year period post GFC)	1.0 mil sq ft	0.6 mil sq ft
2019 – 2023 (forecast gross new supply)	0.9 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 4Q 2018; Forecast supply from CBRE Research as at 4Q 2018.

# Known future office supply in Central Area (2019 – 2022)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
2019	18 Robinson	Robinson Road	145,000
2019	Redevelopment of Funan DigitalLife Mall <sup>(1)</sup>	Beach Road/City Hall	204,000
2019	HD 139 (139 Cecil Street)	Shenton Way	72,000
2019	9 Penang Road (Park Mall Redevelopment)	Orchard Road	352,000
		<b>Subtotal (2019):</b>	<b>773,000</b>
1Q 2020	Chevron House Redevelopment	Raffles Place	313,000
1H 2020	ASB Tower <sup>(2)</sup>	Robinson Road	500,000
2Q 2020	Hub Synergy Point Redevelopment	Anson Road	128,000
2020	Afro-Asia I-Mark	Shenton Way	154,000
		<b>Subtotal (2020):</b>	<b>1,095,000</b>
1H 2021	CapitaSpring <sup>(3)</sup>	Raffles Place	635,000
		<b>Subtotal (2021):</b>	<b>635,000</b>
2022	Land parcel at Central Boulevard <sup>(4)</sup>	Raffles Place/Marina	1,260,000
2022	Guoco Midtown	City Hall	565,600
		<b>Subtotal (2022):</b>	<b>1,825,600</b>
<b>TOTAL FORECAST SUPPLY (2019-2022)</b>			<b>4,328,600</b>
<b>Total forecast supply excluding strata offices</b>			<b>4,328,600</b>

## Notes:

- (1) WeWork, a coworking operator has taken up 40,000 sq ft of space in the office component of Funan DigitalLife Mall (announced on 14 Dec 2017)
- (2) According to BT Report dated 13 July 2018, about 50,000 sq ft has been committed.
- (3) CapitaSpring reported committed take-up by JPMorgan for 24% of the development's office NLA
- (4) Yet to receive provisional/written permissions
- (5) Sources: CBRE Research and respective media reports

# Grade A office market rent up 3.3% QoQ and 14.9% from 4Q 2017

	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Mthly rent (\$\$ / sq ft )	9.10	8.95	8.95	9.10	9.40	9.70	10.10	10.45	<b>10.80</b>
% change	- 2.2%	-1.6%	0.0%	1.7%	3.3%	3.2%	4.1%	3.5%	<b>3.3%</b>



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





# 6. Frankfurt Office Market

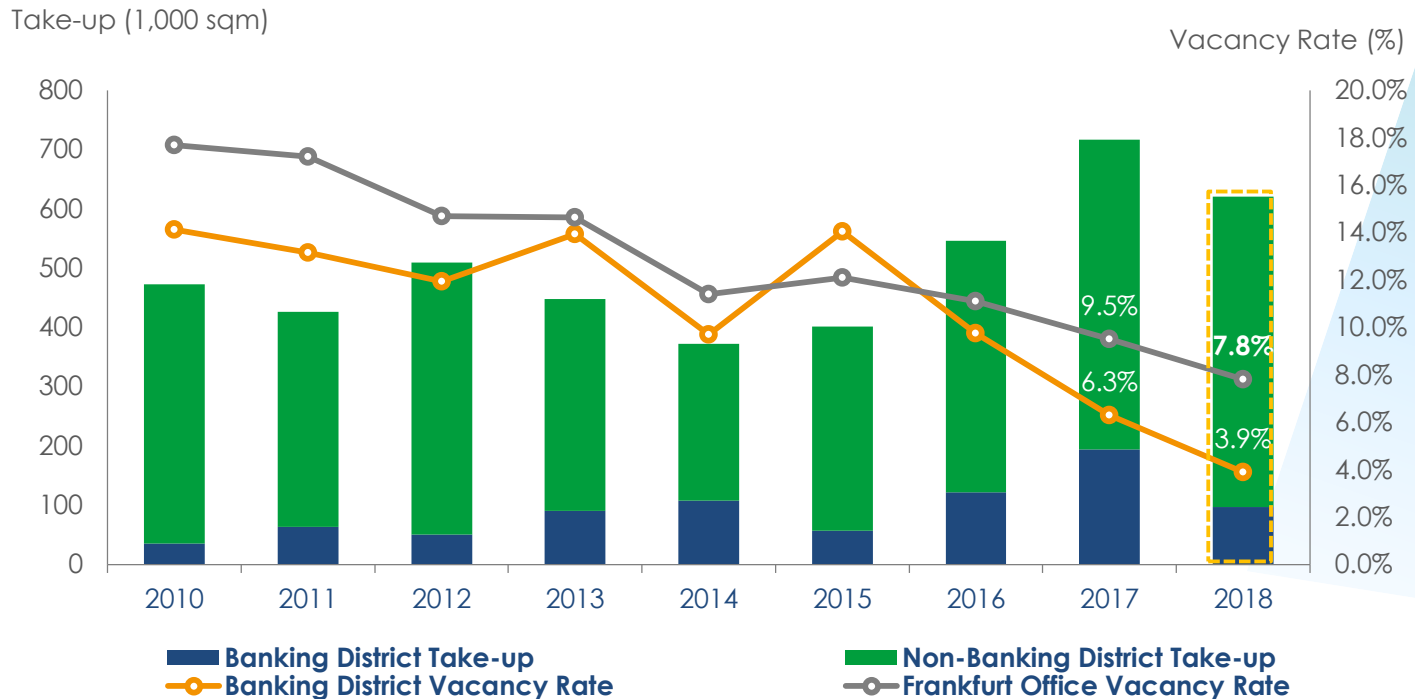


# Take up and vacancy rate

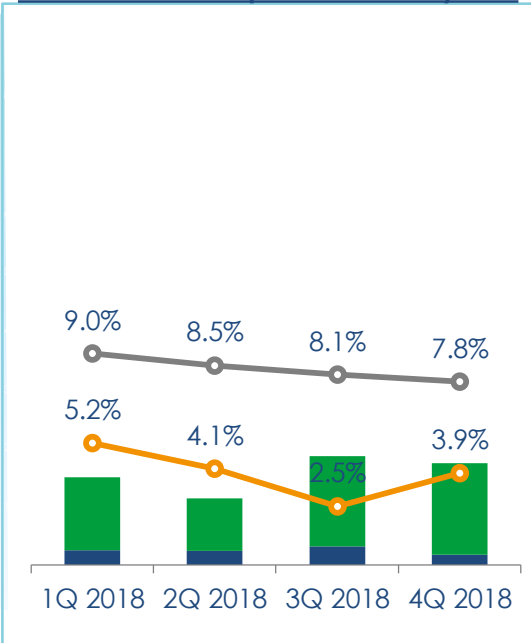
**Frankfurt property fundamentals sound; banking district vacancy rates declined from 6.3% in 2017 to 3.9% in 2018**

## Frankfurt Office and Banking District Take-up and Vacancy Rates

- Take-up in Frankfurt and Banking District registered significant increase in year 2017; the highest level since year 2000
- Vacancy rates have steadily declined to record lows of the past decade; overall vacancy rate for Frankfurt was 7.8% and 3.9% for Banking District in 4Q 2018.



