



CapitaLand Commercial Trust

Singapore's First and Largest Commercial REIT

Annual General Meeting

10 April 2019



Important Notice

This presentation shall be read in conjunction with CCT's FY 2018 Financial Statements.

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.

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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.

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*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 stacked rectangular volumes, with the upper sections featuring a more complex, grid-like pattern of windows.

2018 Overview and Portfolio Performance

Capital Tower, Singapore



CCT's value creation strategy

Acquire quality assets
with growth potential in
identified markets



Unlock value from
an asset at optimal
stage of life cycle



Enhance value and
positioning of assets to
stay competitive



Optimise asset value
and performance



Manage debt maturity
profile to enhance
financial flexibility





Highlights of CCT's value creation journey

Realising returns from prior actions and shaping our future for growth

2017

2018



Divested:

- One George Street (50.0% interest) (June)
- Golden Shoe Car Park (July)
- Wilkie Edge (September)



Acquired:

- Asia Square Tower 2 (November)



Acquired:

- Gallileo (94.9% interest) which was funded via private placement⁽¹⁾ and borrowings (June)



Divested:

- Twenty Anson (August)



Developing:

- CapitaSpring (45.0% interest) (completion in 1H 2021)

Note:

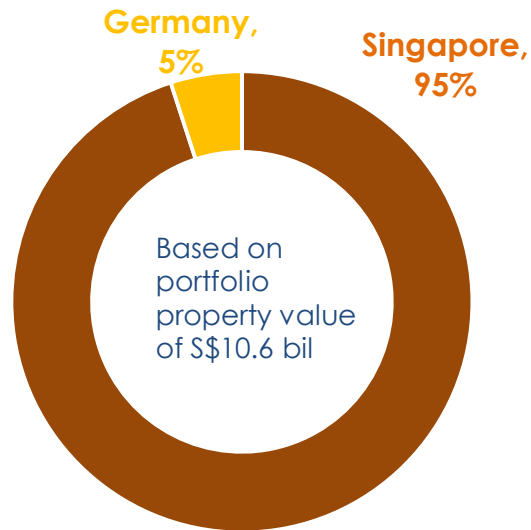
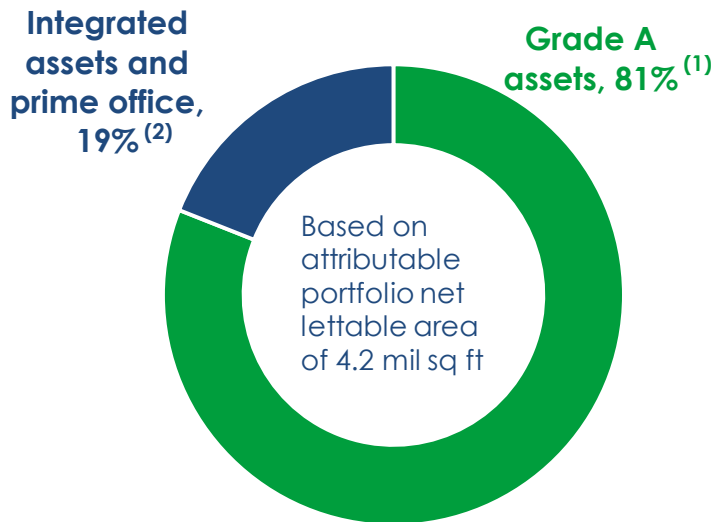
(1) Private placement of 130 million units was 3.1 times covered

CapitaLand Commercial Trust Presentation April 2019



Largest commercial REIT with market cap of S\$7.3 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\$1.94 on 29 March 2019
- (4) Overseas exposure in key gateway cities of developed markets of up to 20% of portfolio property value



CCT's FY 2018 distributable income rose 11.4% y-o-y

FY 2018 Distributable Income

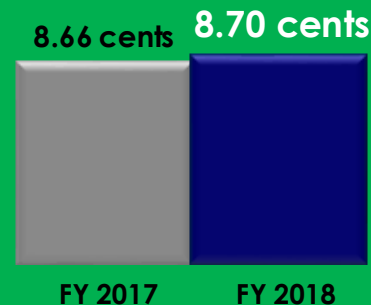
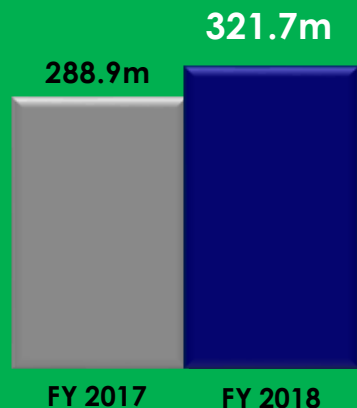
\$321.7
million

▲ 11.4% y-o-y

FY 2018 DPU

8.70
cents

▲ 0.5% y-o-y



Note:

(1) 2H 2018 DPU of 4.42 cents was computed based on 3,744.4 million CCT 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. 2H 2017 DPU of 4.10 cents was computed based on 3,608.1 million Units issued as at 31 December 2017.



Active leasing activities in Singapore portfolio

CCT Portfolio ⁽¹⁾ (Singapore & Germany)	99.4%	NLA	4.7 million sq ft FY 2017: 4.5 mil sq ft
CCT Singapore Portfolio ⁽¹⁾ higher than Singapore Core CBD occupancy of 94.8%	99.3%	No of tenants	622 FY 2017: 631 ⁽²⁾

	FY 2017	FY 2018
Total new and renewal leases	666,000 sq ft ⁽³⁾	1,022,000 sq ft
% of new leases	38%	22%
Portfolio occupancy as at 31 Dec	97.3%	99.4%
Tenant retention rate ⁽⁴⁾	78%	77%

Notes:

(1) Committed occupancy as at 31 Dec 2018

(2) Due to change in basis for calculation of retail tenants in Raffles City Singapore

(3) Based on net lettable area of new leases and renewals committed and using 100.0% basis for all leases

