



# CAPITALAND COMMERCIAL TRUST

SGX-Credit Suisse Real Estate Corporate Day 2019, Singapore

3 October 2019

# Important Notice

**This presentation shall be read in conjunction with CCT's 2Q 2019 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.

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

# 1. About CCT



Capital Tower, Singapore

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

**S\$8.0b<sup>(1)</sup>**

Market Capitalisation

**10 properties<sup>(2)</sup>**

8 properties in Singapore  
and 2 in Germany

**657<sup>(2)</sup>**

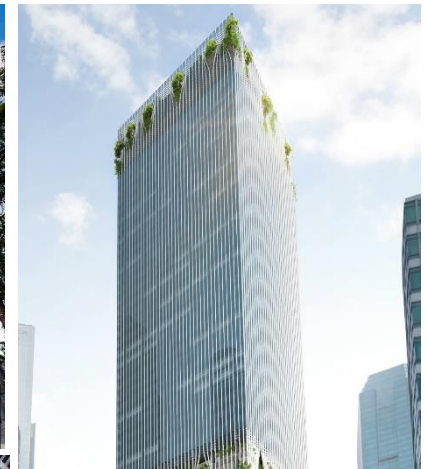
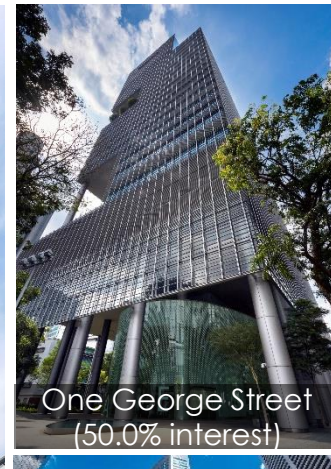
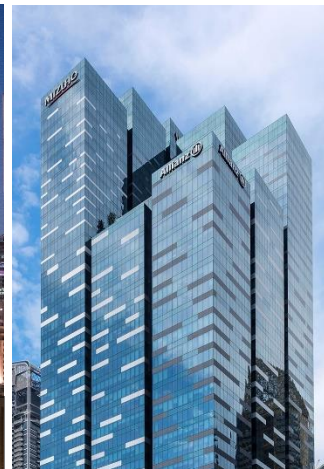
Tenants

**S\$11.7b<sup>(2)</sup>**

Deposited  
Property

**About 5.2 million sq ft<sup>(3)</sup>**

NLA (100% basis)



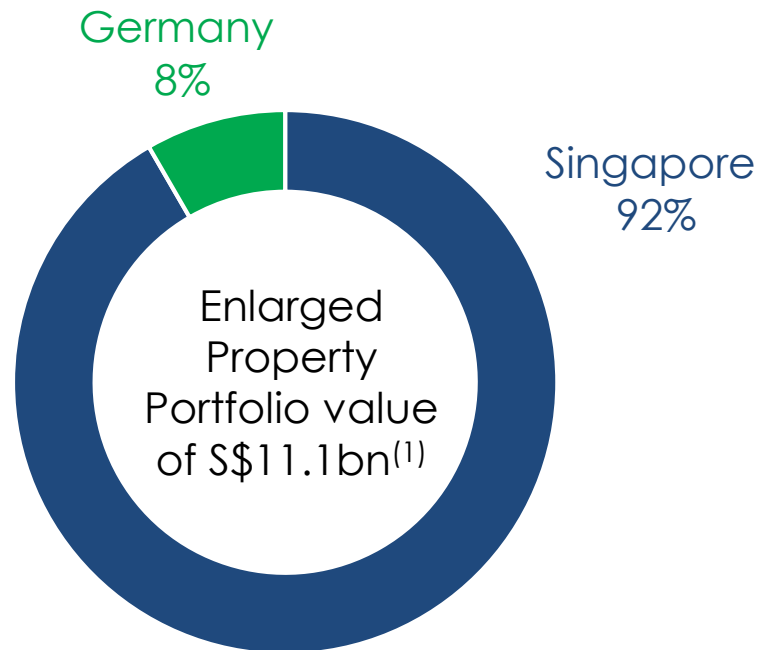
## Notes:

- (1) Market Capitalisation based on closing price of S\$2.07 per unit as at 30 September 2019.
- (2) Portfolio post Main Airport Center acquisition based on pro forma information as at 30 June 2019.
- (3) Portfolio post Main Airport Center acquisition based on pro forma information as at 30 June 2019 and excludes CapitaSpring, currently under development and targeted for completion in 1H 2021

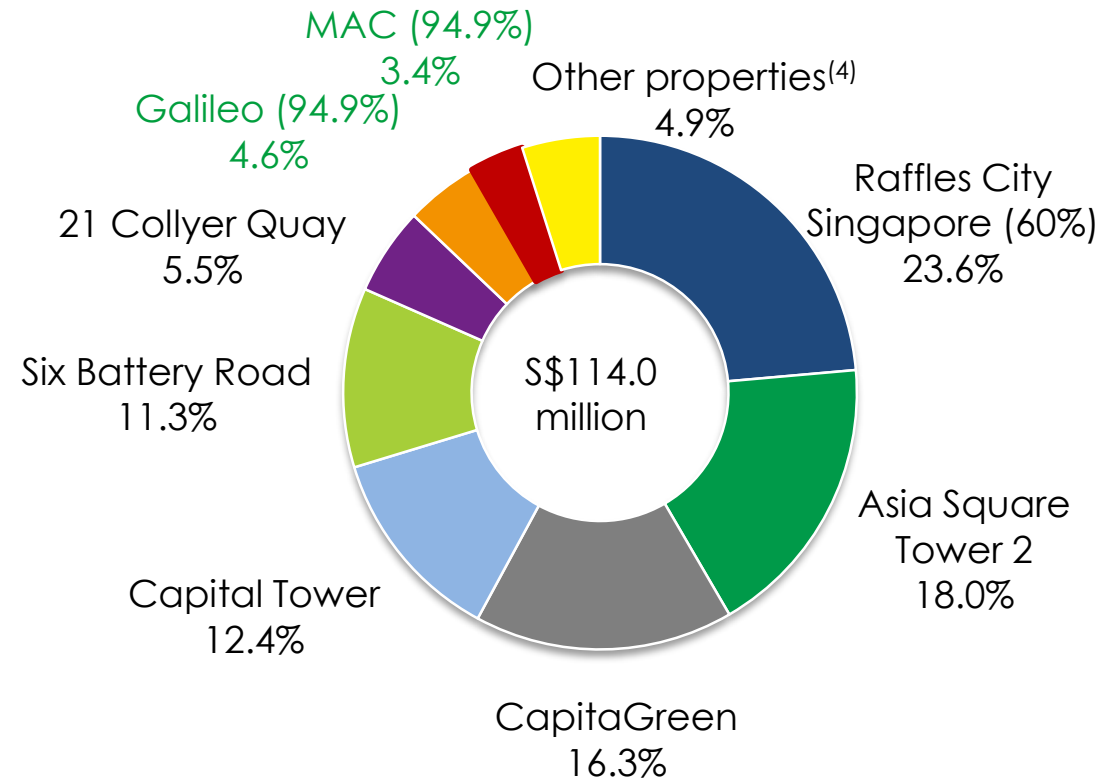
# CCT's portfolio diversification by geography and net property income contribution by property

## Portfolio and asset diversification

### Geographic composition of CCT's portfolio



### Enlarged Portfolio: Pro forma 2Q 2019 NPI<sup>(2), (3)</sup>



Note:

(1) As at 30 June 2019

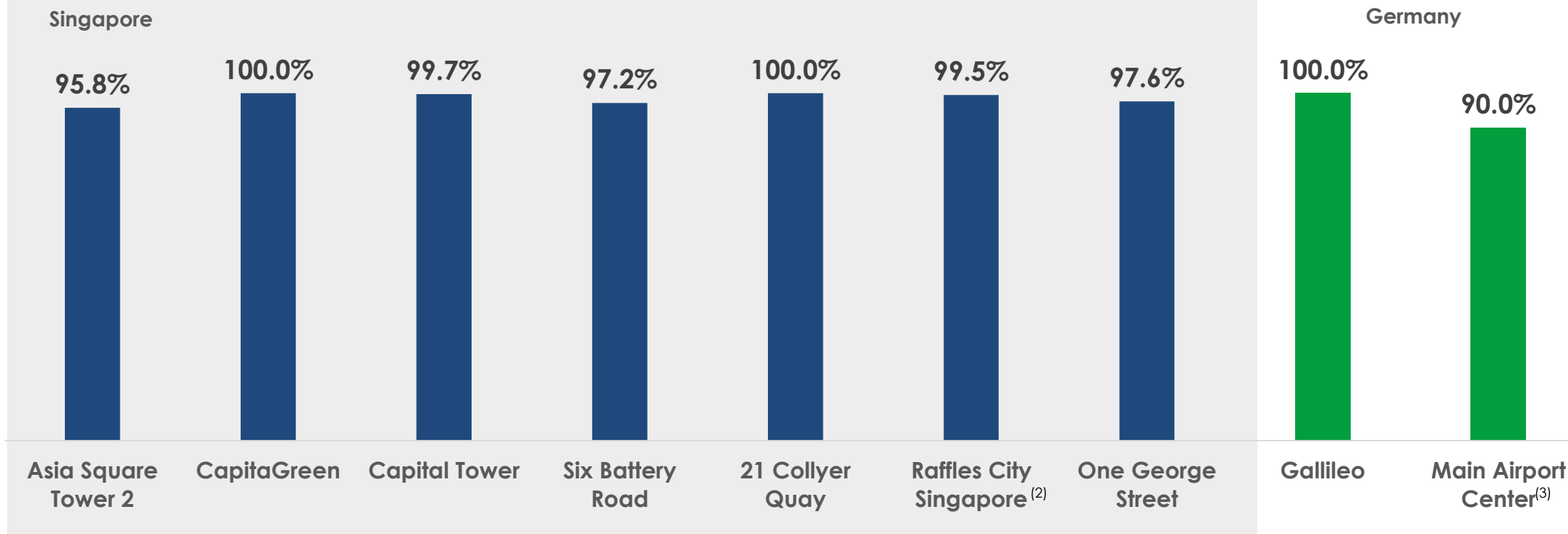
(2) Based on NPI from 1 April 2019 to 30 June 2019 including NPI from CCT's 60.0% interest in Raffles City Singapore and 50.0% interest in One George Street

(3) Pro forma NPI ~S\$3.9 million contribution from 94.9% interest in MAC assuming CCT owns the property from 1 April 2019 to 30 June 2019 and after adjusting for expired leases and inclusion of newly committed leases. The proposed acquisition of Main Airport Center is expected to be completed in 4Q 2019