### 2018 QoQ take up and vacancy rate



Source: Commissioned report by CCT from CBRE Research, Frankfurt Q4 2018

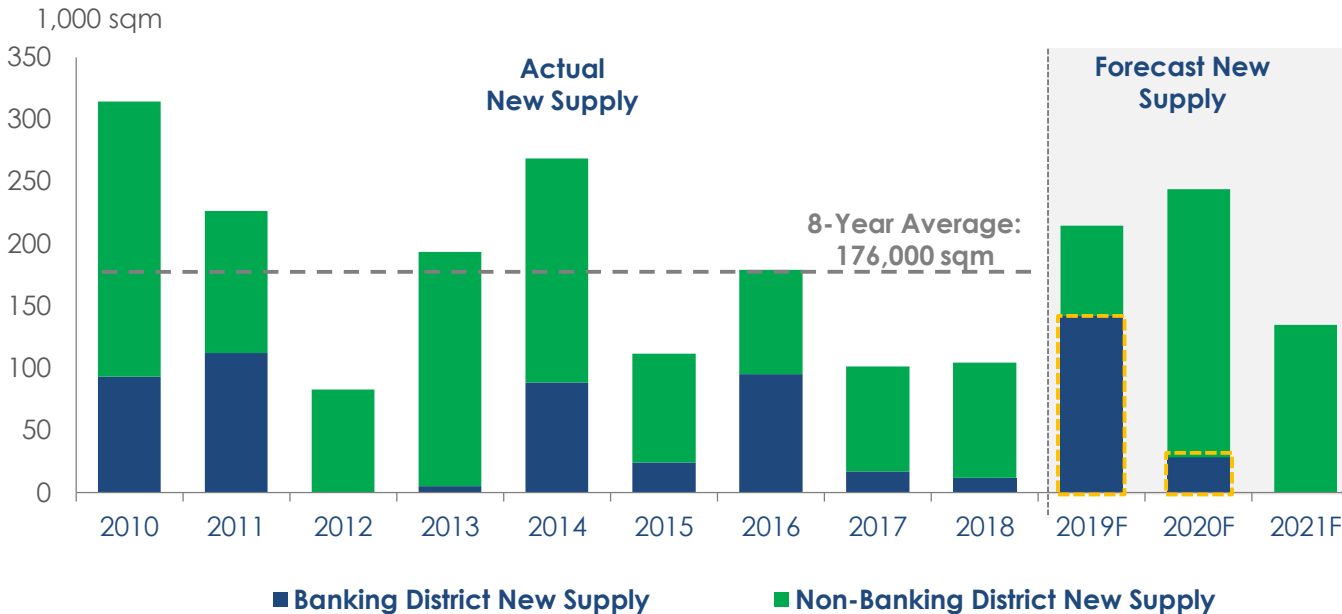


# New supply

## Relatively low levels of new office supply in Frankfurt

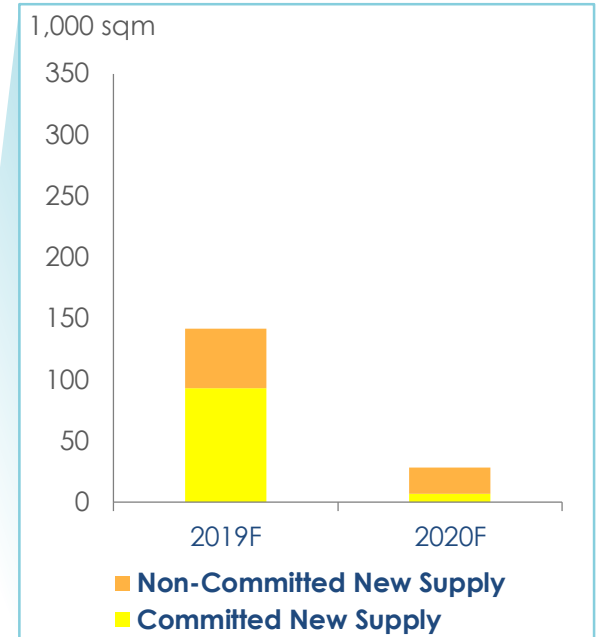
### New Supply in Frankfurt (2019F to 2020F)

- Past year's completion volume far below 10-year average
- Future supply pipeline until 2019F at relatively low levels with good pre-letting; further decrease of available space expected



### New Supply in Banking District (2019F to 2020F)

- About 59% of Banking District's new supply has been committed



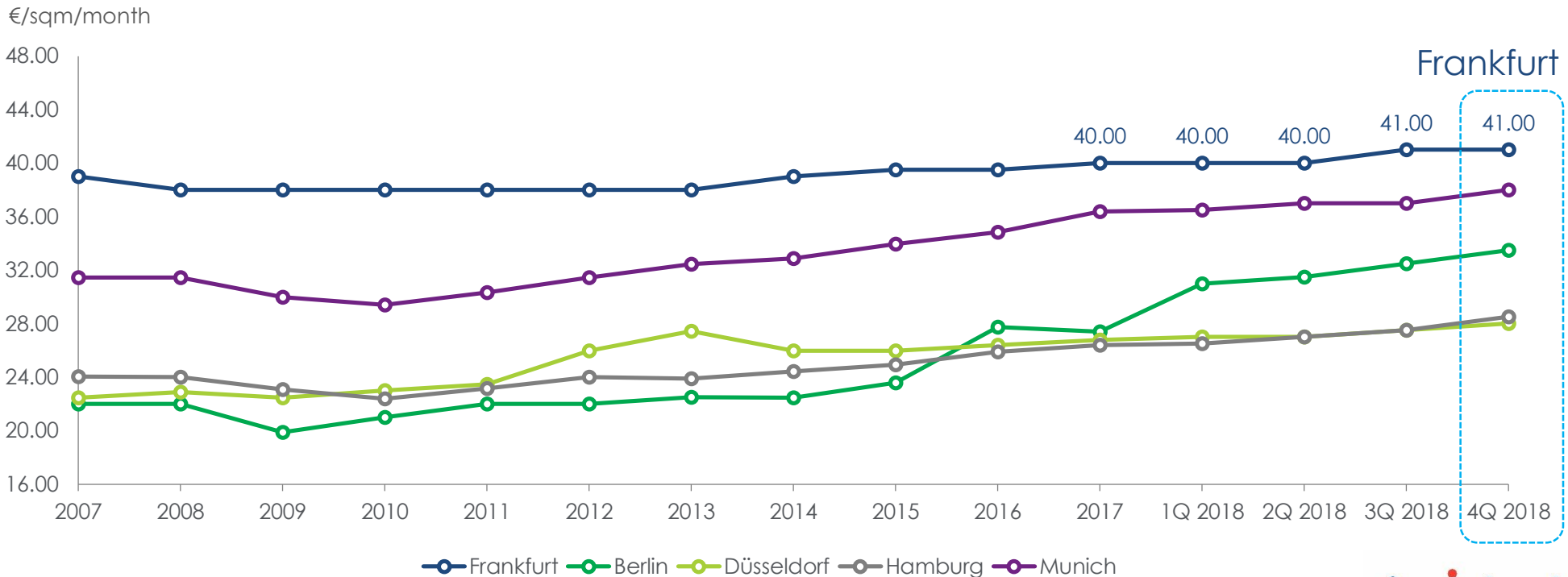
Source: Commissioned report by CCT from CBRE Research, Frankfurt Q4 2018



# Frankfurt office market rents

## Frankfurt's office market is characterised by stable and resilient rents

- Frankfurt has the highest rent in comparison to major cities in Germany across the past 10 years
- Prime office rent in Frankfurt has been resilient through property cycles
- Positive supply-demand dynamics will support prime office rents in Frankfurt



Source: Commissioned report by CCT from CBRE Research, Frankfurt Q4 2018



# 7. Looking Ahead

A photograph of a modern architectural structure. The central feature is a large, white, triangular canopy with three prominent, curved, red-painted ribs extending downwards. The canopy is supported by a complex network of white steel beams. To the left and right, the structure's wings are made of glass and steel, forming a large, open-air space. The building is surrounded by lush greenery, including several young trees and a paved walkway in the foreground. The sky is bright blue with a few wispy clouds.