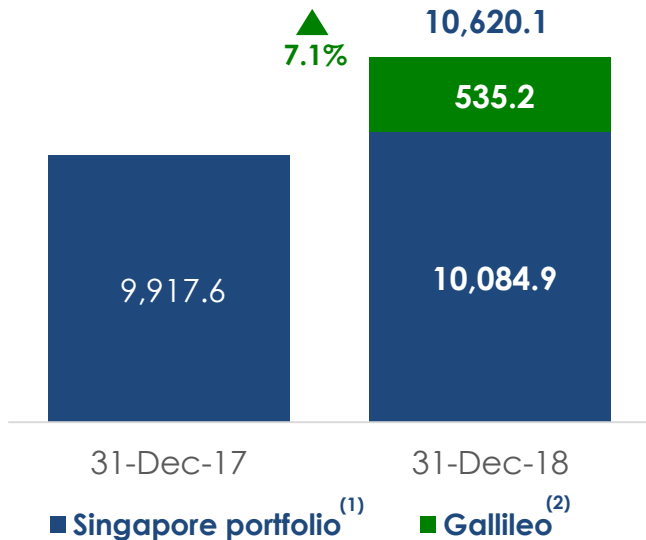
(4) Tenant retention rate =
$$\frac{\text{Net lettable area renewed in the subject year}}{\text{Total net lettable area due for renewal in the subject year}}$$



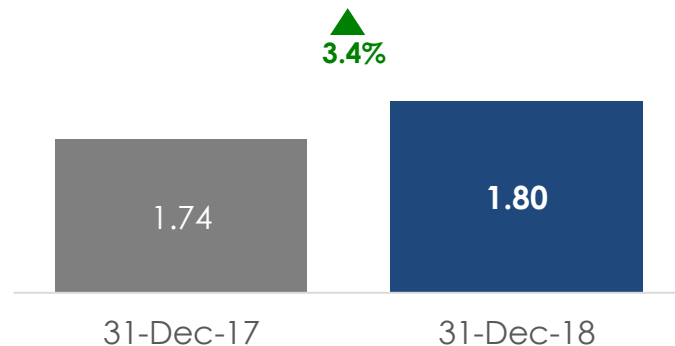
Value of CCT's investment properties up 7.1% YoY

Singapore portfolio valuation up 1.7%

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



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



Notes:

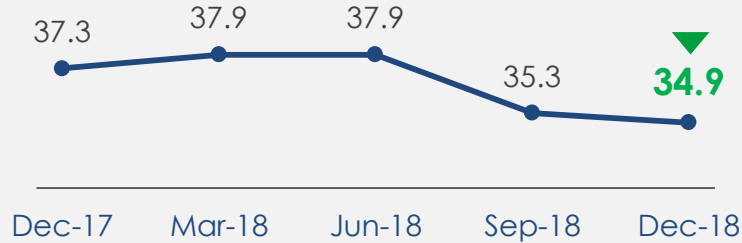
- (1) Includes CCT's proportionate interests for the investment properties under joint ventures. Excludes Bugis Village as the property was accounted for under Assets Held for Sale.
- (2) Valuation in Singapore dollars as at 31 December 2018 for 94.9% interest in Gallileo. Valuation for 100% interest 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



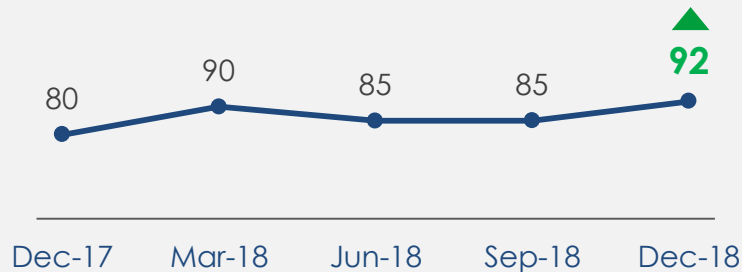
Maintained strong balance sheet through proactive and prudent capital management

Concluded \$2.2 billion of debt financing in 2018

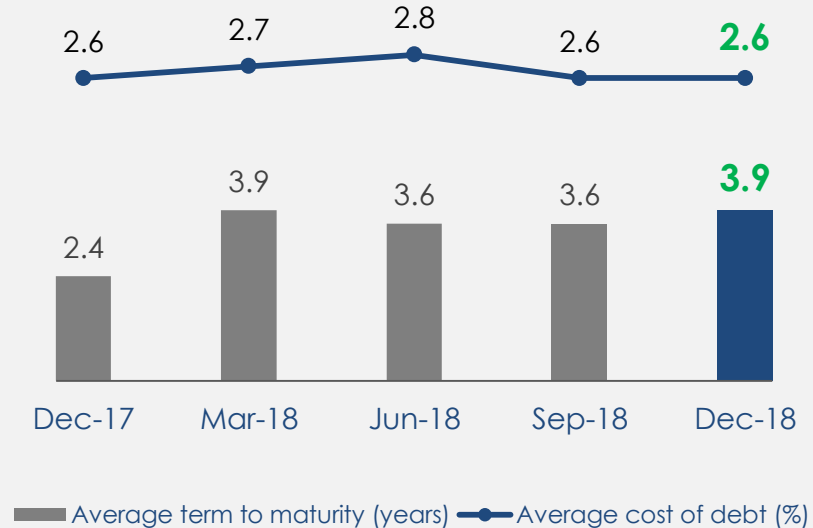
Aggregate Leverage (%) ⁽¹⁾



Gross borrowings on fixed rate (%)