(4) 50.0% interest in One George Street, and Bugis Village

# High portfolio occupancy<sup>(1)</sup>

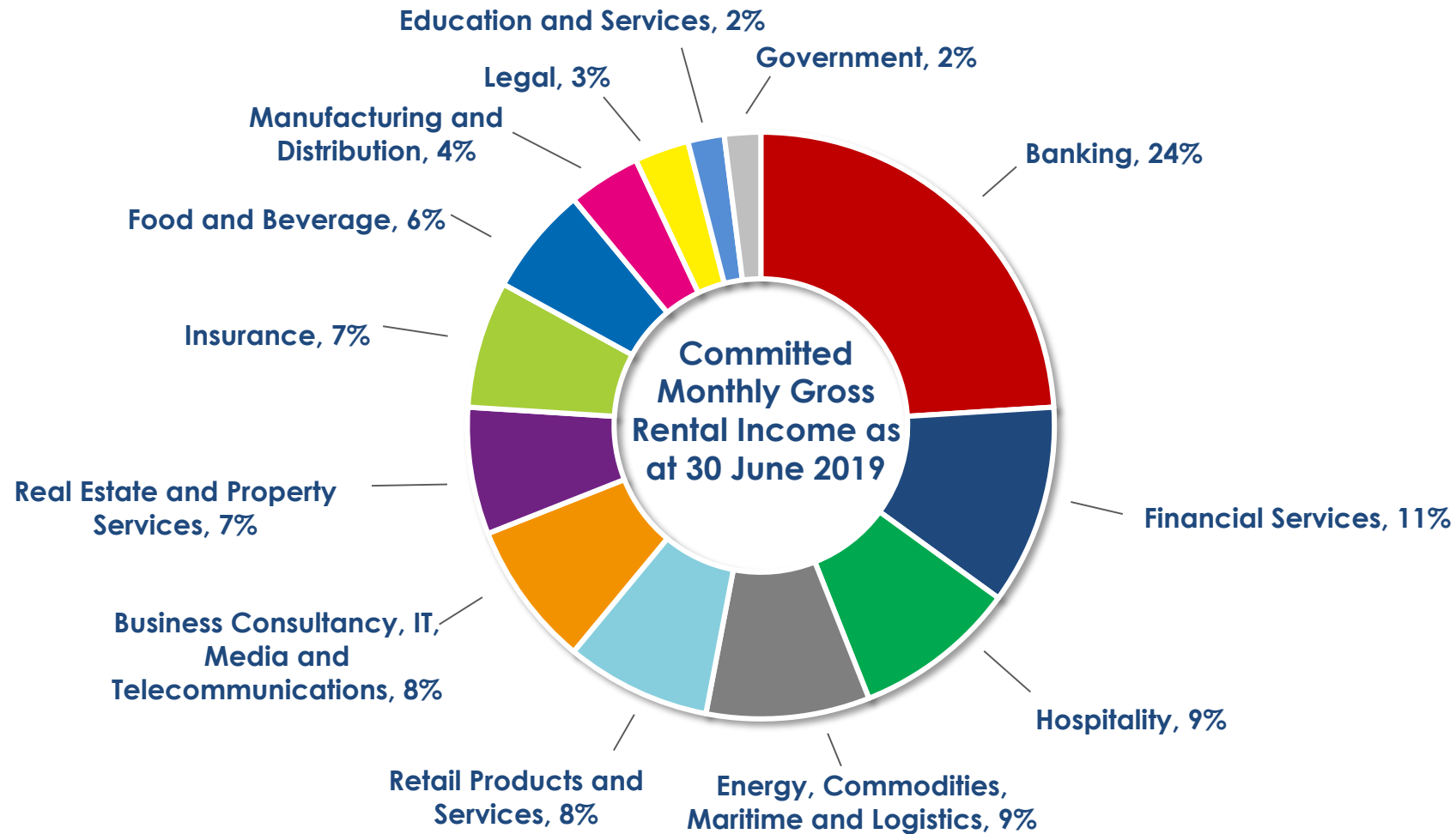
Singapore Portfolio occupancy: **98.4%**  
Singapore Core CBD occupancy: **95.8%**



**Notes:**

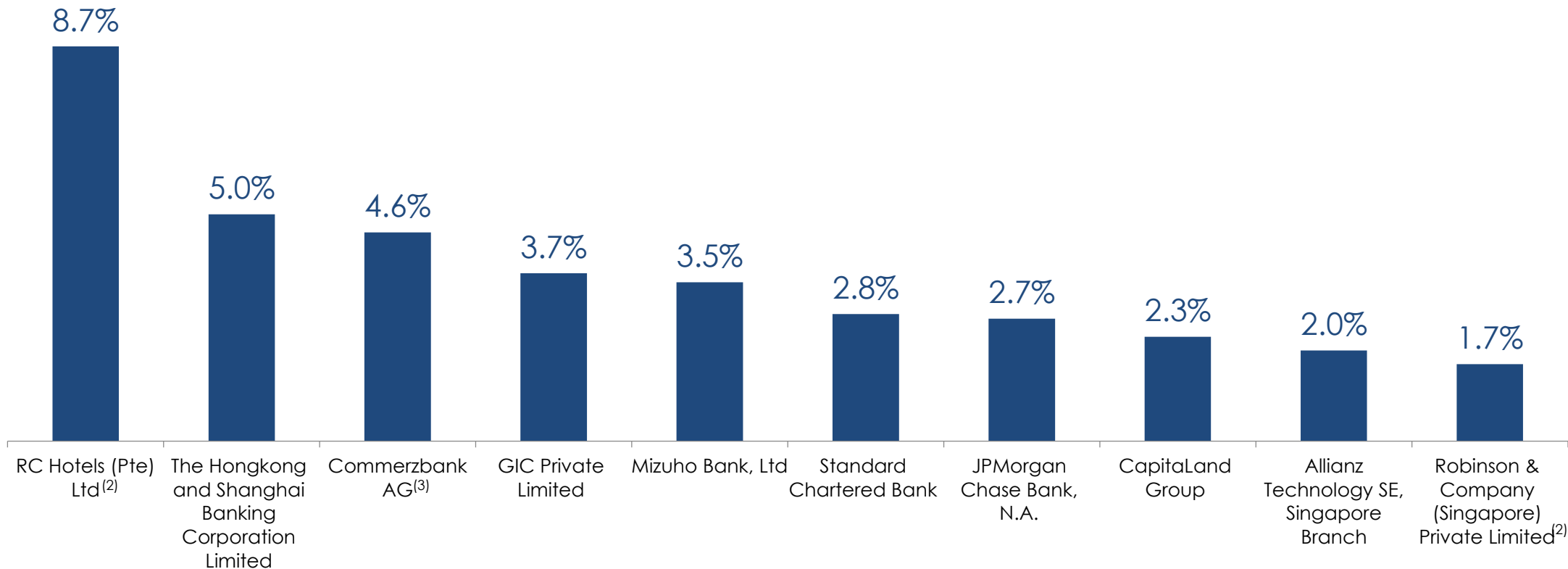
- (1) All occupancies as at 30 June 2019. In the case of Main Airport Center, the committed occupancy was adjusted for expired leases and inclusion of newly committed leases
- (2) Office occupancy is at 99.3% while retail occupancy is at 99.6%
- (3) The proposed acquisition of Main Airport Center is expected to be completed in 4Q 2019

# Diverse tenant mix in CCT's portfolio



Based on committed monthly gross rental income of tenants as at 30 June 2019, including CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Gallileo, Frankfurt; and excluding retail turnover rent and 94.9% interest in Main Airport Center

# Top 10 tenants contribute 37% of monthly gross rental income<sup>(1)</sup>

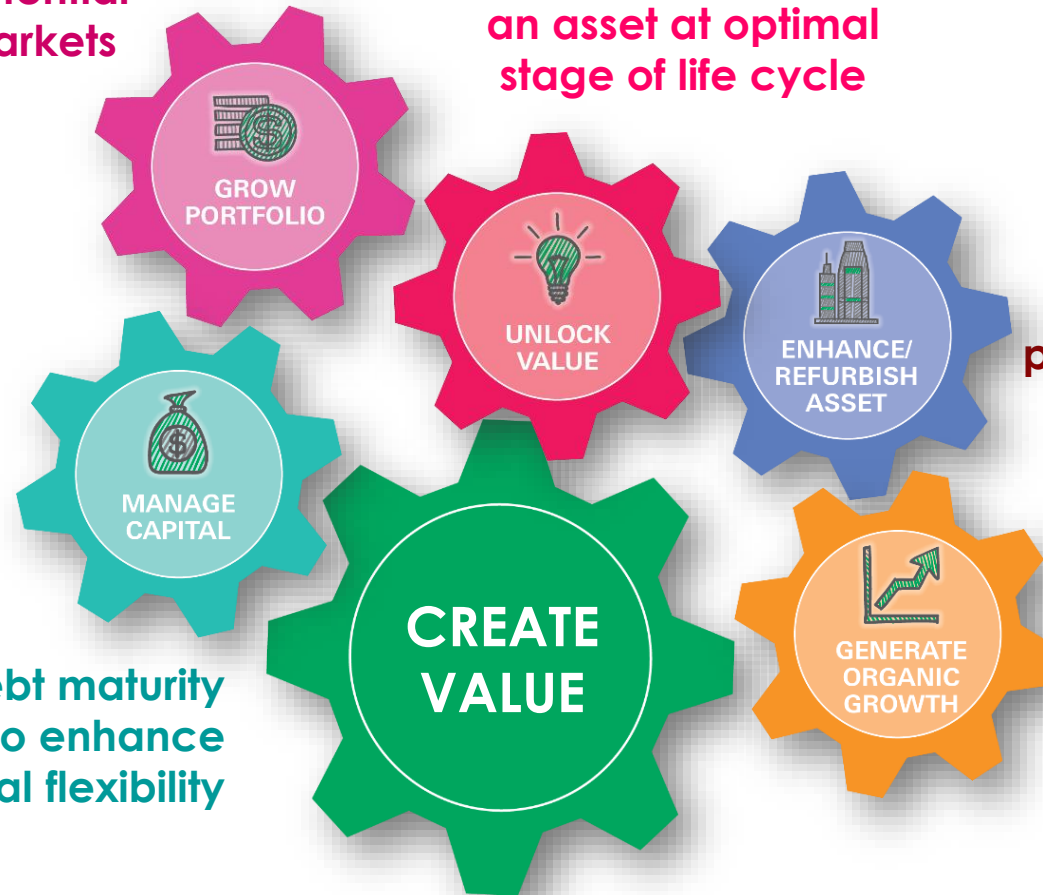


Notes:

- (1) Based on pro forma enlarged portfolio monthly gross rental income as at 30 June 2019. For MAC, the monthly gross rental income was adjusted for expired leases and inclusion of newly committed leases for MAC
- (2) Based on CCT's 60.0% interest in Raffles City Singapore
- (3) Based on CCT's 94.9% interest in Gallileo, Frankfurt

# 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

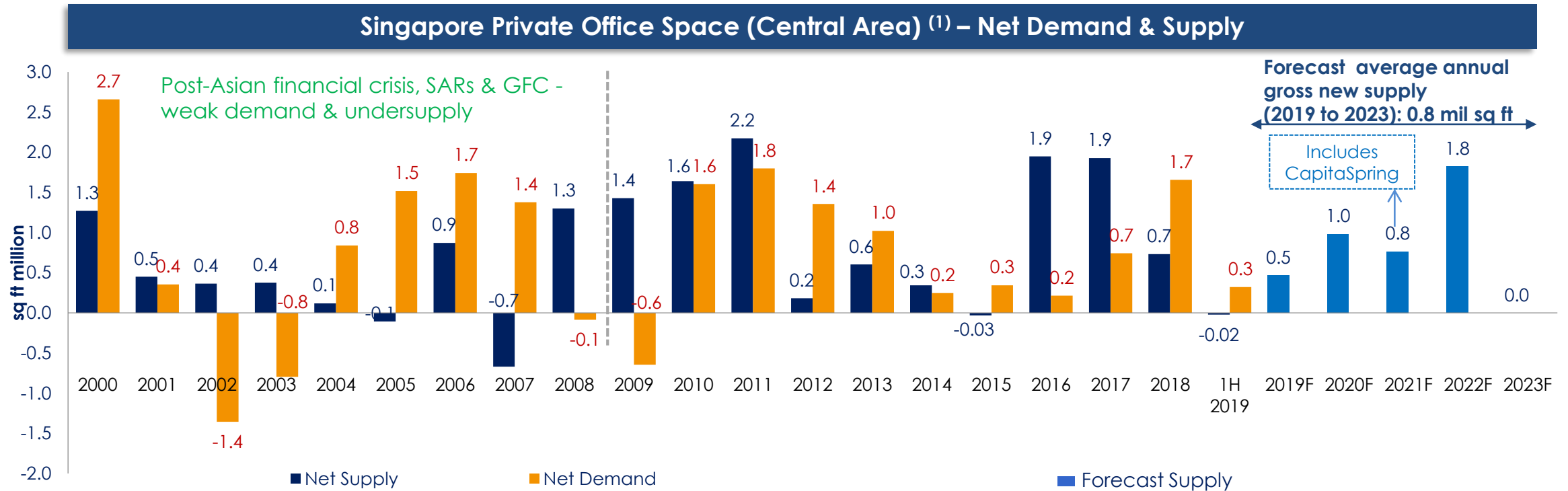
Enhance value and  
positioning of assets to  
stay competitive

Optimise asset value  
and performance

Manage debt maturity  
profile to enhance  
financial flexibility

## 2. Singapore

# Annual new supply to average 0.8 mil sq ft over 5 years; CBD Core occupancy at 95.8% as at end June 2019



| 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)              | 0.8 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 1H 2019; Forecast supply from CBRE Research as at 2Q 2019.