# Key focus

## Proactive portfolio and asset management as well as capital management to generate growth



### 21 Collyer Quay (HSBC Building)

- Extended lease to April 2020 with total annual rental payable of S\$27.7 million
- Immediate focus on leasing and refurbishment



### Bugis Village

- One-year lease with the State for Bugis Village from April 2019 to March 2020 with projected net income of S\$1.0 million



### CapitaSpring (on track for completion in 1H 2021)

- Call option<sup>(1)</sup> to acquire balance 55.0% interest in the commercial component currently not owned by CCT within five years from building's completion



### Continue to explore investments in Singapore and overseas <sup>(2)</sup>

#### Notes:

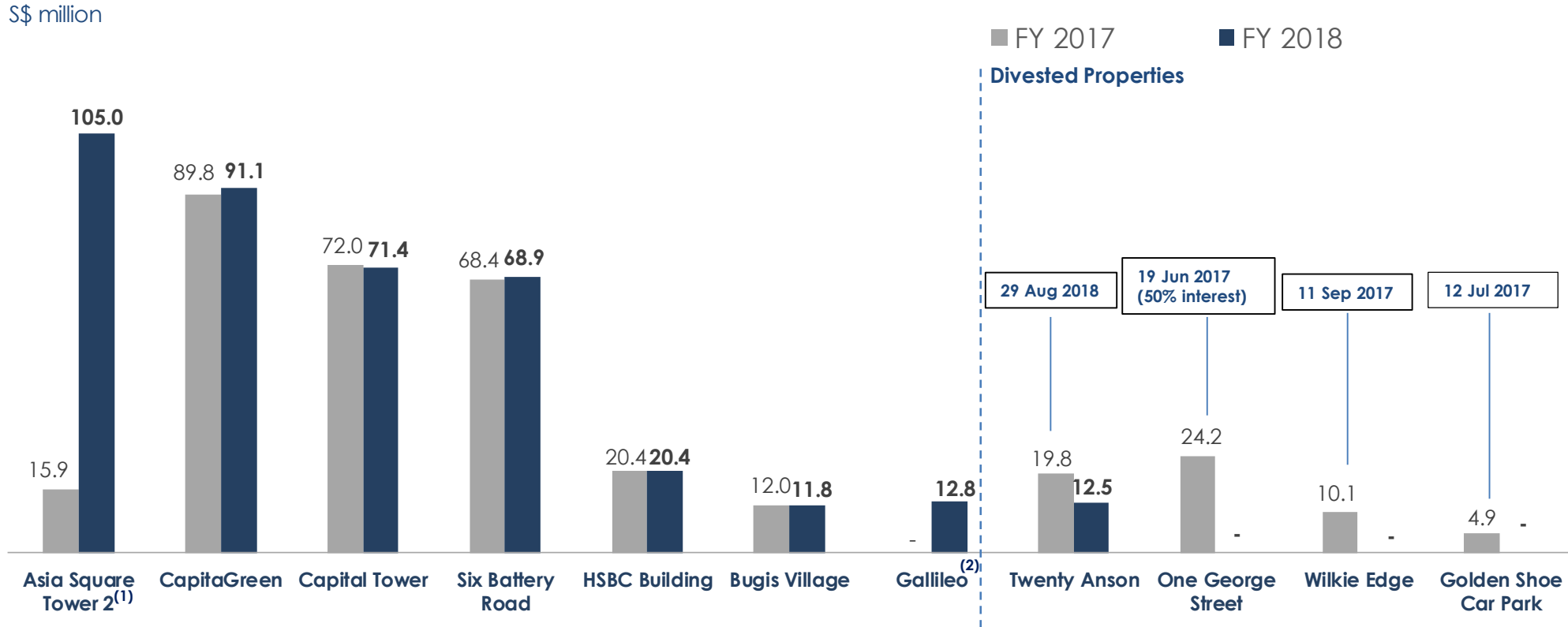
- (1) Exercisable within 5 years after issue of temporary occupation permit (TOP) and price at market value. The purchase price must be higher than a base price calculated as the total development costs incurred by Glory Office Trust (GOT) on the commercial component less any net property income attributable to GOT compounded quarterly at 6.3% p.a..
- (2) Develop depth in select gateway cities of developed markets and up to 20% of investment property value.

# 8. Additional Information

Six Battery Road

# FY 2018 Gross Revenue higher by 16.7% YoY

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



**Notes:**

(1) AST2 contributed from 1 November 2017.

(2) CCT owns 94.9% of Galileo which contributed revenue and income from 19 Jun 2018. The reported figure is on 100.0% basis.

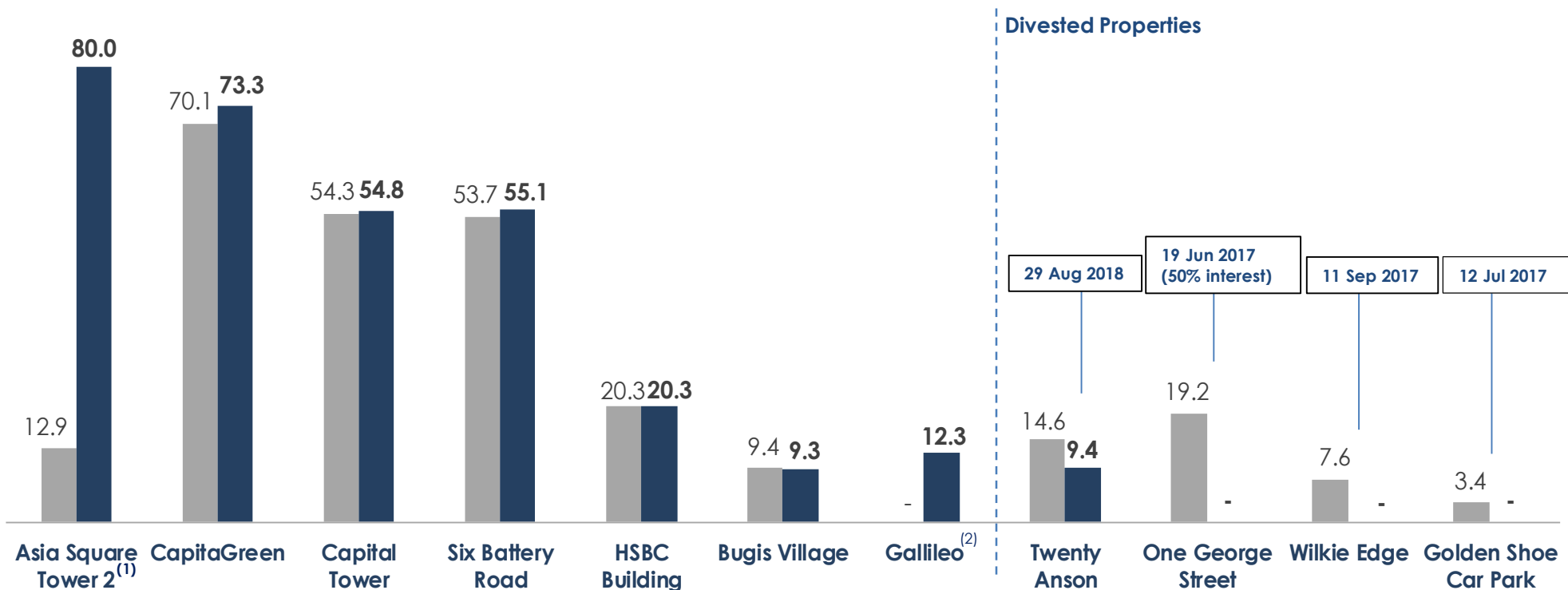


# FY 2018 Net Property Income higher by 18.5% YoY

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

S\$ million

■ FY 2017 ■ FY 2018



Note:

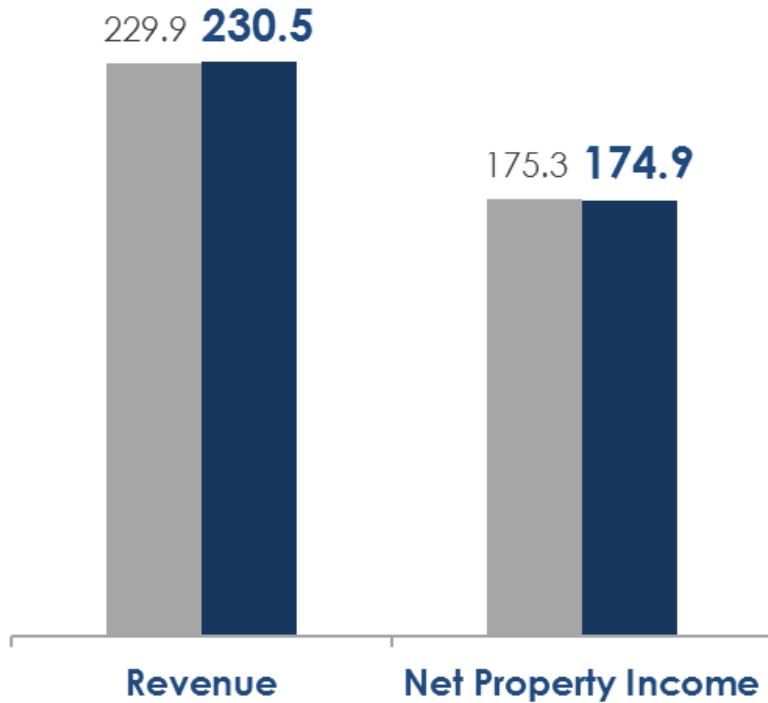
(1) AST2 contributed from 1 November 2017.

(2) CCT owns 94.9% of Gallileo which contributed revenue and income from 19 Jun 2018. The reported figure is on 100.0% basis.

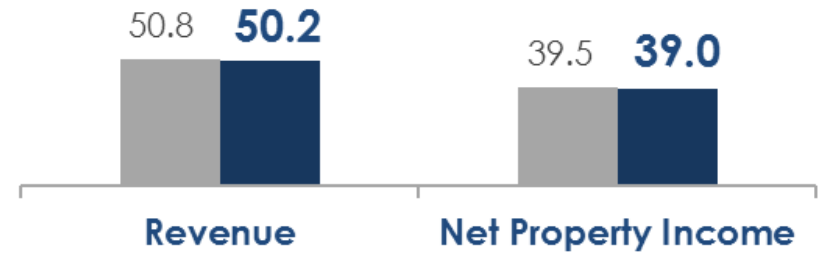


# FY 2018 performance of joint ventures (100.0% basis)

## Raffles City Singapore



## One George Street



■ FY 2017 (\$\$ million)  
■ FY 2018 (\$\$ million)

**Notes:**

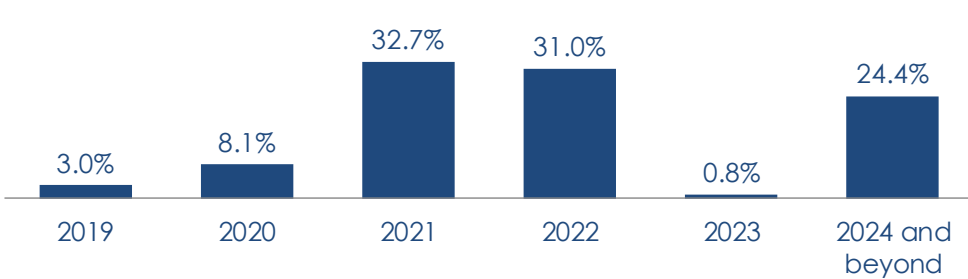
- (1) CCT owns 60.0% interest in Raffles City Singapore.
- (2) CCT accounted for 50.0% of share of profit of OGS LLP with effect from 20 Jun 2017