Extended average term to maturity while maintaining average cost of debt

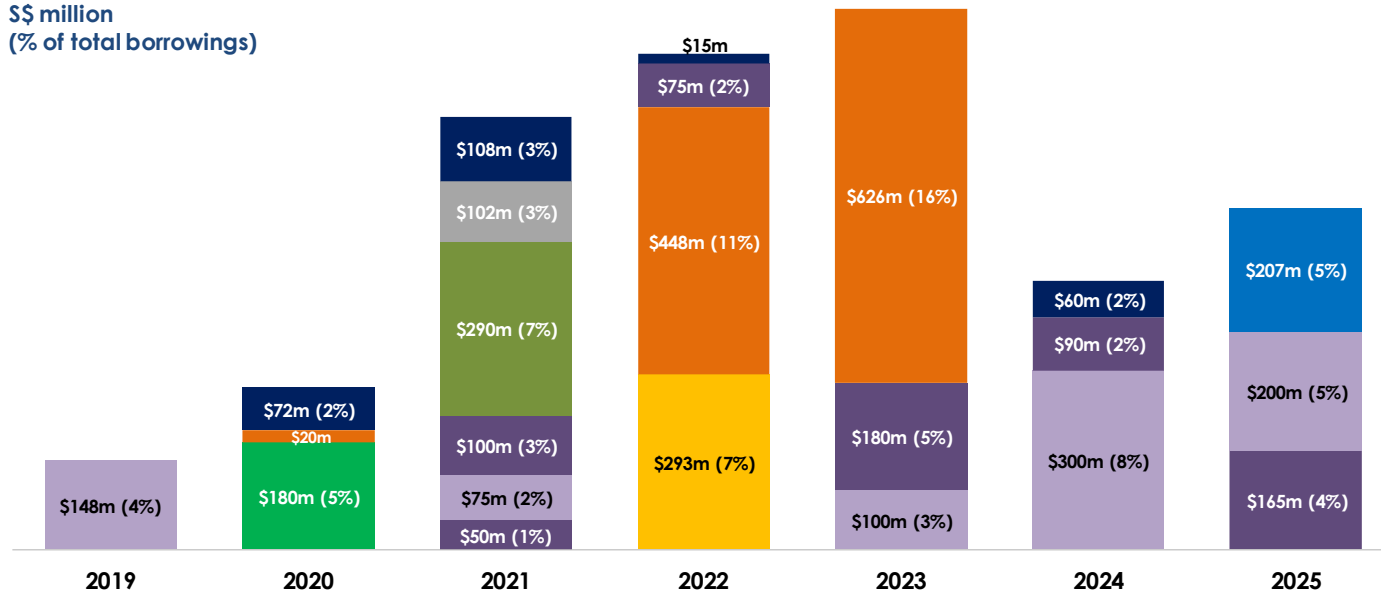


Note: (1) In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures' borrowings and deposited property values are included when computing aggregate leverage



Proactive capital management by refinancing debt ahead of maturity

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

Portfolio Highlights

One George Street, Singapore

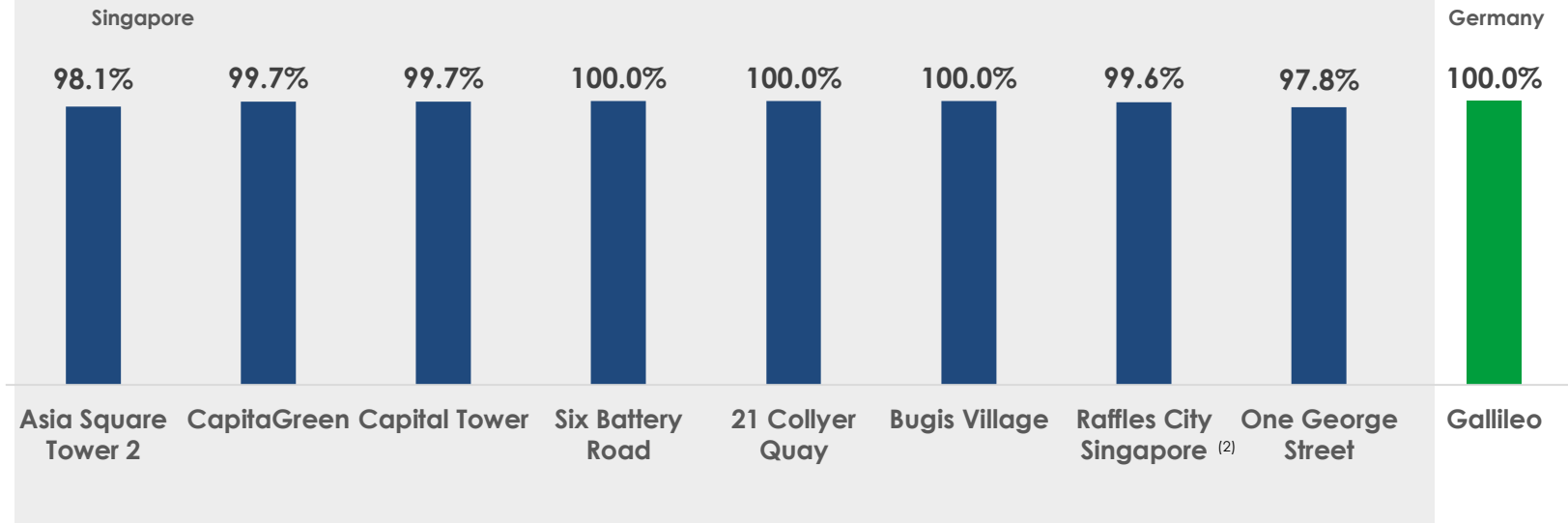




Higher portfolio occupancy at 99.4%

Singapore Portfolio occupancy: **99.3%**

Singapore Core CBD occupancy: **94.8%**



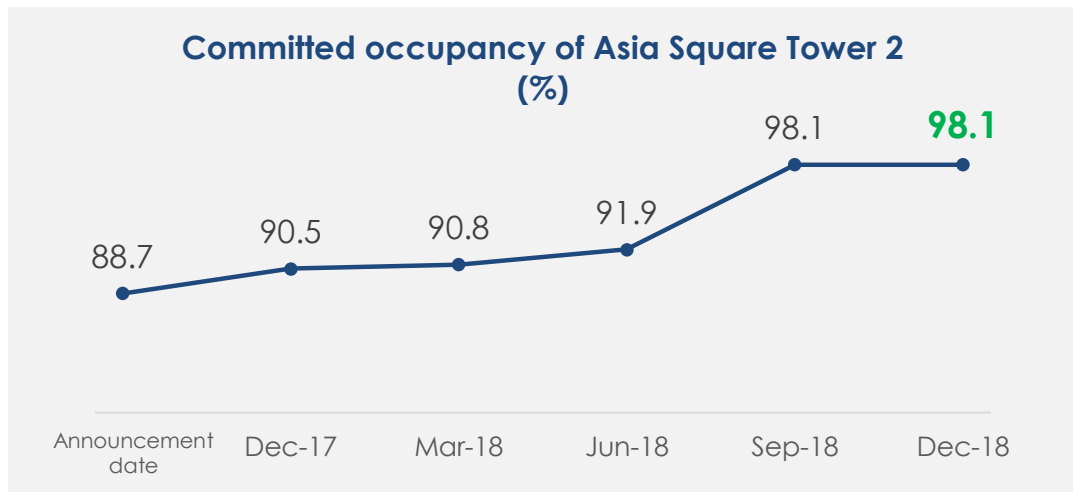
Notes:

(1) All occupancies as at 31 Dec 2018

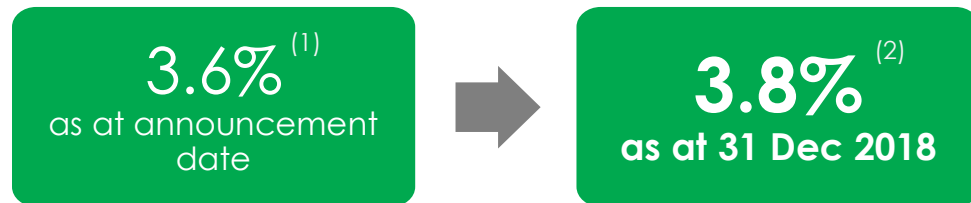
(2) Office occupancy is at 99.7% while retail occupancy is at 99.4%



Increased occupancy and NPI yield of Asia Square Tower 2



NPI Yield based on Agreed Property Value of S\$2,094 million



Notes:

- (1) Based on an annualised NPI for pro forma 1H 2017 and using the committed occupancy rate of 88.7% as at 21 September 2017 (announcement date) and the Agreed Property Value
- (2) Based on FY 2018 NPI and the Agreed Property Value





Foray into Frankfurt, Germany with acquisition of 94.9% interest in Gallileo

38-storey Grade A, freehold property that fits with CCT's existing portfolio

NPI Yield

4.0%
p.a.

High technical specifications:

- ✓ 2.9m floor to ceiling height
- ✓ Center core with efficient layout
- ✓ Flexibility to cater for multi-tenant space configuration



WALE

10.0
years

ANCHOR TENANT

Leased to

Commerzbank AG

for 98% of property's NLA till 2029
with option to terminate in 2024
with 24-months' notice



Gallileo located in Frankfurt's prime banking district

By Foot

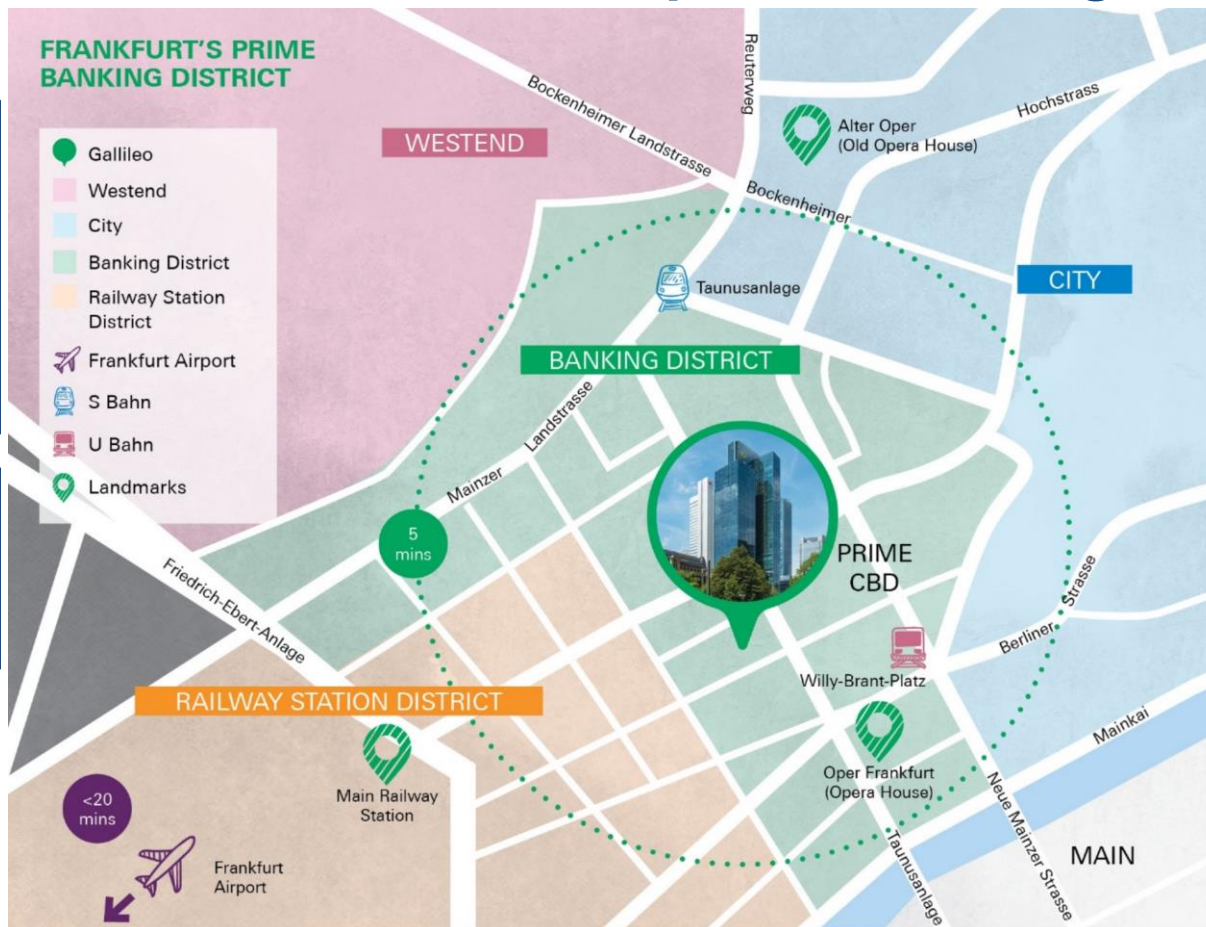
(3-10 minutes)

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

By Car

(3-20 minutes)