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

| Expected completion                                   | Proposed Office Projects                                    | Location                | NLA (sq ft)      |
|-------------------------------------------------------|-------------------------------------------------------------|-------------------------|------------------|
| 2019                                                  | HD 139 (139 Cecil Street)                                   | Shenton Way             | 84,000           |
| 2019                                                  | 9 Penang Road (Park Mall Redevelopment) <sup>(1)</sup>      | Orchard Road            | 381,000          |
|                                                       |                                                             | <b>Subtotal (2019):</b> | <b>465,000</b>   |
| 1Q 2020                                               | Oxley@Raffles (Chevron House asset enhancement initiative)  | Raffles Place           | 313,000          |
| 1H 2020                                               | 79 Robinson Road <sup>(2)</sup>                             | Robinson Road           | 514,000          |
| 2020                                                  | Afro-Asia I-Mark                                            | Shenton Way             | 154,000          |
|                                                       |                                                             | <b>Subtotal (2020):</b> | <b>981,000</b>   |
| 1H 2021                                               | CapitaSpring <sup>(3)</sup>                                 | Raffles Place           | 635,000          |
| 2021                                                  | Hub Synergy Point Redevelopment                             | Anson Road              | 128,000          |
|                                                       |                                                             | <b>Subtotal (2021):</b> | <b>763,000</b>   |
| 2022                                                  | Land parcel at Central Boulevard (Central Boulevard Towers) | 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>4,034,600</b> |
| <b>Total forecast supply excluding strata offices</b> |                                                             |                         | <b>4,034,600</b> |

## Notes:

(1) According to The Straits Times dated 17 Apr 2019, the Park Mall Redevelopment is fully committed with UBS taking up 381,000 sq ft of NLA

(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) Sources: CBRE Research and respective media reports

# Grade A office market rent up 1.3% QoQ and 4.6% YTD

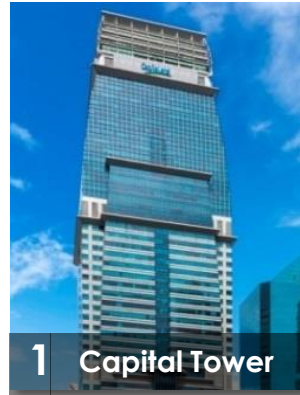
|                           | 2Q 17 | 3Q 17 | 4Q 17 | 1Q 18 | 2Q 18 | 3Q 18 | 4Q 18 | 1Q 19 | 2Q 19 |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Mthly rent (S\$ / sq ft ) | 8.95  | 9.10  | 9.40  | 9.70  | 10.10 | 10.45 | 10.80 | 11.15 | 11.30 |
| % change                  | 0.0%  | 1.7%  | 3.3%  | 3.2%  | 4.1%  | 3.5%  | 3.3%  | 3.2%  | 1.3%  |



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

# Owens 8 centrally-located quality commercial properties in Singapore

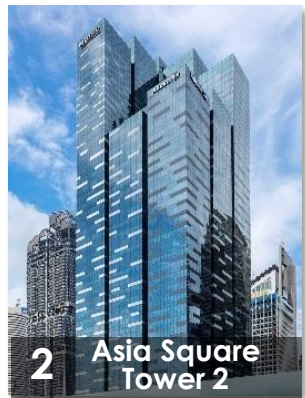
New integrated development, CapitaSpring in Raffles Place under construction



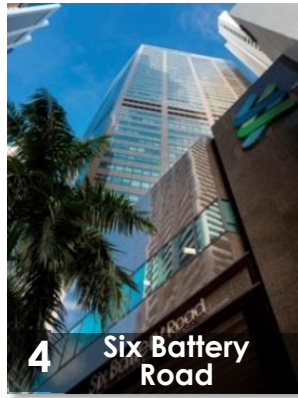
1 Capital Tower



3 CapitaGreen



2 Asia Square Tower 2



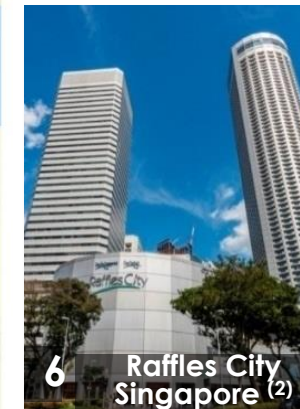
4 Six Battery Road



5 One George Street (1)



7 21 Collyer Quay (HSBC Building)



6 Raffles City Singapore (2)



8 CapitaSpring (3)

## 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.

# Positive reversions for leases signed in 2Q 2019

| Building            | Average Expired Rents (\$\$) | Committed Rents <sup>(1)</sup> (\$\$) | Sub-Market            | Market Rents of Comparative Sub-Market (\$\$) |                             |
|---------------------|------------------------------|---------------------------------------|-----------------------|-----------------------------------------------|-----------------------------|
|                     |                              |                                       |                       | Cushman & Wakefield <sup>(2)</sup>            | Knight Frank <sup>(3)</sup> |
| Asia Square Tower 2 | 10.58                        | 11.87 – 13.50                         | Grade A Marina Bay    | 12.63                                         | 11.60 – 12.10               |
| Six Battery Road    | 11.70                        | 12.90 – 13.20                         | Grade A Raffles Place | 10.87                                         | 9.80 – 10.30                |
| One George Street   | 9.10                         | 9.50 – 10.80                          | Grade A Raffles Place | 10.87                                         | 9.80 – 10.30                |
| CapitaGreen         | 11.62                        | 12.00 – 13.30                         | Grade A Raffles Place | 10.87                                         | 9.80 – 10.30                |

**Notes:**

(1) Renewal/new leases committed in 2Q 2019

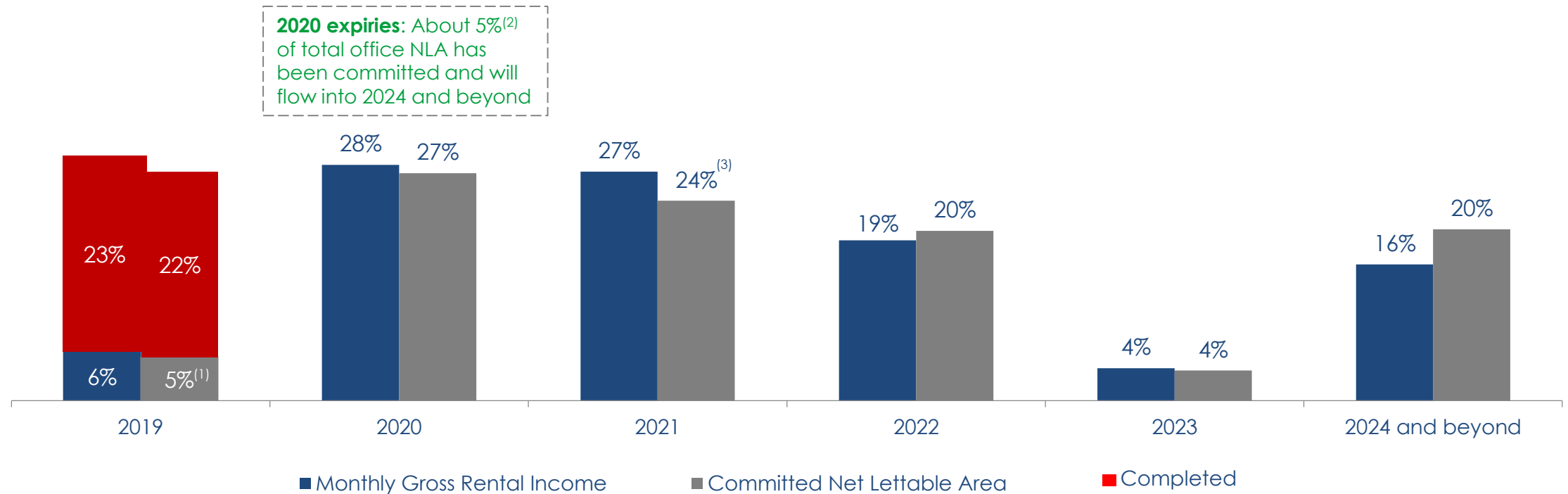
(2) Source: Cushman & Wakefield 2Q 2019

(3) Source: Knight Frank 1Q 2019; 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 2Q 2019 Grade A rent is S\$11.30 psf per month and they do not publish sub-market rents

# Committed most of leases expiring in 2019

## Leasing momentum continues to be steady



Office WALE by NLA as at 30 June 2019 = 3.0 years

### Notes:

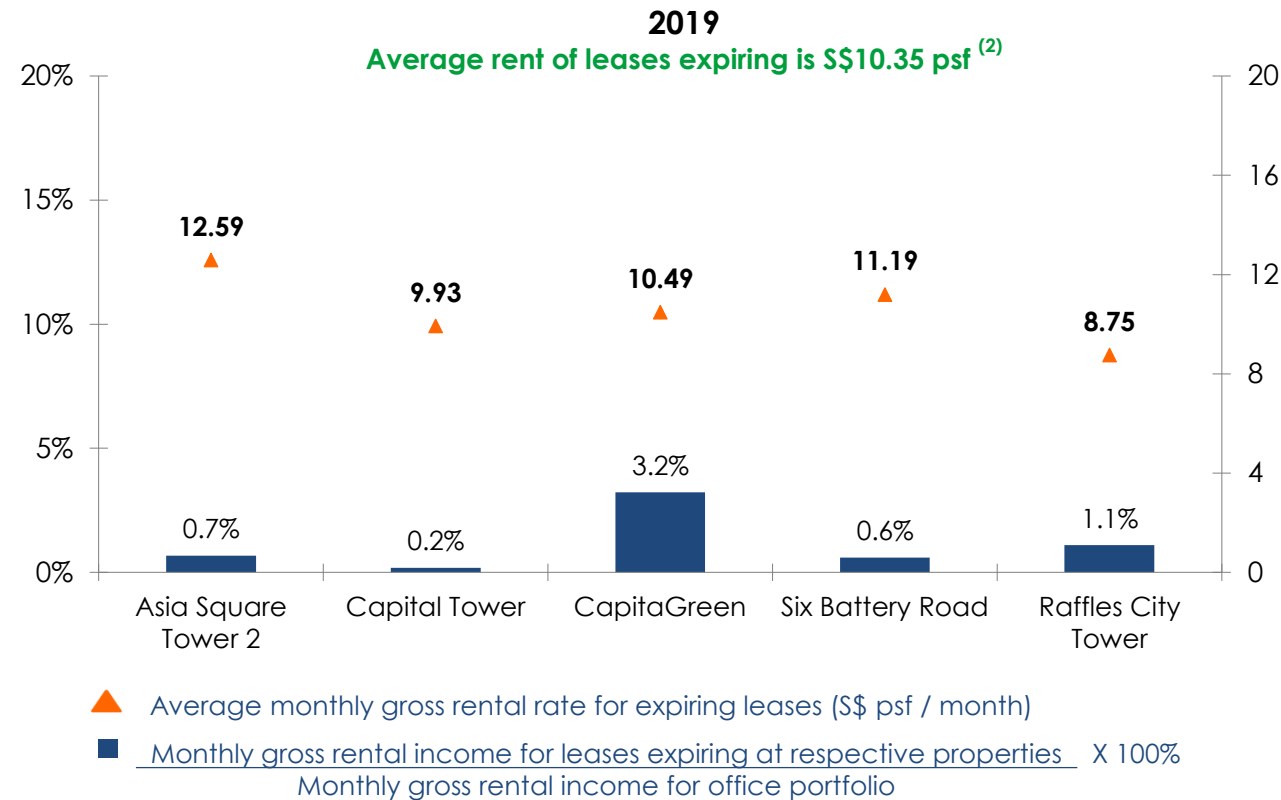
(1) Represents approximately 195,000 sq ft