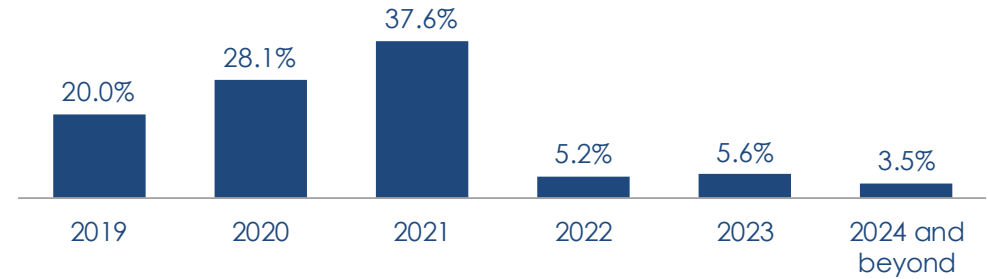


# Lease expiry profile based on committed monthly gross rental income as at 31 Dec 2018

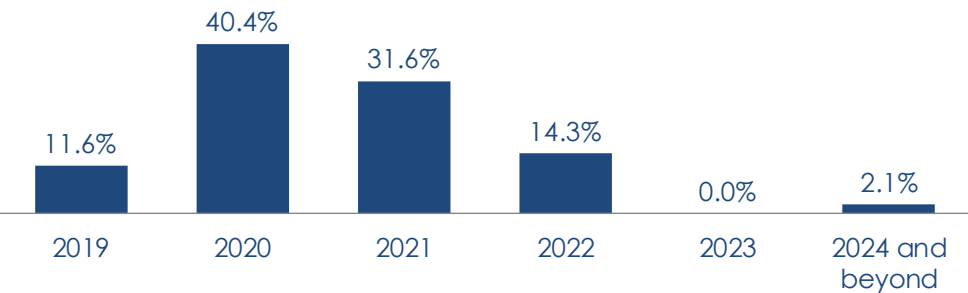
## Capital Tower



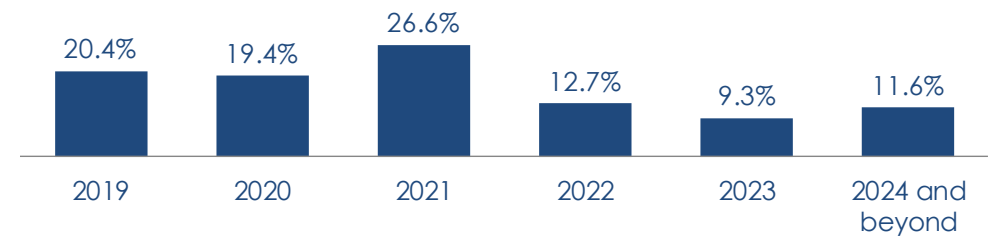
## CapitaGreen



## Six Battery Road



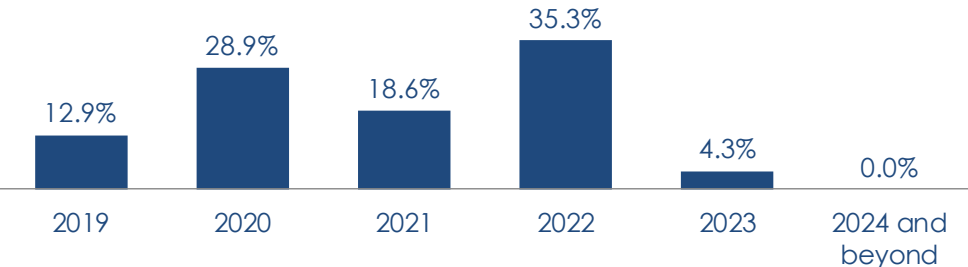
## Asia Square Tower 2



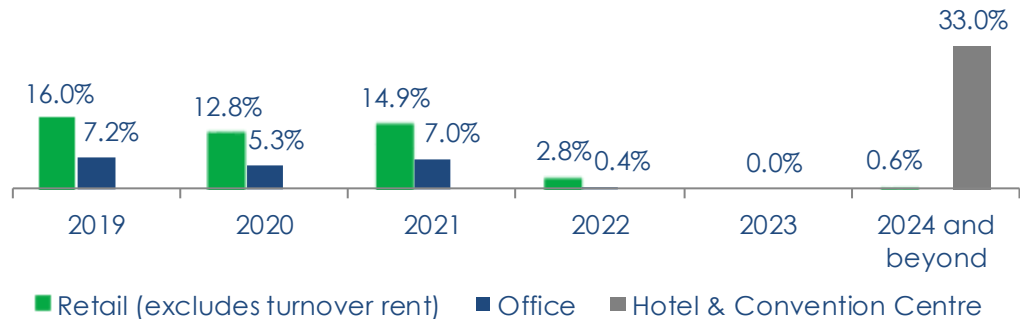


# Lease expiry profile based on committed monthly gross rental income as at 31 Dec 2018

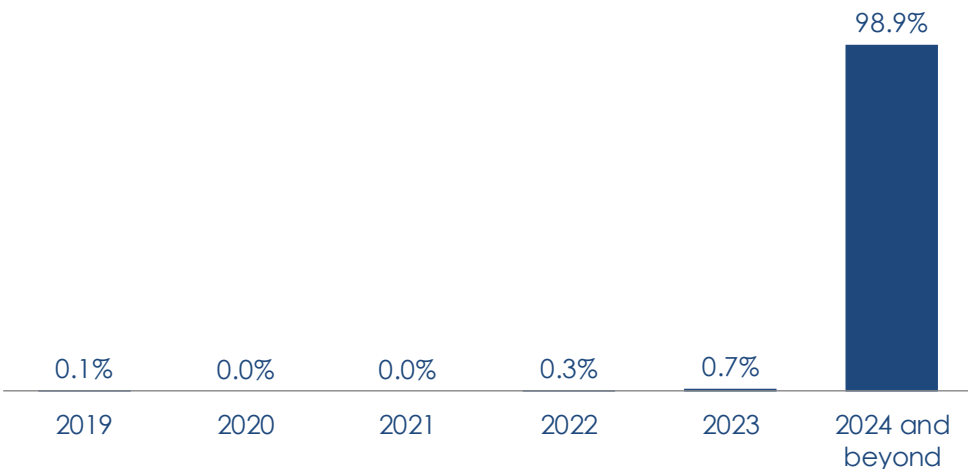
## One George Street (100.0% interest)



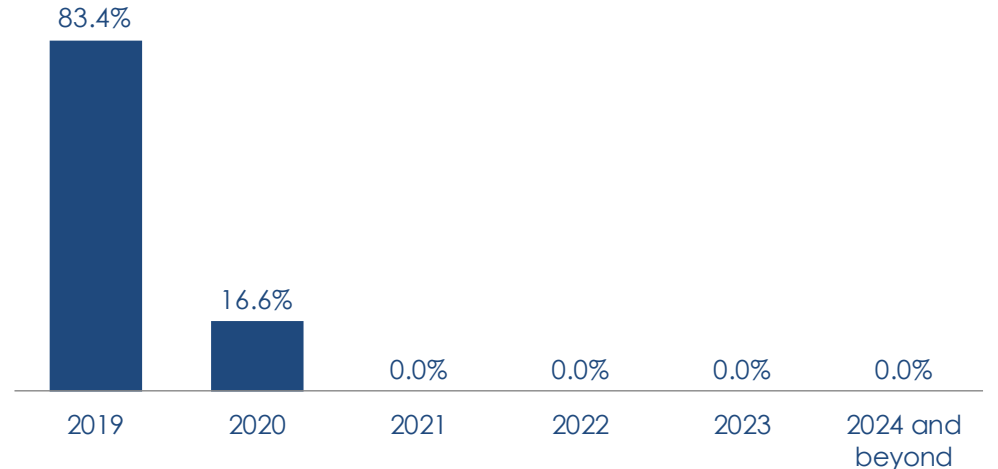
## Raffles City Singapore (100.0% interest)



## Gallileo



## Bugis Village





# CCT is largest commercial REIT in Singapore by market cap, listed since May 2004

**S\$7.1b<sup>(1)</sup>**  
Market Capitalisation

**10 properties**  
9 properties in Singapore's Central Area and one in Frankfurt, Germany

**S\$11.2b<sup>(2)</sup>**  
Deposited Property

**About 4.7 million sq ft<sup>(3)</sup>** NLA (100% basis)



**Notes:**

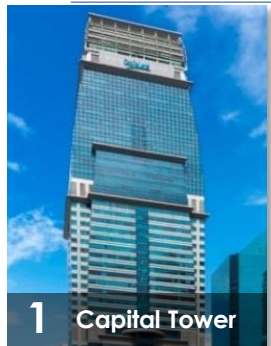
(1) Market Capitalisation based on closing price of S\$1.90 per unit as at 21 February 2019

(2) As at 31 December 2018

(3) Excludes CapitaSpring, currently under development and targeted for completion in 1H 2021

# Owns 9 centrally-located quality commercial properties in Singapore

New integrated development, CapitaSpring in Raffles Place under construction



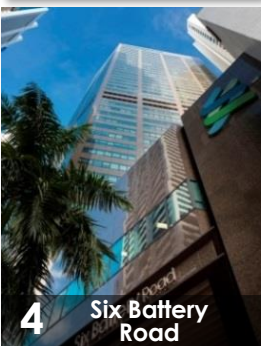
1 Capital Tower



2 Asia Square Tower 2



3 CapitaGreen



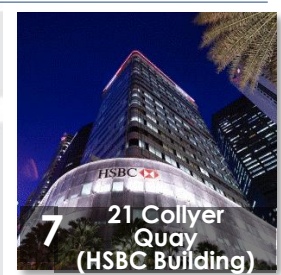
4 Six Battery Road



5 One George Street<sup>(1)</sup>



6 Raffles City Singapore<sup>(2)</sup>



7 21 Collyer Quay (HSBC Building)



8 Bugis Village



9 CapitaSpring<sup>(3)</sup>

Notes:  
 (1) CCT has 50.0% interest in One George Street.  
 (2) CCT has 60.0% interest in Raffles City Singapore.  
 (3) CCT has 45.0% interest in CapitaSpring.



# Galileo located in Frankfurt's prime banking district

## By Foot

(3-10 minutes)

- Willy-Brandt-Platz underground
- Main railway station
- Taunusanlage suburban railway stop

## By Car

(3-20 minutes)