- Main railway station
- Airport

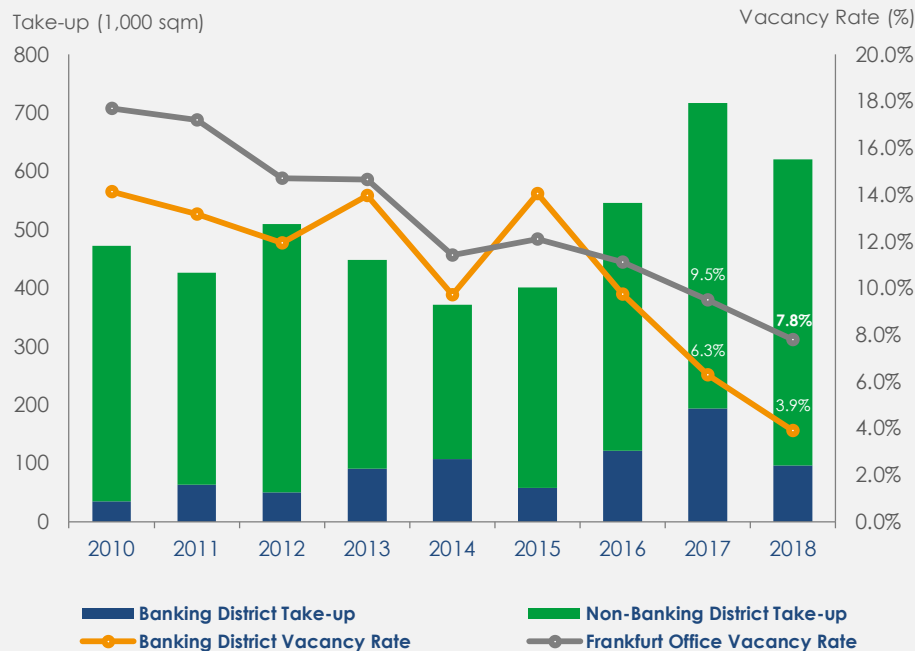




Take up and vacancy rate

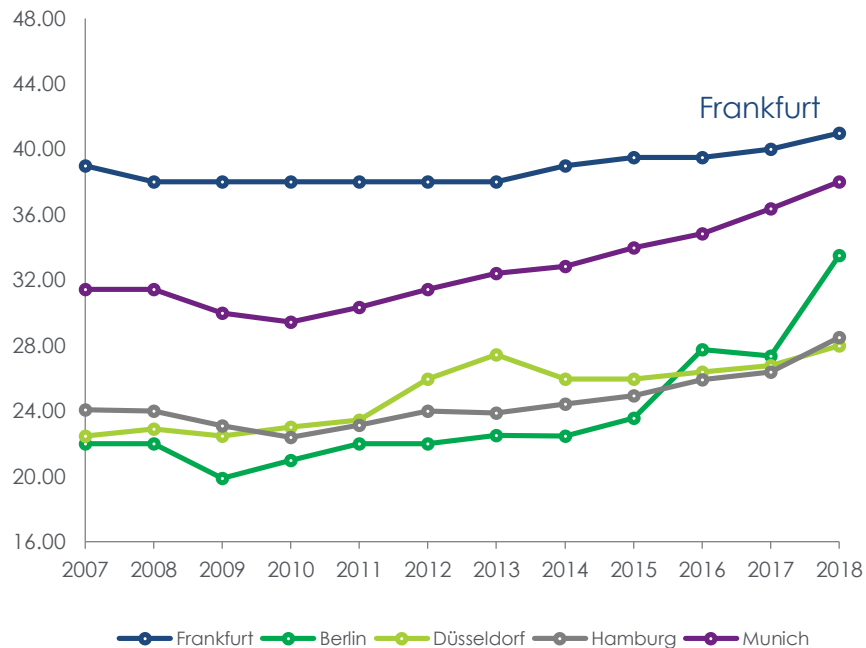
Frankfurt property fundamentals sound; banking district vacancy rates declined from 6.3% in 2017 to 3.9% in 2018; rents have increased steadily y-o-y

Frankfurt Office and Banking District Take-up and Vacancy Rates



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

Office market rents in Germany





Singapore properties: 21 Collyer Quay and Bugis Village



21 Collyer Quay (HSBC Building)

HSBC lease extended from April 2019 to April 2020

Total annual rent increased 35%

Options after April 2020 include:

- Refurbishment and re-letting
- Divestment
- Redevelopment

Bugis Village

State took back leasehold interest on 1 April 2019 with a compensation sum of S\$40.7 million

CCT committed to a new one-year lease with the State from April 2019 to March 2020; projected net income of S\$1.0 million