(2) An announcement was made on 17 Jul 2019 that WeWork Singapore Pte. Ltd. has committed to lease 21 Collyer Quay for 7 years

(3) Includes JPM's lease which constitutes 4% of total office NLA

# Average expiring rent in 2019 is lower than 2Q 2019 market rent

2Q 2019 Grade A office market rent at S\$11.30 psf per month<sup>(1)</sup>



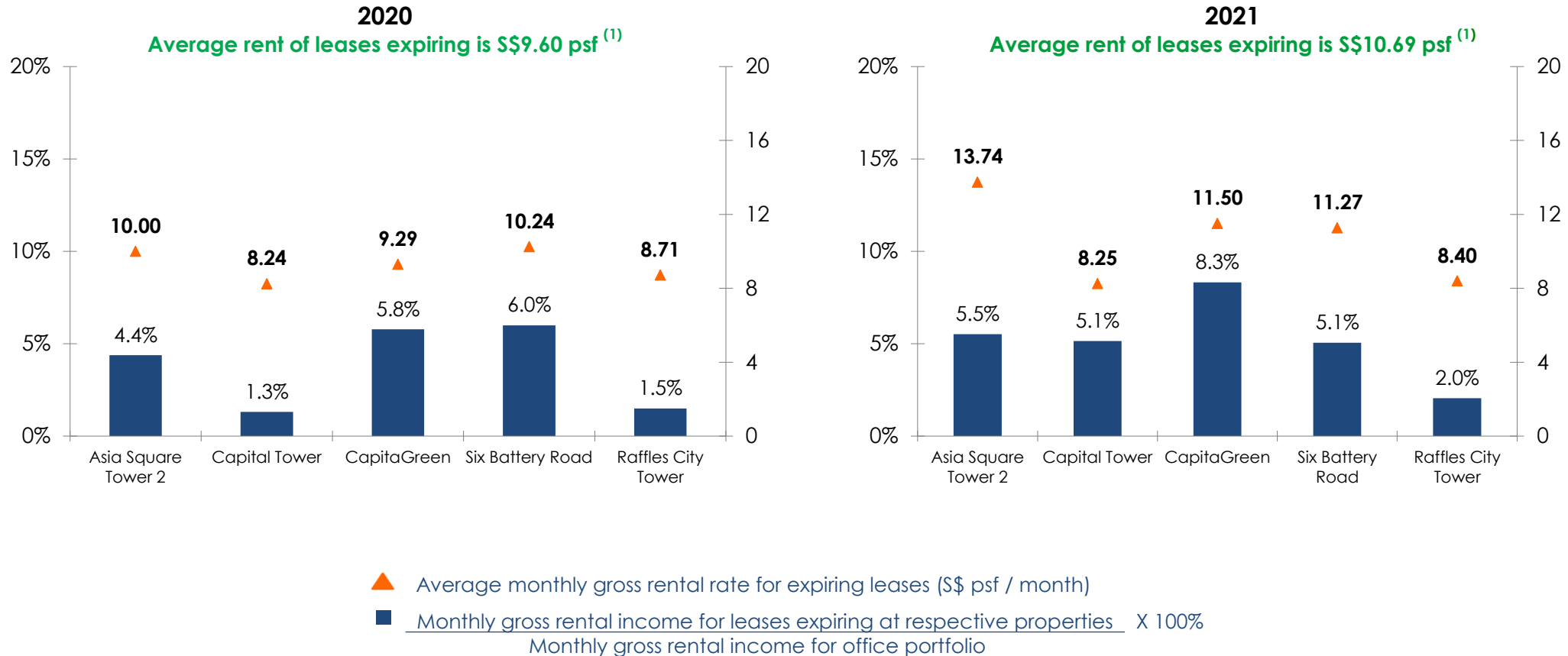
Notes:

(1) Source: CBRE Pte. Ltd. as at 2Q 2019

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

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

# Average expiring rents are at the lowest in 2020

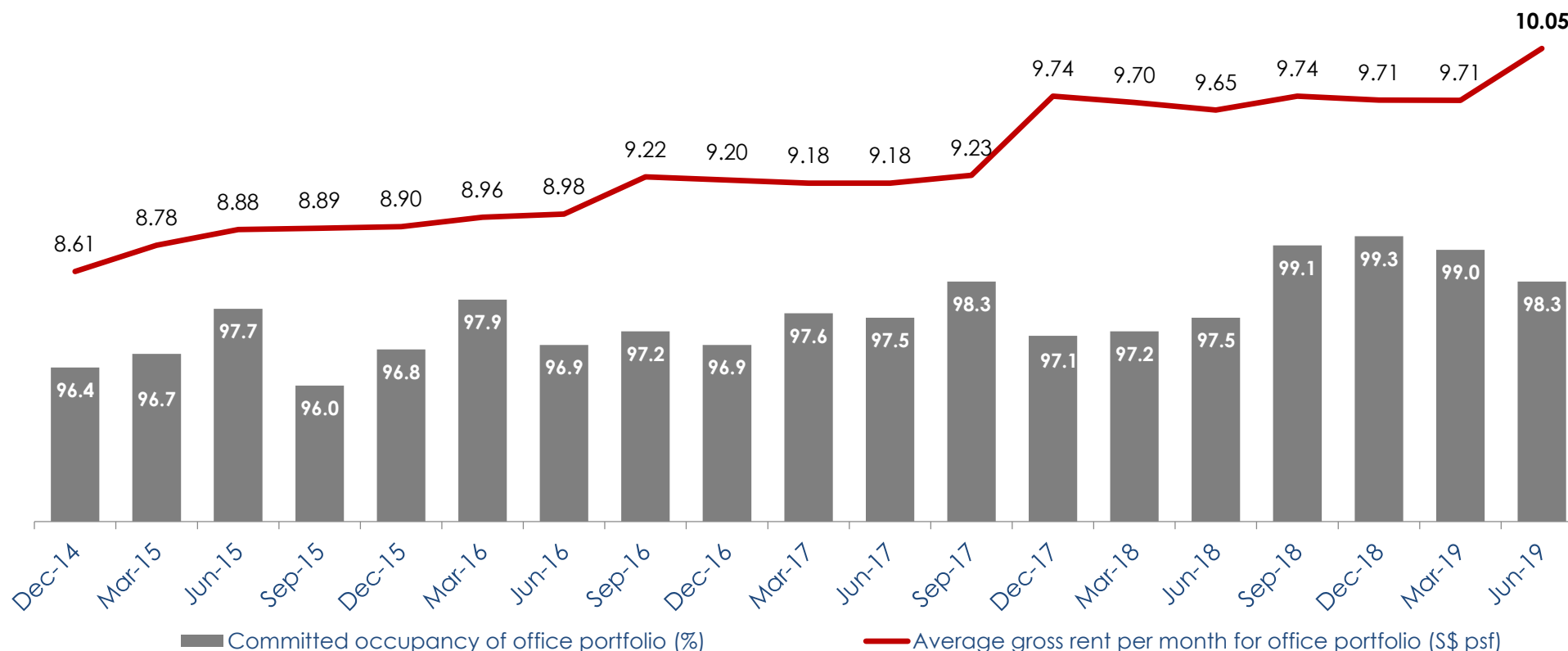


**Note:**

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

# Monthly average office rent of CCT's portfolio<sup>(1)</sup> increased by 3.5% QoQ

Due to higher rent from HSBC's one-year lease extension and exclusion of Bugis Village



## 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) Excludes Gallileo, Frankfurt

# 3. Value creation strategy for sustainable returns

- I. Asset enhancement initiatives
- II. Development

# Six Battery Road: Refreshing podium

Connecting Raffles Place to Singapore River with new F&B offerings and Standard Chartered Bank's flagship branch



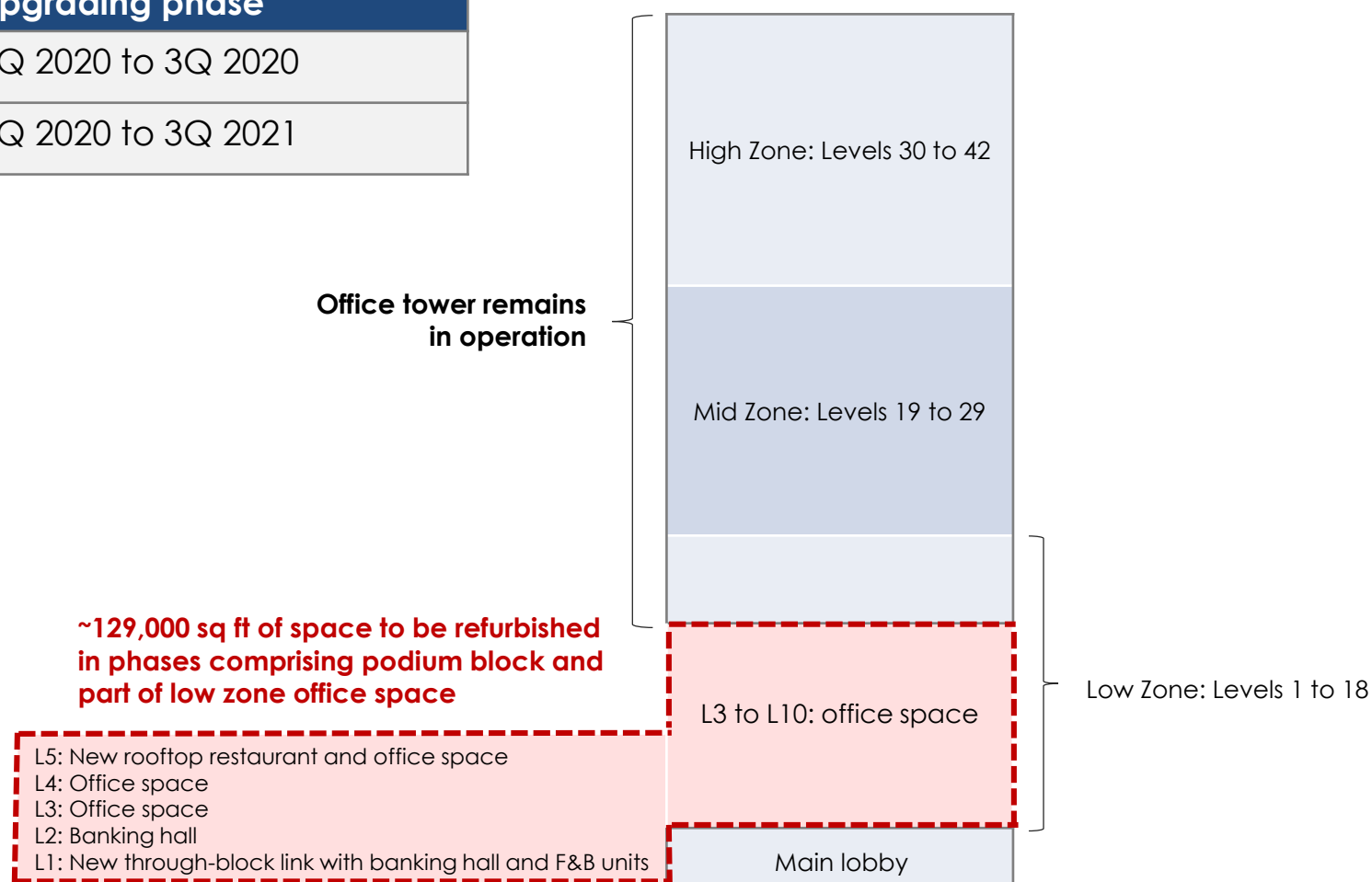
- ~S\$35 million AEI to be completed in phases from 1 Q 2020 to 3Q 2021 while office tower remains in operation
- Target return on investment of ~8%