- Main railway station
- Airport

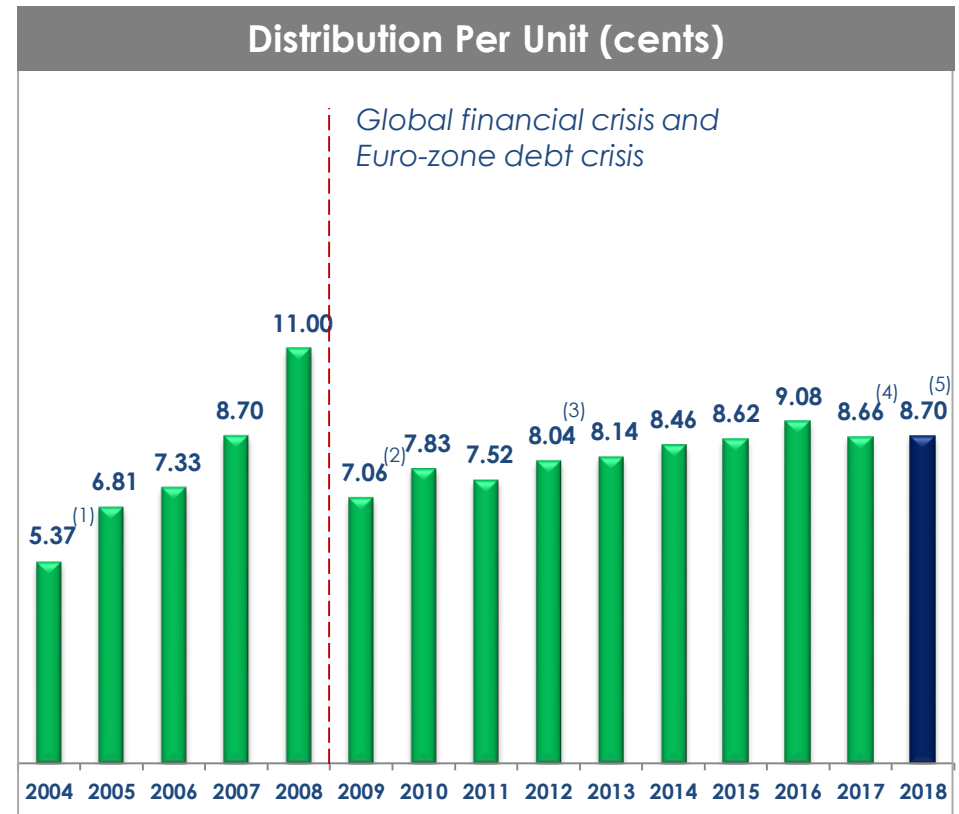
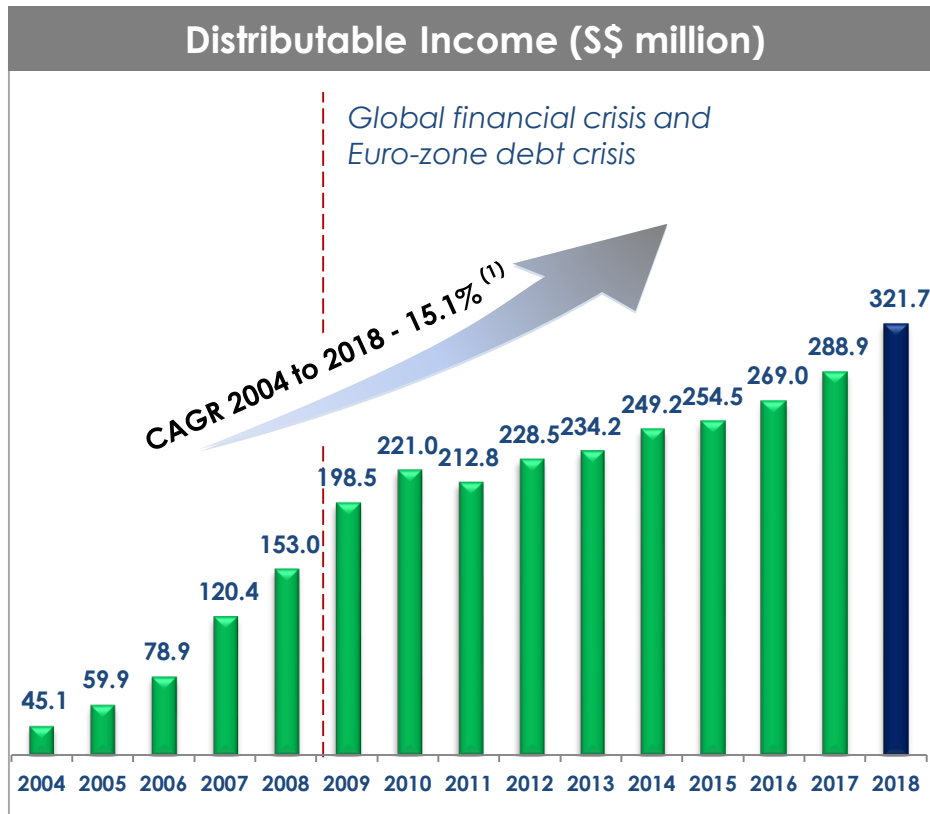


- Westend
- Banking District
- City
- Railway Station District
- Frankfurt Airport
- Deutsche Bahn
- S Bahn
- U Bahn



# CCT delivered higher distribution YoY through property market cycles

Due to continual portfolio reconstitution including recycling of capital, AEs, acquisitions, divestments and developments



**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
- (5) Issued 130 million new units following a private placement at S\$1.676 per unit in May 2018