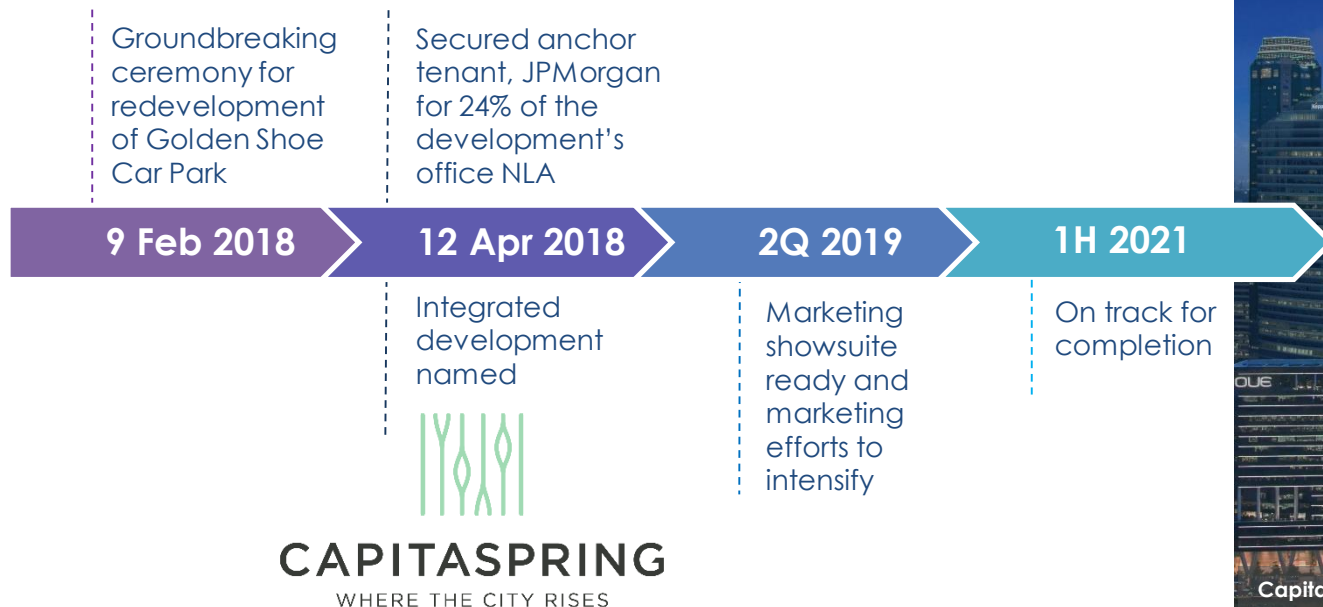




CapitaSpring on track for completion in 1H 2021

Balance development cost to be funded primarily by secured debt financing

Milestones



Note:

(1) Balance progress payment of S\$281.2 million (based on CCT's 45.0% interest)

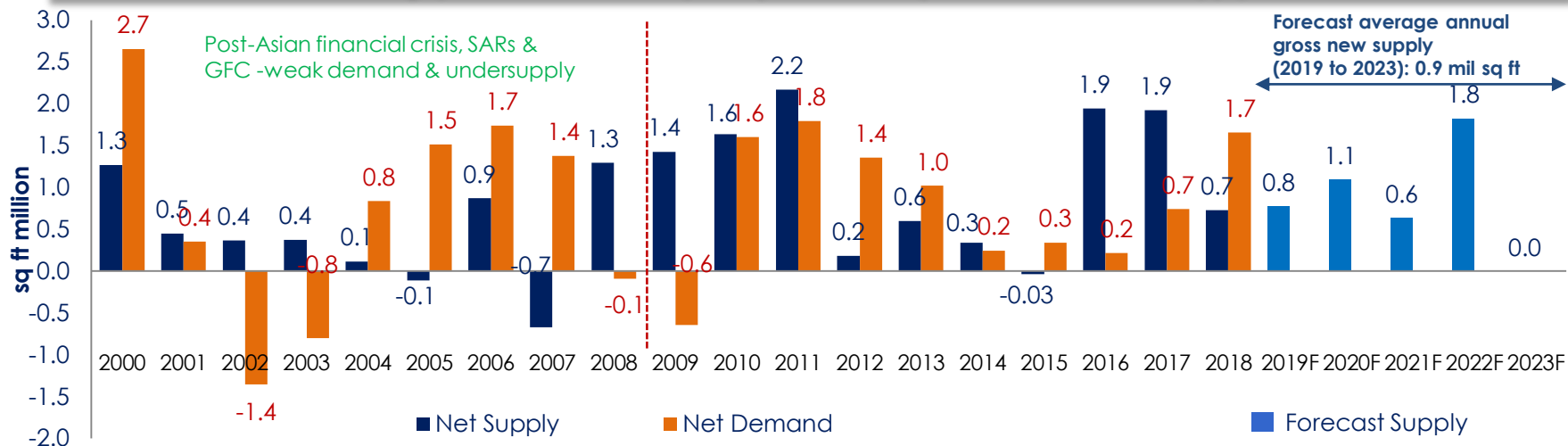
Riding the Singapore Office Rental Recovery

Capita Commercial
Trust
Capita Mall
Trust
Raffles City



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) ⁽¹⁾ – Net Demand & Supply



Periods	Average annual net supply ⁽²⁾	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.



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 (S\$ / sq ft)	9.10	8.95	8.95	9.10	9.40	9.70	10.10	10.45	10.80
% change	- 2.2%	-1.6%	0.0%	1.7%	3.3%	3.2%	4.1%	3.5%	3.3%

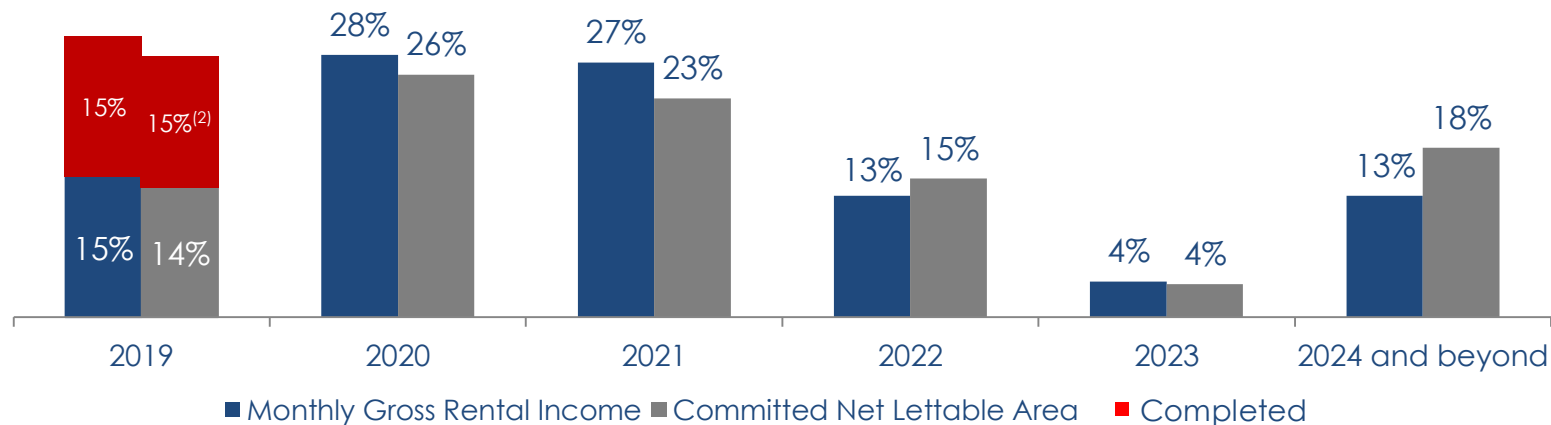


Source of data: CBRE Research (figures as at end of each quarter).