# Six Battery Road: Opportunity to create value by reconfiguring space

Standard Chartered will continue to lease office space and house flagship branch

| Levels              | Upgrading phase    |
|---------------------|--------------------|
| L1 to L2, L6 to L10 | 1Q 2020 to 3Q 2020 |
| L3 and L5           | 3Q 2020 to 3Q 2021 |

Cross section of property



# 21 Collyer Quay: New occupier from early 2021 and upgrading during transitional downtime



21 Collyer Quay is on 999-year leasehold, NLA of approximately 200,000 sq ft

- HSBC lease expires end April 2020
  - Entire building leased to WeWork Singapore for 7 years from early 2Q 2021
- 
- ~S\$45 million upgrading works:
    - ✓ Capitalise on transitional downtime
    - ✓ Entire building will be closed for upgrading from 2Q 2020 to 4Q 2020
    - ✓ Works include enhancements to essential equipment, common and lettable areas and to achieve BCA Green Mark Gold<sup>PLUS</sup> rating
    - ✓ Target return on investment of ~9%

# CapitaSpring – new integrated development at Market Street

|                                                  |                                                                                                                                   |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>                               | 51-storey integrated development comprising Grade A office, serviced residence with 299 rooms, ancillary retail and a food centre |
| <b>Joint Venture Interest</b>                    | CCT (45%), CapitaLand (45%), Mitsubishi Estate (10%)                                                                              |
| <b>Height</b>                                    | 280m (on par with tallest buildings in Raffles Place)                                                                             |
| <b>Title</b>                                     | Leasehold expiring 31 Jan 2081 (remaining 62 years)                                                                               |
| <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 (24% pre-committed to JPM)                                                                                          |
| <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                                                                                                                   |



# CapitaSpring drew down S\$35.0 million in 2Q 2019

## – CCT's 45.0% share amounts to S\$15.8 million



| CCT's 45% interest                                           | CCT's 45% interest in Glory Office Trust and Glory SR Trust | Drawdown as at Jun 2019 | Balance <sup>(2)</sup> |
|--------------------------------------------------------------|-------------------------------------------------------------|-------------------------|------------------------|
| Debt at Glory Office Trust and Glory SR Trust <sup>(1)</sup> | S\$531.0m                                                   | (S\$317.2m)             | S\$213.8m              |
| Equity inclusive of unitholder's loan                        | S\$288.0m                                                   | (S\$245.3m)             | S\$42.7m               |
| <b>Total</b>                                                 | <b>S\$819.0m</b>                                            | <b>(S\$562.5m)</b>      | <b>S\$256.5m</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

# Capital expenditure from 2020 to 2021

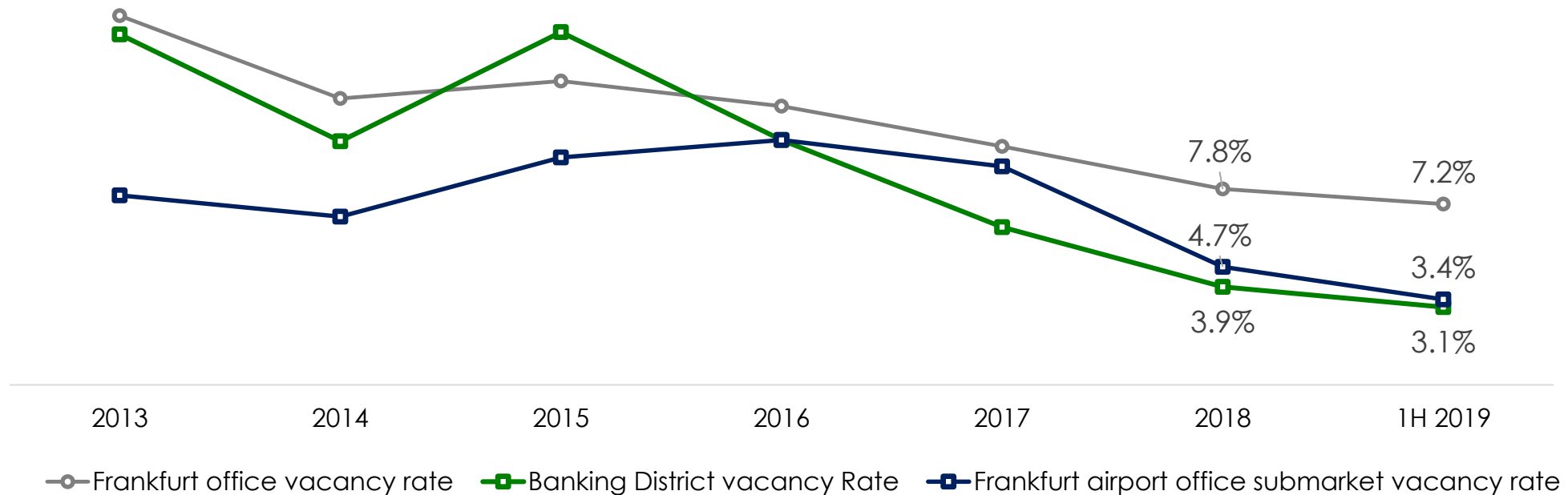
Pro forma aggregate leverage expected to be 36.7% assuming capex funded by borrowings

|                  | Capex<br>(\$ mil) | Downtime                              | Return on<br>investment | NLA under<br>upgrading/<br>construction<br>(sq ft) |
|------------------|-------------------|---------------------------------------|-------------------------|----------------------------------------------------|
| 21 Collyer Quay  | 45.0              | 2Q 2020 to 4Q 2020                    | ~9%                     | 200,000                                            |
| Six Battery Road | 35.0              | 1Q 2020 to 3Q 2021<br>(AEI in phases) | ~8%                     | 129,000                                            |
| CapitaSpring     | 256.5             | Completing in 1H 2021                 | Yield on cost<br>5%     | 647,000                                            |
| <b>Total</b>     | <b>336.5</b>      |                                       |                         |                                                    |

## 4. Frankfurt

# Overall office vacancy remains tight in Frankfurt

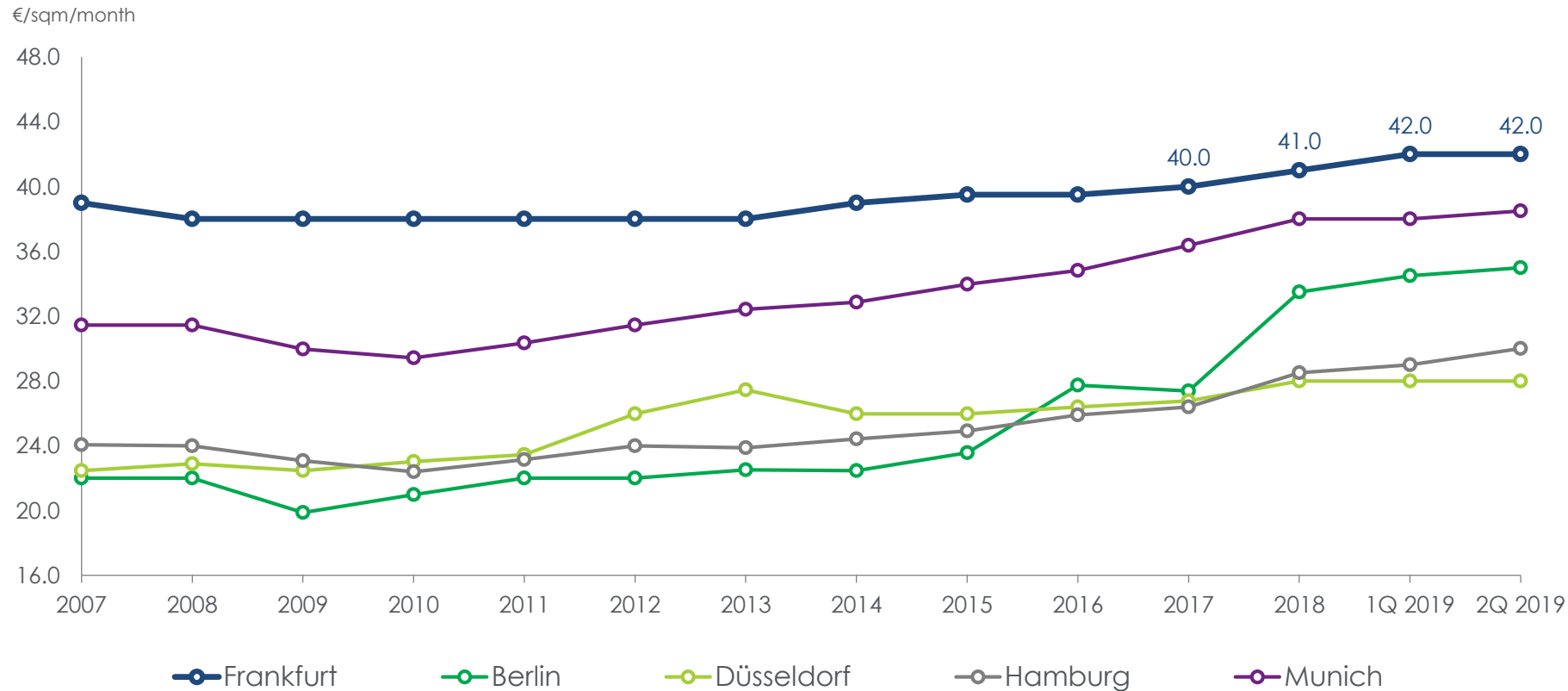
## Banking District and Frankfurt airport office submarket vacancy at 10-year low