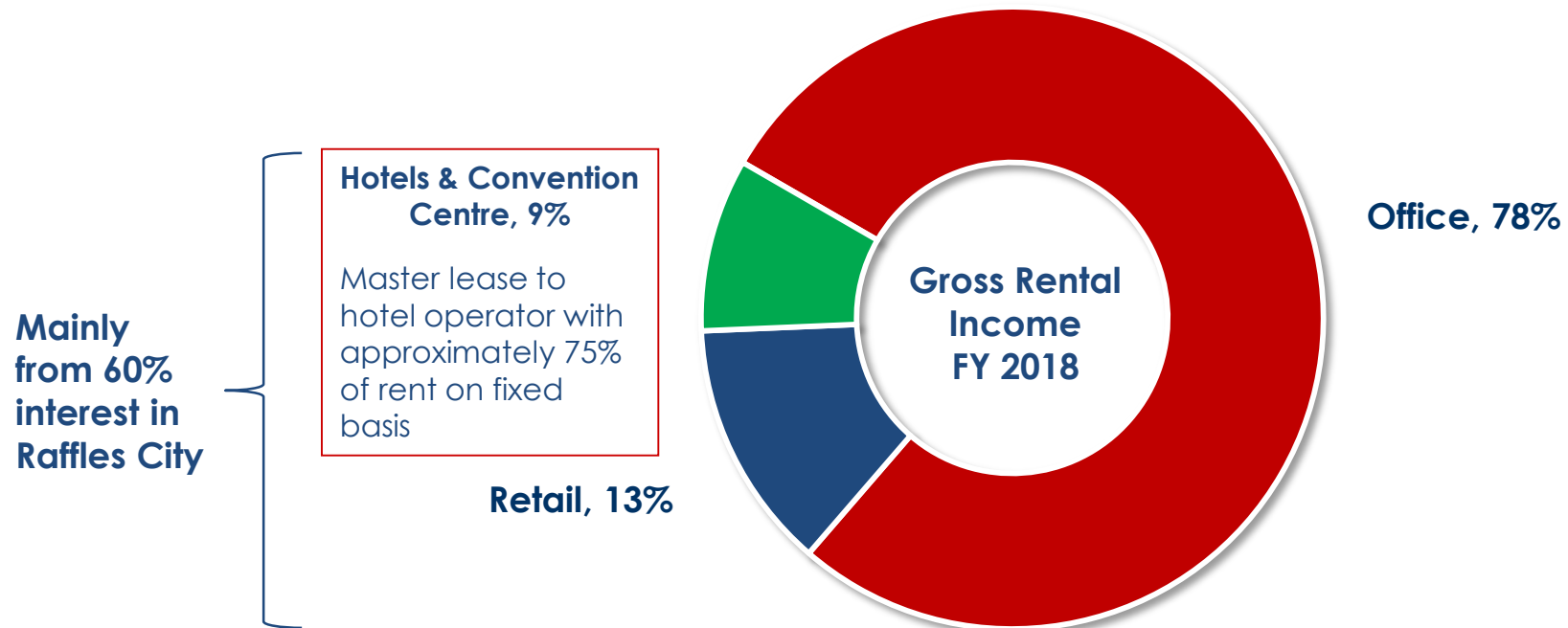






# 78% of gross rental income contributed by office and 22% by retail and hotel & convention centre

## CCT's gross rental income contribution by sector

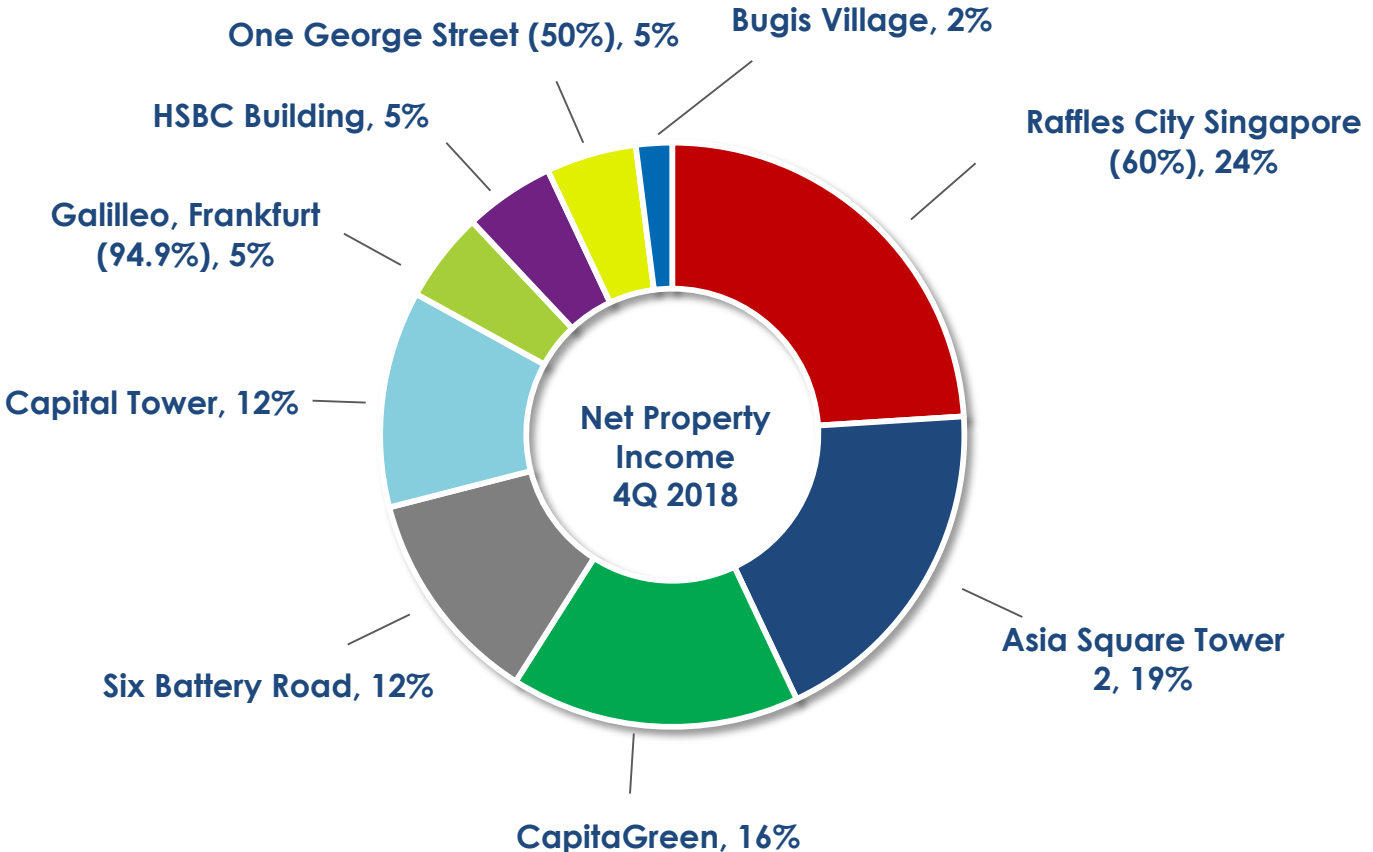


Based on gross rental income from 1 January 2018 to 31 December 2018; including contribution from CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street; and 94.9% interest in Gallileo, Frankfurt (with effect from 19 June 2018); and excluding retail turnover rent



# Portfolio diversification with income contribution from 9 properties

Raffles City Singapore and six Grade A offices contributed 93% of Portfolio NPI

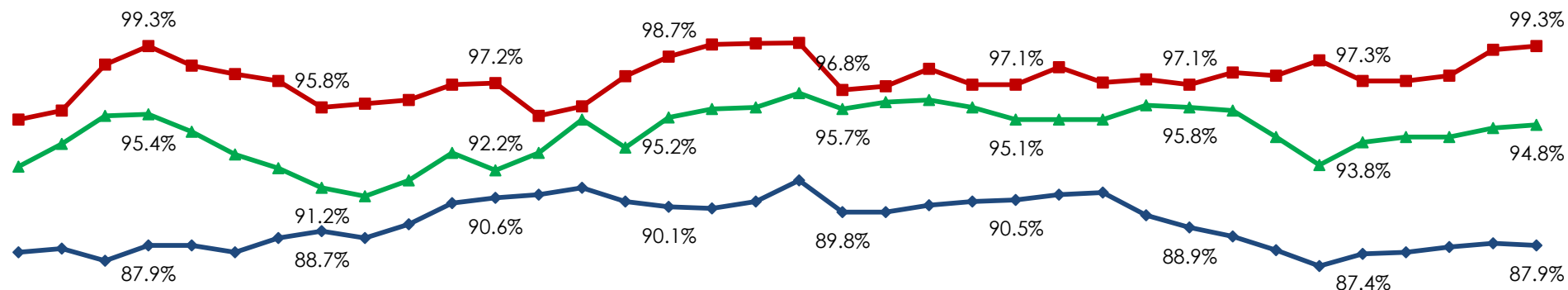


Based on net property income (“NPI”) from 1 October 2018 to 31 December 2018; including NPI from CCT’s 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Gallileo, Frankfurt (with effect from 19 June 2018); and excluding retail turnover rent

# CCT's portfolio occupancy of 99.3% is above market occupancy of 94.8%

Singapore	CCT Committed Occupancy <sup>(1)</sup>		Market Occupancy Level <sup>(2)</sup>	
	4Q 2018	3Q 2018	4Q 2018	3Q 2018
Grade A office	99.2%	99.1%	94.9%	94.6%
Portfolio	99.3%	99.1%	94.8%	94.6%

CCT's Committed Occupancy Since Inception



—■— CCT —◆— URA —▲— CBRE's Core CBD Occupancy Rate<sup>(2)</sup>

**Notes:**

(1) Exclude Gallileo, Frankfurt

(2) Source: CBRE



# Portfolio committed occupancy rate consistently above 90%

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capital Tower	100.0	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	94.1	99.0	99.4	99.7
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	99.9	100.0
Bugis Village	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	94.8	100.0	97.2	100.0	100.0
21 Collyer Quay (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
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	99.6 <sup>(2)</sup>
One George Street (50% interest)			100.0	96.3	100.0	93.3	92.5	95.5	100.0	98.2	96.5	98.0	97.8
Twenty Anson							100.0	98.1	97.8	97.9	91.7	92.6	NA <sup>(5)</sup>
CapitaGreen									69.3	91.3	95.9	100.0	99.7
Asia Square Tower 2 <sup>(3)</sup>												90.5	98.1
Gallileo, Frankfurt (94.9% interest) <sup>(4)</sup>													100.0
<b>Portfolio Occupancy<sup>(1)</sup></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>97.3</b>	<b>99.4</b>

**Notes:**

(1) For years 2006 to 2009, portfolio occupancy rate includes Starhub Centre and Robinson Point which were divested in 2010

For years 2006 to 2017, portfolio occupancy rate includes Golden Shoe Car Park which was divested in 2017

For years 2008 to 2017, portfolio occupancy rate includes Wilkie Edge which was divested in 2017