Half of expiring 2019 leases committed

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

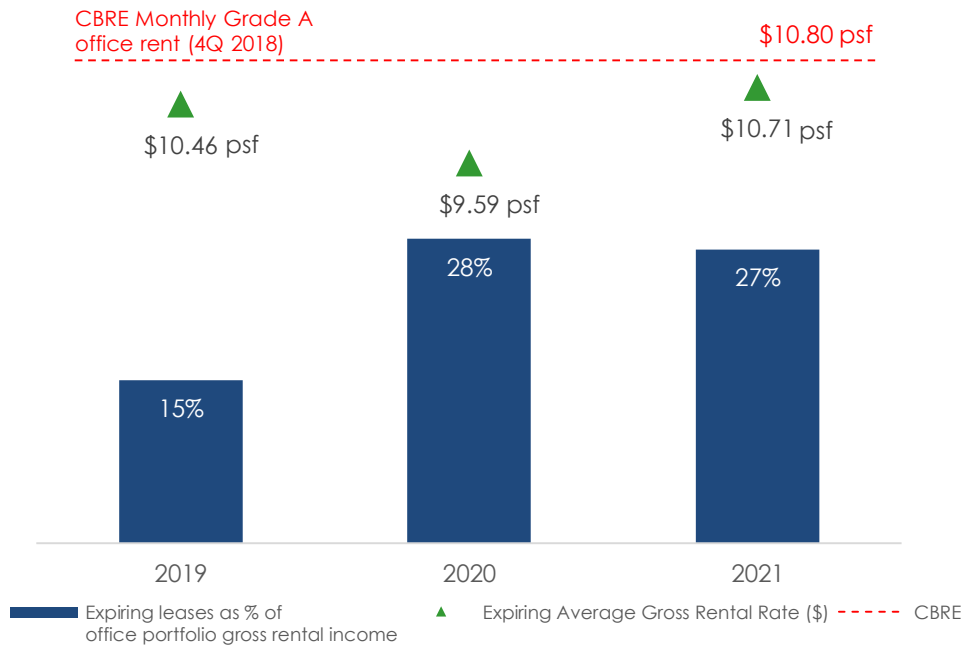


Leverage momentum of rising office rents

Focus on achieving optimal rents for upcoming expiries



Six key buildings: Average expiring rents and contribution to office portfolio rental income



New Initiatives and Community Engagement Efforts



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

Strategic approach to address tenants' evolving workspace needs by delivering value-add solutions



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.

Building a vertical community in our portfolio through an integrated offering:

- Conventional workspace
- Flexible workspace
- Shared amenities
- Community programming
- Technology-enabled systems and applications



Proactive and dynamic community programmes

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



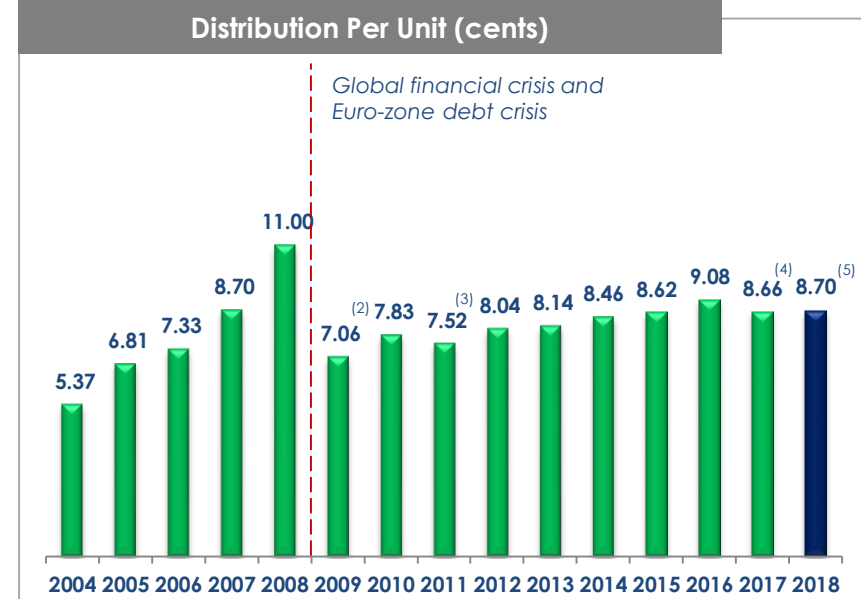
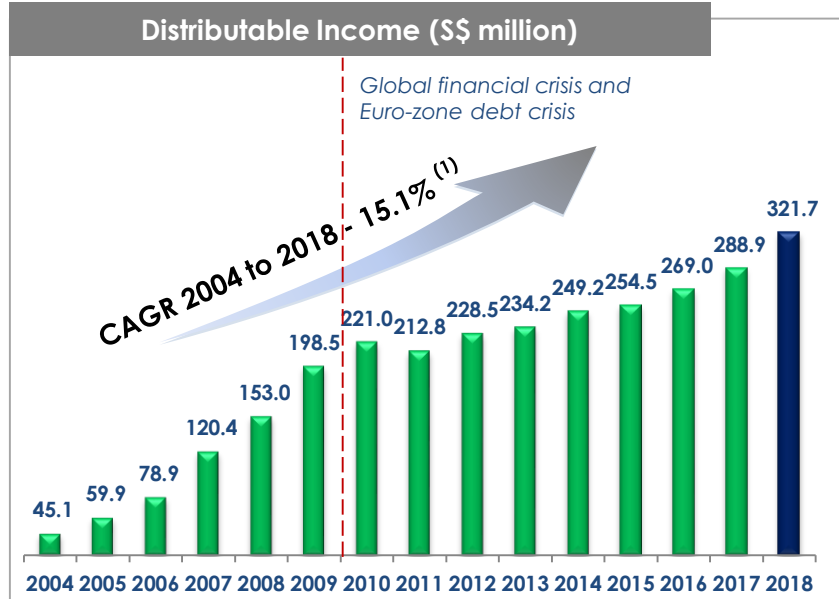
The image shows a modern architectural complex. In the center is a large, stylized sculpture resembling a flower or a starburst, with a white central core and several long, pointed petals in a vibrant red color. This sculpture is set against a backdrop of a building with a complex, multi-level glass and steel structure. The foreground is filled with lush greenery, including several young trees and low-lying plants. A paved path leads through the garden area. The sky is a clear, bright blue with a few wispy clouds. The overall scene conveys a sense of modern design integrated with nature.