(2) Office occupancy is at 99.7% while retail occupancy is at 99.4%

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

(4) Contribution from Gallileo, Frankfurt effective from 19 June 2018

(5) Divestment of Twenty Anson was completed on 29 August 2018



# CapitaSpring – new integrated development in Raffles Place

<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
<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

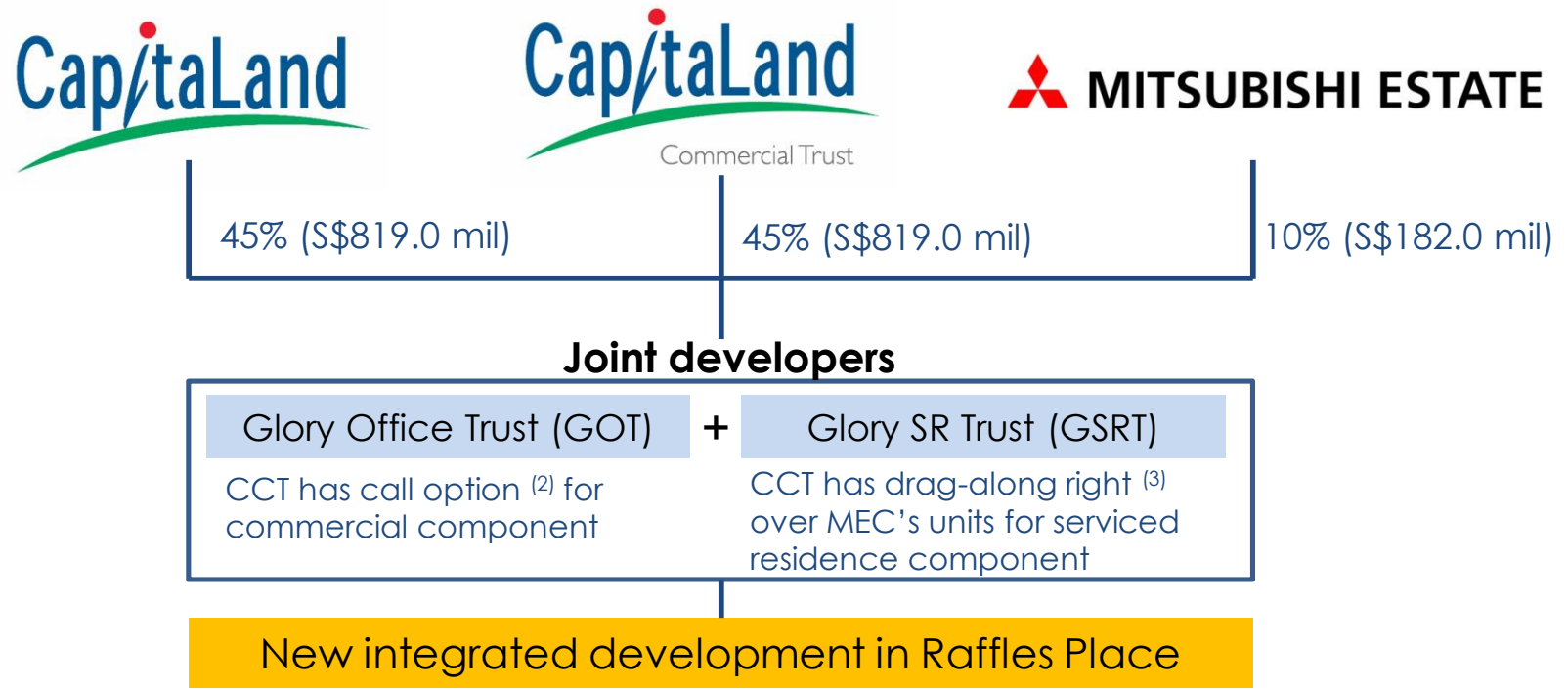


Artist's impression of CapitaSpring; target completion in 1H 2021



# Joint venture to develop CapitaSpring

**CCT holds 45.0% interest in the project - about 7% of deposited property<sup>(1)</sup>  
- within 10% development limit**




**Notes:**

- (1) Deposited property was S\$11.2 billion including the valuation of investment properties as at 31 Dec 2018
- (2) Exercisable within 5 years after issue of temporary occupation permit (TOP) and 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..
- (3) Within 5 years after issue of TOP and 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..





# CapitaSpring – balance development cost of S\$281.2 million (CCT's 45.0% interest) to be incurred progressively from now to 2021

 <p>CapitaSpring – Development remains on track for completion in 1H 2021</p>	CCT's 45% interest	CCT's 45% interest in Glory Office Trust and Glory SR Trust	Drawdown as at Dec 2018	Balance <sup>(2)</sup>
	Debt at Glory Office Trust and Glory SR Trust <sup>(1)</sup>	S\$531.0m	(\$292.5m)	S\$238.5m
	Equity inclusive of unitholder's loan	S\$288.0m	(\$245.3m)	S\$42.7m
	<b>Total</b>	<b>S\$819.0m</b>	<b>(\$537.8m)</b>	<b>S\$281.2m</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



# Property details (1)

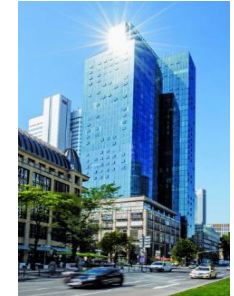


	Capital Tower	Asia Square Tower 2	CapitaGreen	Six Battery Road	Raffles City Singapore (100.0%)
<b>Address</b>	168 Robinson Road	12 Marina View	138 Market Street	6 Battery Road	250/252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road
<b>NLA (sq ft)</b>	736,000	779,000	701,000	495,000	808,900 (Office: 381,400, Retail: 427,500)
<b>Leasehold expiring</b>	31-Dec-2094	2-Mar-2107 (land lot only)	31-Mar-2073	19-Apr-2825	15-Jul-2078
<b>Committed occupancy</b>	99.7%	98.1%	99.7%	100.0%	99.6%
<b>Valuation (31 Dec 2018)</b>	S\$1,387.0m	S\$2,143.0m	S\$1,638.0m	S\$1,420.0m	S\$3,322.0m (100.0%) S\$1,993.2m (60.0%)
<b>Car park lots</b>	415	263	184	190	1,045





# Property details (2)



	One George Street (100.0%)	21 Collyer Quay (HSBC Building)	Bugis Village <sup>(1)</sup>	CapitaSpring (100.0%) <sup>(2)</sup>	Gallileo (100.0%) Contribution from 19 Jun 2018
<b>Address</b>	1 George Street	21 Collyer Quay	62 to 67 Queen St, 151 to 166 Rochor Road, 229 to 253 (odd nos only) Victoria St	86 & 88 Market Street	Gallusanlage 7/ Neckarstrasse 5, 60329 Frankfurt am Main, Germany
<b>NLA (sq ft)</b>	446,000	200,500	121,000	647,000	436,000
<b>Leasehold expiring</b>	21-Jan-2102	18-Dec-2849	30-Mar-2088	31-Jan-2081	Freehold
<b>Committed occupancy</b>	97.8%	100.0%	100.0%	About 24%	100.0%
<b>Valuation (31 Dec 2018)</b>	S\$1,139.0m (100.0%) S\$569.5m (50.0%)	S\$461.7m	Compensation sum: S\$40.7m	S\$1,050m (100.0%) S\$472.5m (45.0%)	S\$563.9m <sup>(3)</sup> (100.0%) S\$535.2m <sup>(3)</sup> (94.9%)
<b>Car park lots</b>	178	55	NA	350	43

**Notes:**

(1) Authorities have exercised right for Bugis Village to be returned to the State on 1 April 2019 and compensation sum is confirmed to be S\$40.7 million.

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

(3) Valuation is converted to S\$ based on an exchange rate of S\$1 = EUR1.56128



# 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