Positioning For Sustainable Growth



CCT delivered higher distribution YoY through property market cycles

Derived via continual portfolio reconstitution including recycling of capital, AEs, acquisitions, divestments and developments



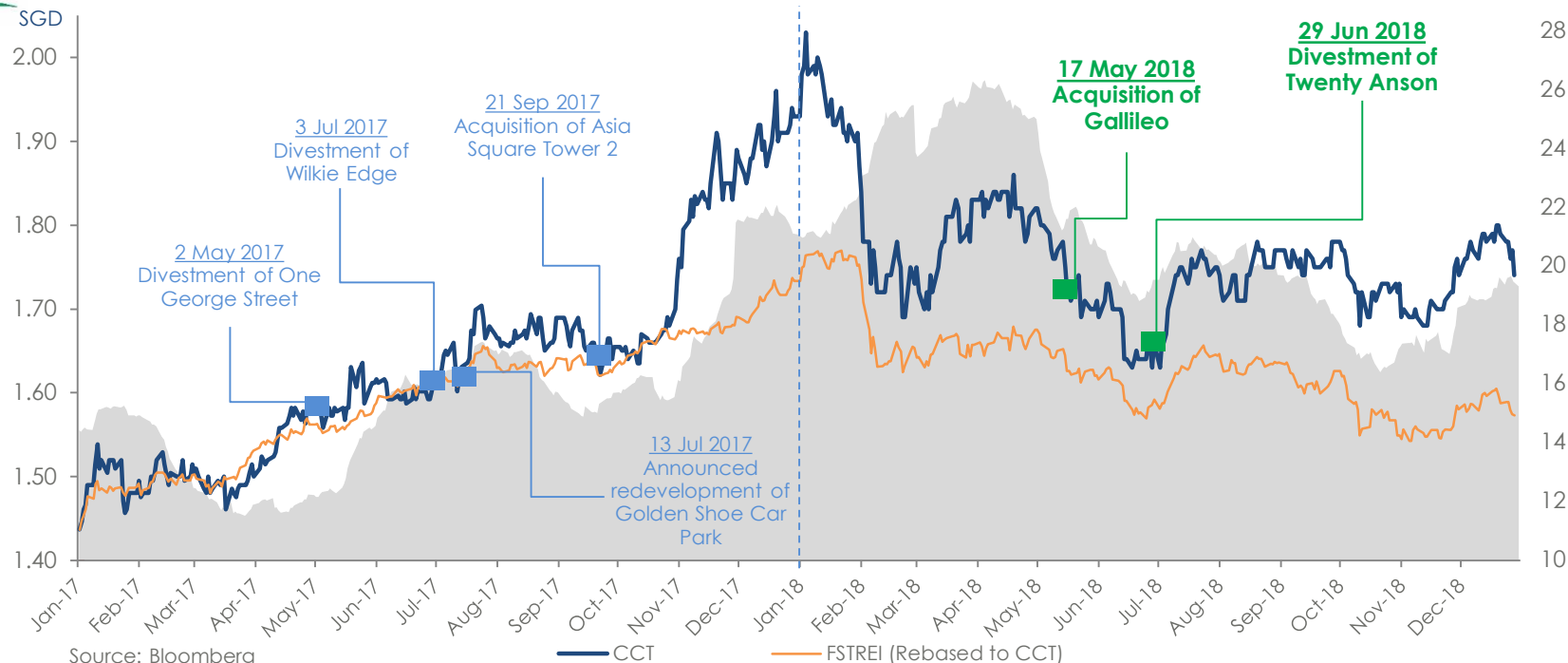
Notes:

- (1) CAGR: Compounded Annual Growth Rate
- (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



Three year total return for CCT is 47.6%

Value traded
(\$mm)



Period	3-year Dec 2015 to Dec 2018	2-year Dec 2016 to Dec 2018	1-year Dec 2017 to Dec 2018
Total Return ⁽¹⁾ (%)	47.6	31.0	(4.8)

Note:

(1) Total Return: Calculated based on capital appreciation of units plus accumulated DPU for the respective periods over the closing price of at the start of the respective periods.





2018 awards and accolades

CCT



Singapore Corporate Awards 2018
(REITs and Business Trust category)
Best Annual Report GOLD



SIAS Corporate Governance Awards 2018
REITs and Business Trust category
Shareholder Communication Excellence Award
(Runner-up)



Governance Index for Trusts (GIFT) 2018
By Associate Professor Mak Yuen Teen and Chew Yi Hong, in collaboration with governanceforstakeholders.com
CCT ranked joint first place with total score of 79, up from eighth place with score of 70.5 in 2017



Singapore Governance and Transparency Index 2018 (REIT and Business Trust Category)
Centre for Governance, Institutions and Organisations (CGIO), NUS Business School

CCT maintained second place ranking with overall score of 95.8, up from score of 95.3 in 2017

Property



Building and Construction Authority Awards 2018
Universal Design (UD) Mark (Design) Gold^{PLUS} Award
• CapitaSpring



Building and Construction Authority Awards 2018
Green Mark Pearl Award
• Capital Tower



Building and Construction Authority Awards 2018
Green Mark Platinum
• CapitaSpring

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 stacked rectangular volumes, with the upper sections featuring a more complex, grid-like pattern of windows.

2019 Key Focus Areas

Capital Tower, Singapore



Key focus

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

Immediate focus



21 Collyer Quay (HSBC Building)

- Extended lease from April 2019 to April 2020
- Total annual rental increased 35%
- Immediate focus on refurbishment and re-letting



Bugis Village

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

Future opportunities



CapitaSpring (on track for completion in 1H 2021)

- Call option⁽¹⁾ 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 ⁽²⁾

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 portfolio property value.



Thank you, Valued Unitholders

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