Source: CBRE Research, 2Q 2019

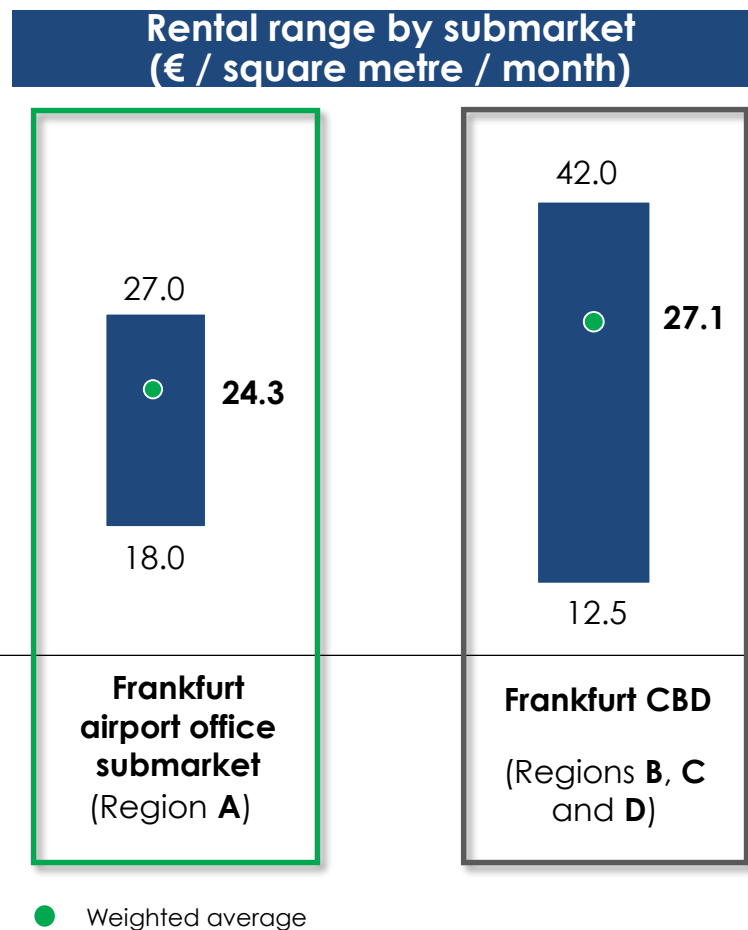
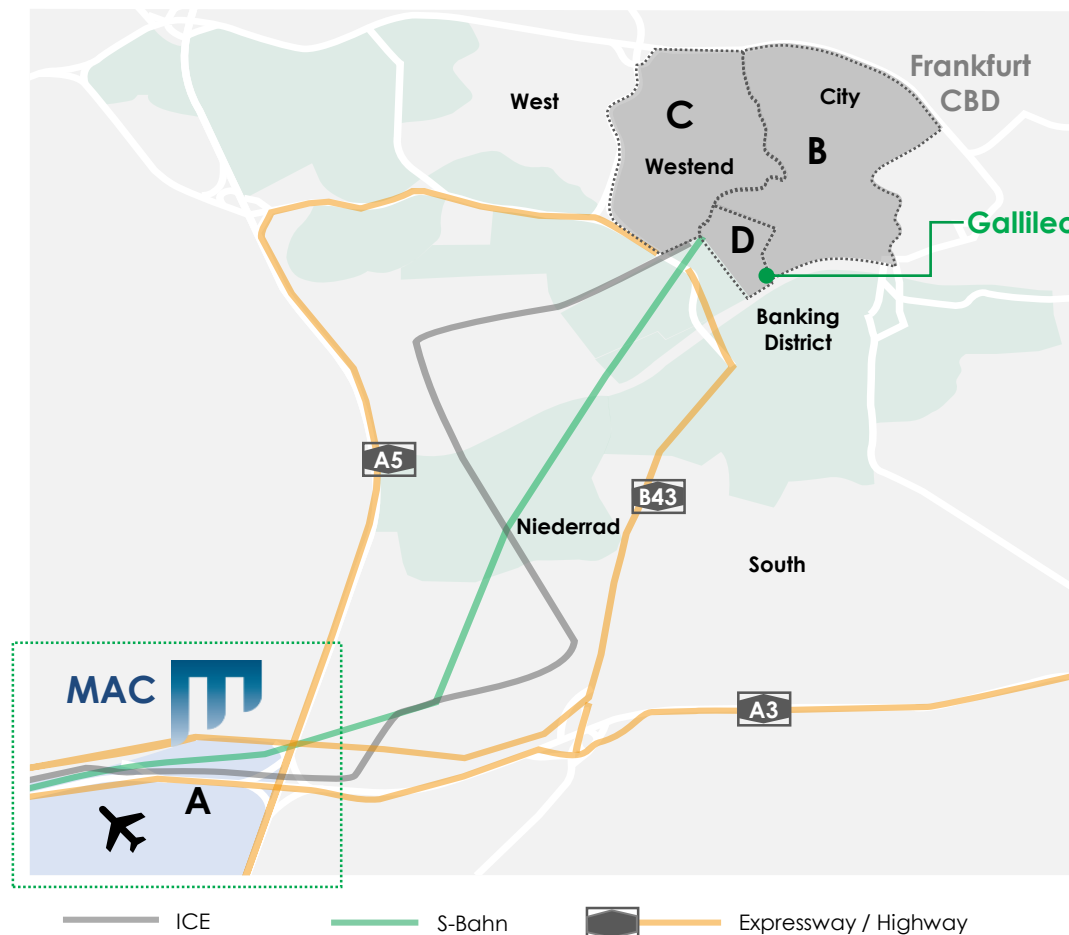
# Frankfurt's office market is characterised by stable and resilient rents

- Frankfurt has the highest prime office rent in comparison to other major cities in Germany
- Prime office rent in Frankfurt has been resilient through property and economic cycles
- Positive supply-demand dynamics expected to support prime office rents



Source: CBRE Research, Frankfurt Q2 2019

# Frankfurt airport office submarket rent is within the rental range of Frankfurt CBD districts



# Owens 2 properties<sup>(1)</sup> strategically located in Frankfurt Airport office submarket and Banking District

Excellent connectivity between Frankfurt airport and Frankfurt city centre via a comprehensive transportation infrastructure network

## Close proximity to Frankfurt city centre

### 20 mins by Car

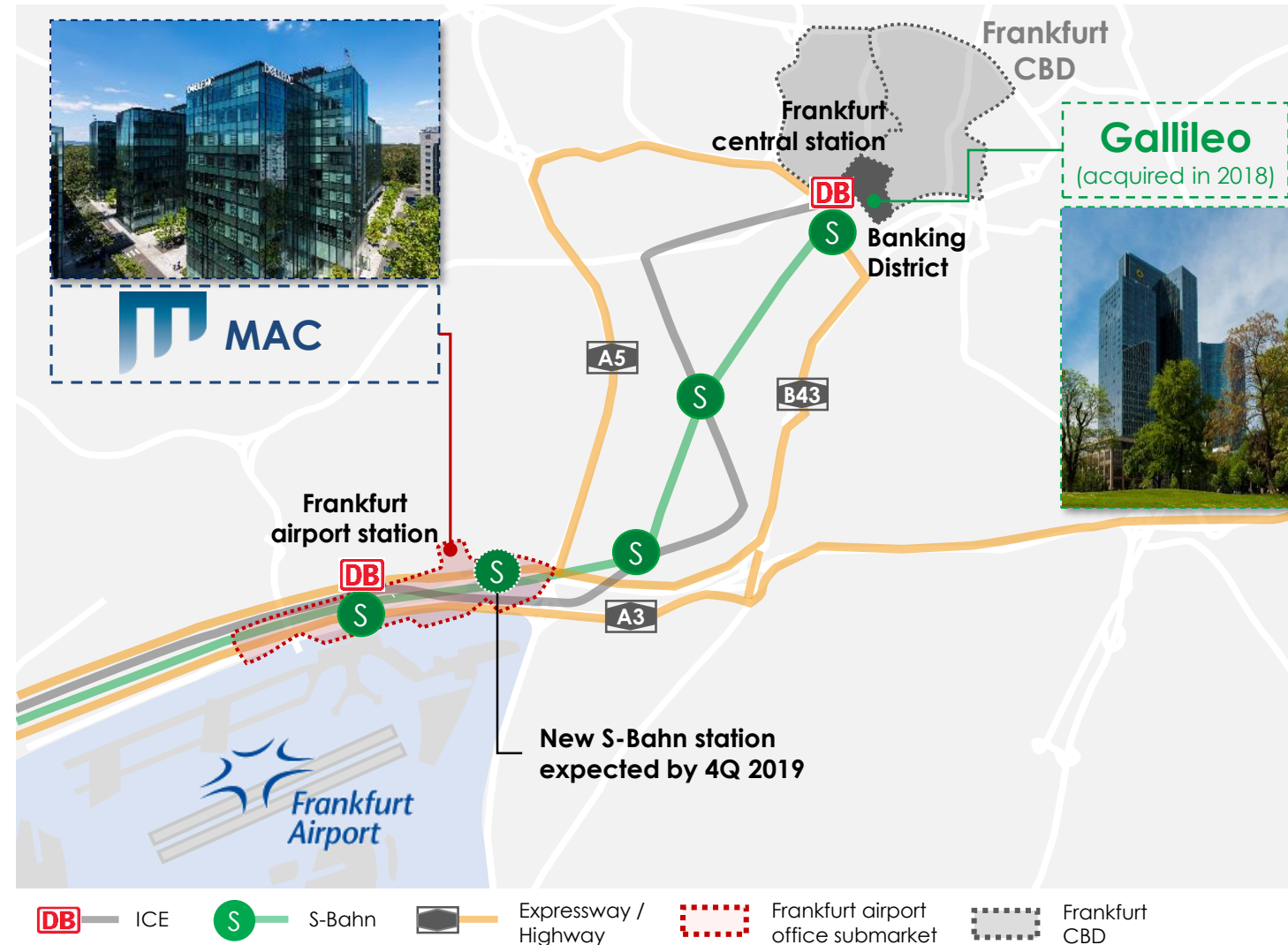
- Via A3 / A5 motorways

### 11 mins by Train

- Inter City Express (ICE) high speed trains offer 204 domestic and regional connections

### 15 mins by S-Bahn commuter railway

- 3 stops to Frankfurt city centre (Frankfurt central station)

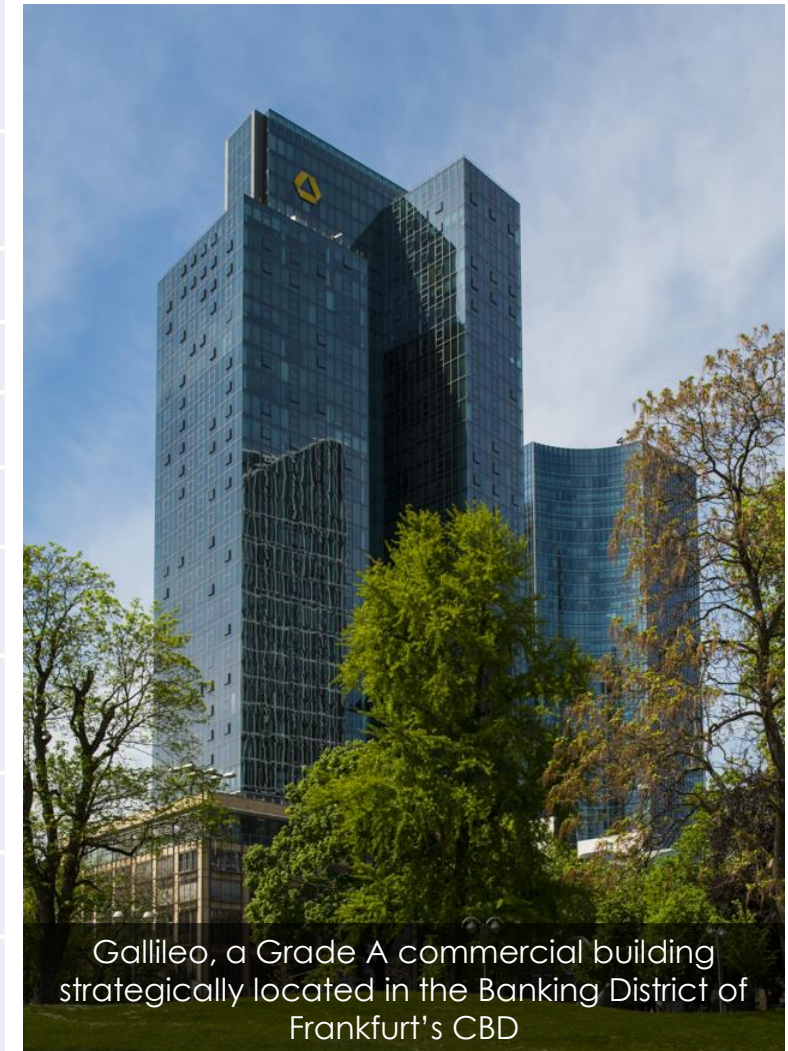


Note:

(1) The proposed acquisition of Main Airport Center is expected to be completed in 4Q 2019

# Overview of Gallileo

|                                               |                                                                                                               |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Description</b>                            | A 38-storey Grade A commercial building with ancillary retail and a 4-storey heritage building for office use |
| <b>Address</b>                                | Gallusanlage 7/ Neckarstrasse 5, 60329 Frankfurt am Main                                                      |
| <b>Title</b>                                  | Freehold                                                                                                      |
| <b>Date of Completion</b>                     | 2003                                                                                                          |
| <b>Net Lettable Area ("NLA")</b>              | 436,179 sq ft (40,522 sqm)                                                                                    |
| <b>Typical Floor Plate</b>                    | 10,549 sq ft (980 sqm)                                                                                        |
| <b>Occupancy</b>                              | 100%, Commerzbank AG <sup>(1)</sup> anchors approximately 98%                                                 |
| <b>Weighted Average Lease Expiry ("WALE")</b> | ~10 years <sup>(1)</sup>                                                                                      |
| <b>Certification</b>                          | LEED Platinum                                                                                                 |
| <b>Independent Valuation</b>                  | €361.3 million (\$\$553.9 million) <sup>(2)</sup>                                                             |
| <b>Net Property Income ("NPI") Yield</b>      | c. 4.0%                                                                                                       |



Gallileo, a Grade A commercial building strategically located in the Banking District of Frankfurt's CBD

All information on 100.0% basis.

Note:

(1) Commerzbank AG's lease expires in 2029 and the rent is adjusted based on an inflation index every two years. However, Commerzbank AG has an option to terminate the lease in 2024 with 24-months' notice.

(2) As at 30 June 2019 and based on currency conversion rate of EUR1.00=\$\$1.533

# Overview of Main Airport Center (obtained Unitholders' approval; completion of acquisition expected in 4Q 2019)

|                                                                       |                                                                                                                                                         |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Property</b>                                                       | <b>Main Airport Center ("MAC")</b><br>11 storeys and 2 basement levels                                                                                  |
| <b>Total number of tenants</b>                                        | 32 tenants                                                                                                                                              |
| <b>Address</b>                                                        | Unterschweinstiege 2-14, 60549 Frankfurt                                                                                                                |
| <b>Tenure</b>                                                         | Freehold                                                                                                                                                |
| <b>Year of completion</b>                                             | 2004, by Tishman Speyer                                                                                                                                 |
| <b>Net lettable area ("NLA")</b>                                      | ~60,200 sqm / 648,400 sq ft <ul style="list-style-type: none"> <li>• Office: ~53,900 sqm (89.5%)</li> <li>• Ancillary: ~6,300 sqm (10.5%)</li> </ul>    |
| <b>Carpark lots</b>                                                   | 1,510                                                                                                                                                   |
| <b>Agreed property value</b>                                          | €265.0 million<br>94.9% interest translates to €251.5 million<br>(~\$387.1 million) <sup>(1)</sup>                                                      |
| <b>Independent valuations</b>                                         | <ul style="list-style-type: none"> <li>• CBRE<sup>(2)</sup>: €265.0 million</li> <li>• Cushman &amp; Wakefield<sup>(2)</sup>: €267.3 million</li> </ul> |
| <b>Weighted average lease expiry (based on NLA as at 30 Jun 2019)</b> | 4.7 years                                                                                                                                               |
| <b>Top tenants</b>                                                    | IQVIA, Dell, Miles & More                                                                                                                               |
| <b>Committed occupancy<sup>(3)</sup></b>                              | ~90%                                                                                                                                                    |
| <b>NPI yield<sup>(4)</sup></b><br><small>on a 100% basis</small>      | 4.0%                                                                                                                                                    |

Notes:

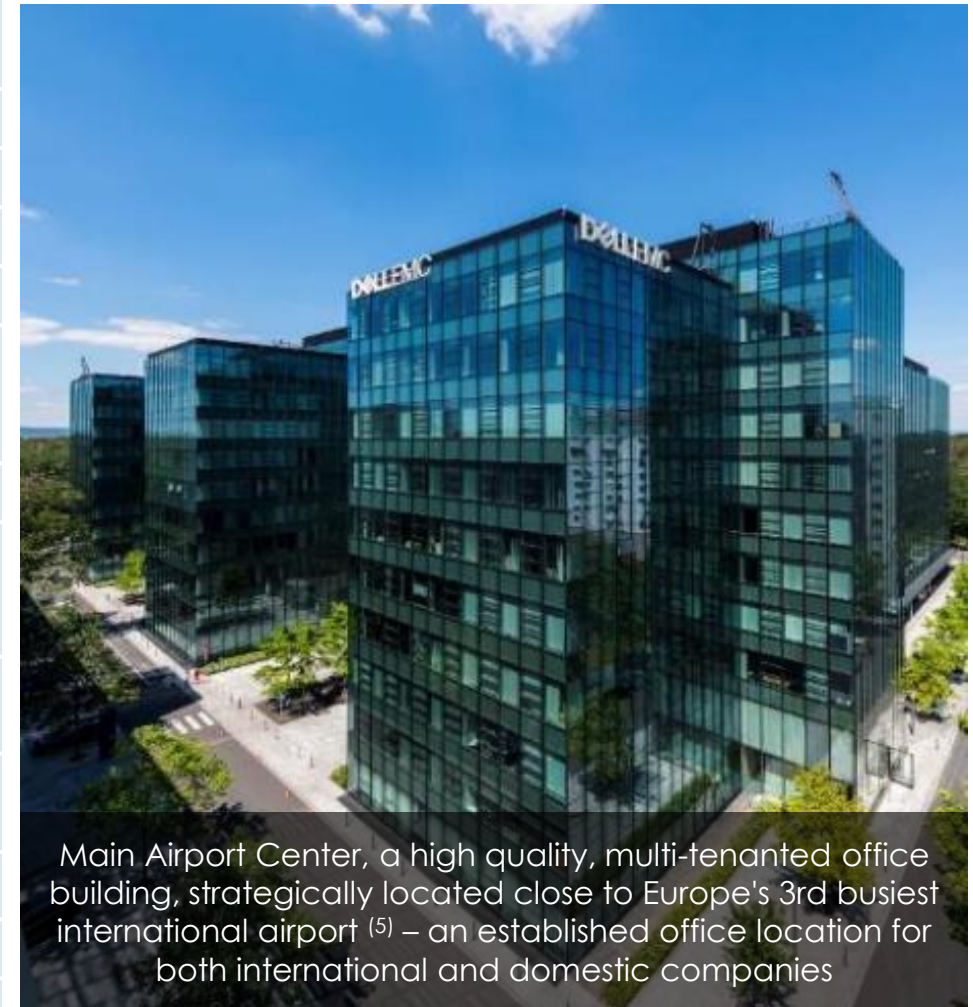
(1) Based on exchange rate of €1.00 = \$1.539 as at 28 June 2019

(2) CBRE is a valuer appointed by the Manager, while Cushman & Wakefield is appointed by the Trustee

(3) Committed occupancy as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases

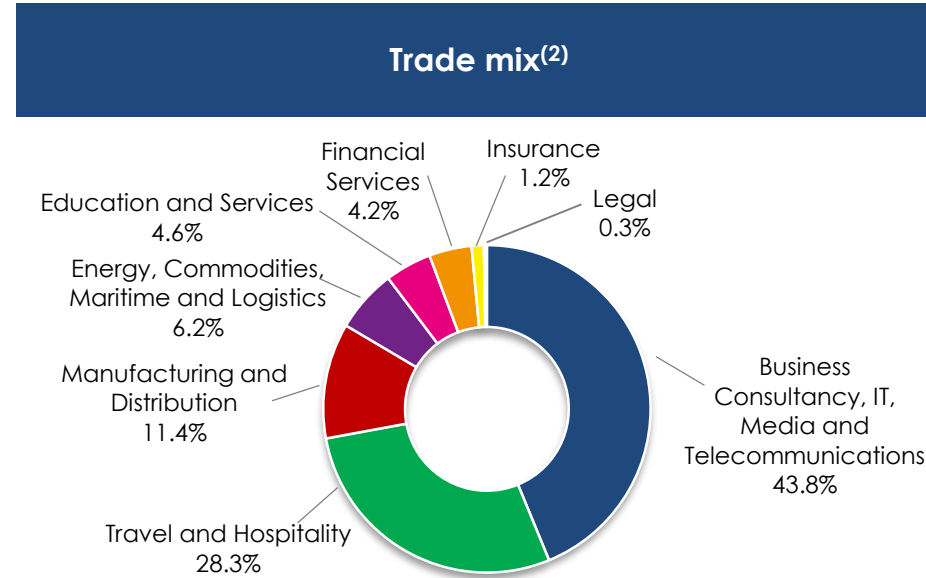
(4) Based on agreed property value of €265.0 million, 1H 2019 annualised adjusted NPI of €10.6 million and committed occupancy of approximately 90%

(5) In terms of passengers and aircraft movements. According to CBRE's valuation report dated 30 June 2019.



# Main Airport Center<sup>(1)</sup> anchored by blue-chip tenants

| Tenant                                                                                                    | Key highlights                                                                                                                              | Contribution to monthly gross rental income <sup>(1)</sup> |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>IQVIA</b>                                                                                              | ✓ Country office of a Fortune 500 company providing integrated healthcare services (Business Consultancy, IT, Media and Telecommunications) | 16.6%                                                      |
|                          | ✓ Regional corporate headquarters (Business Consultancy, IT, Media and Telecommunications)                                                  | 16.2%                                                      |
| <b>Miles &amp; More</b>  | ✓ Corporate office of Europe's leading frequent flyer and awards programme (Travel and Hospitality)                                         | 14.4%                                                      |
| <b>Sub-total</b>                                                                                          |                                                                                                                                             | <b>47.2%</b>                                               |



## Other key tenants



Notes:

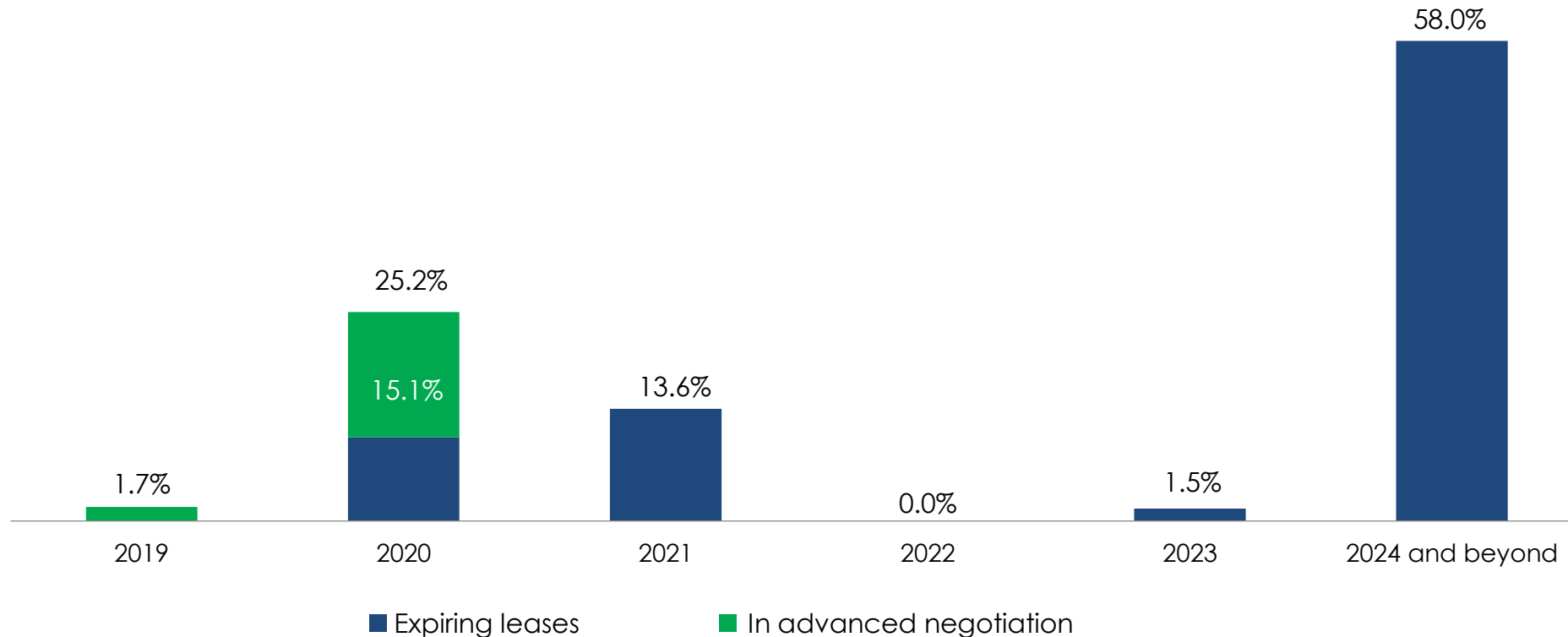
(1) The proposed acquisition of Main Airport Center is expected to be completed in 4Q 2019

(2) Based on committed monthly gross rental income as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases

# Most of Main Airport Center's leases are due in 2024 and beyond

Lease expiry profile<sup>(1)</sup> provides opportunity for active lease management

Weighted average lease term to expiry ("WALE") of 4.7 years <sup>(2)</sup>



Notes:

(1) Property lease expiry profile based on monthly gross rental income as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases

(2) WALE by NLA as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases

(3) The proposed acquisition of Main Airport Center is expected to be completed in 4Q 2019

# Positioning portfolio for mid to long term growth

Manager to work towards minimising short-term distribution impact arising from transitional downtime during asset upgrading

2019/2020

2021

2022



- ✓ Proposed acquisition of Main Airport Center, Frankfurt, Germany will contribute income from 4Q 2019



- ✓ Post-AEI income from Six Battery Road and 21 Collyer Quay largely expected from 2021



- ✓ CapitaSpring (45% interest) expected to contribute from 2022

Organic growth from existing operating properties



## 5. Capital Management

# Singapore property values largely stable

## Key valuation metrics unchanged from 2018

| Investment Properties                       | 31-Dec-18       | 30-Jun-19       | Variance    |            | 30-Jun-19      |
|---------------------------------------------|-----------------|-----------------|-------------|------------|----------------|
|                                             | \$m             | \$m             | \$m         | %          | \$ per sq foot |
| Asia Square Tower 2                         | 2,143.0         | 2,182.0         | 39.0        | 1.8        | 2,804          |
| CapitaGreen                                 | 1,638.0         | 1,643.0         | 5.0         | 0.3        | 2,344          |
| Capital Tower                               | 1,387.0         | 1,390.0         | 3.0         | 0.2        | 1,893          |
| Six Battery Road                            | 1,420.0         | 1,435.0         | 15.0        | 1.1        | 2,907          |
| 21 Collyer Quay                             | 461.7           | 462.2           | 0.5         | 0.1        | 2,306          |
| Raffles City Singapore (60%) <sup>(1)</sup> | 1,993.2         | 2,004.0         | 10.8        | 0.5        | NM             |
| One George Street (50%) <sup>(1)</sup>      | 569.5           | 570.5           | 1.0         | 0.2        | 2,560          |
| CapitaSpring (45%) <sup>(1)</sup>           | 472.5           | 477.9           | 5.4         | 1.1        | NM             |
| <b>Singapore Portfolio</b>                  | <b>10,084.9</b> | <b>10,164.6</b> | <b>79.7</b> | <b>0.8</b> |                |
| Gallileo, Germany (94.9%) <sup>(2)</sup>    | 535.2           | 525.5           | -9.7        | -1.8       | -              |
| <b>Portfolio Total</b>                      | <b>10,620.1</b> | <b>10,690.1</b> | <b>70.0</b> | <b>0.7</b> |                |

### Notes:

- (1) Valuation for Raffles City Singapore, One George Street and CapitaSpring as at 30 June 2019 on a 100% basis were S\$3,340 million, S\$1,141 million and S\$1,062 million respectively.
- (2) Valuations as at 31 December 2018 and 30 June 2019 for 100% interest in Gallileo, Frankfurt was EUR361.2 and EUR361.3 million respectively. The variance in S\$ was due to conversion rates used for the 31 December 2018 and 30 June 2019 valuation which were EUR1.00=S\$1.561 and EUR1.00=S\$1.533 respectively.
- (3) NM indicates "Not Meaningful"

# Key valuation metrics unchanged from 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 3.6% over 10 years.

|                     | Capitalisation Rates |        |        |        |        |        |        |                       | Discount Rates |        |        |        |        |        |        |                       |
|---------------------|----------------------|--------|--------|--------|--------|--------|--------|-----------------------|----------------|--------|--------|--------|--------|--------|--------|-----------------------|
|                     | Dec-13               | Dec-14 | Dec-15 | Dec-16 | Dec-17 | Jun-18 | Dec-18 | Jun-19 <sup>(1)</sup> | Dec-13         | Dec-14 | Dec-15 | Dec-16 | Dec-17 | Jun-18 | Dec-18 | Jun-19 <sup>(1)</sup> |
| Asia Square Tower 2 | NA                   | NA     | NA     | NA     | NA     | 3.50   | 3.50   | <b>3.50</b>           | NA             | NA     | NA     | NA     | NA     | 6.75   | 6.75   | <b>6.75</b>           |
| CapitaGreen         | NA                   | 4.00   | 4.15   | 4.15   | 4.10   | 4.00   | 4.00   | <b>4.00</b>           | NA             | 7.25   | 7.25   | 7.25   | 7.00   | 6.75   | 6.75   | <b>6.75</b>           |
| Six Battery Road    | 3.75                 | 3.75   | 3.75   | 3.75   | 3.60   | 3.50   | 3.50   | <b>3.50</b>           | 8.00           | 7.50   | 7.25   | 7.25   | 7.00   | 6.75   | 6.75   | <b>6.75</b>           |
| Capital Tower       | 3.75                 | 3.85   | 3.85   | 3.85   | 3.70   | 3.60   | 3.60   | <b>3.60</b>           | 8.00           | 7.50   | 7.25   | 7.25   | 7.00   | 6.75   | 6.75   | <b>6.75</b>           |
| 21 Collyer Quay     | 3.75                 | 3.85   | 3.85   | 3.75   | 3.60   | 3.50   | 3.50   | <b>3.50</b>           | 8.00           | 7.50   | 7.25   | 7.25   | 7.00   | 6.75   | 6.75   | <b>6.75</b>           |
| One George Street   | 3.75                 | 3.85   | 3.85   | 3.85   | 3.70   | 3.60   | 3.60   | <b>3.60</b>           | 8.00           | 7.50   | 7.25   | 7.25   | 7.00   | 6.75   | 6.75   | <b>6.75</b>           |
| Raffles City SG     |                      |        |        |        |        |        |        |                       |                |        |        |        |        |        |        |                       |
| Office              | 4.25                 | 4.25   | 4.25   | 4.25   | 4.10   | 4.00   | 4.00   | <b>4.00</b>           | 7.35           | 7.50   | 7.25   | 7.25   | 7.00   | 6.75   | 6.75   | <b>6.75</b>           |
| Retail              | 5.25                 | 5.25   | 5.25   | 5.25   | 4.85   | 4.70   | 4.70   | <b>4.70</b>           | 7.65           | 7.50   | 7.50   | 7.50   | 7.25   | 7.00   | 7.00   | <b>7.00</b>           |
| Hotel               | 5.55                 | 5.25   | 5.13   | 5.11   | 4.75   | 4.75   | 4.75   | <b>4.75</b>           | 7.75           | 7.75   | 7.75   | 7.40   | 7.15   | 7.00   | 7.00   | <b>7.00</b>           |

## Notes:

(1) Excludes CapitaSpring and Gallileo, Frankfurt

(2) CBRE was the appointed valuer for Asia Square Tower 2, Six Battery Road, CapitaGreen and Raffles City Singapore; Cushman & Wakefield was the appointed valuer for Capital Tower, 21 Collyer Quay and Gallileo, Frankfurt; and Knight Frank was the appointed valuer for CapitaSpring, and One George Street

# Robust balance sheet

## Statement of Financial Position

As at 30 Jun 2019

|                                    | S\$ million    |                                          | S\$ million     |
|------------------------------------|----------------|------------------------------------------|-----------------|
| Non-current Assets                 | 9,487.5        | <b>Deposited Property <sup>(1)</sup></b> | <b>11,269.0</b> |
| Current Assets                     | 251.0          |                                          |                 |
| <b>Total Assets</b>                | <b>9,738.5</b> | <b>Net Asset Value Per Unit</b>          | <b>\$1.85</b>   |
| Current Liabilities <sup>(2)</sup> | 224.5          | <b>Adjusted Net Asset Value Per Unit</b> | <b>\$1.81</b>   |
| Non-current Liabilities            | 2,547.9        | <b>(excluding distributable income)</b>  |                 |
| <b>Total Liabilities</b>           | <b>2,772.4</b> |                                          |                 |
| <b>Net Assets</b>                  | <b>6,966.1</b> | <b>Credit Rating</b>                     |                 |
| <u>Represented by:</u>             |                | <b>BBB+ by S&amp;P, Outlook Stable</b>   |                 |
| Unitholders' Funds                 | 6,949.0        |                                          |                 |
| Non-controlling interests          | 17.1           |                                          |                 |
| <b>Total Equity</b>                | <b>6,966.1</b> |                                          |                 |

**Units in issue ('000) 3,749,772**

### Notes:

(1) Deposited property (as defined in the Code on Collective Investment Schemes) 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.

(2) Current liabilities include JPY10.0 billion (approximately S\$148.3 million) fixed rate notes maturing in December 2019; sufficient bank facilities are in place to refinance the borrowings.

# Stable financial indicators

|                                                                | 1Q 2019     | 2Q 2019            | Remarks                                           |
|----------------------------------------------------------------|-------------|--------------------|---------------------------------------------------|
| <b>Total Gross Debt <sup>(1)</sup></b>                         | S\$3,904.4m | <b>S\$3,924.4m</b> | <b>Higher</b><br>(More borrowings)                |
| <b>Aggregate Leverage <sup>(2)</sup></b>                       | 35.2%       | <b>34.8%</b>       | <b>Lower</b><br>(Higher deposited property value) |
| <b>Unencumbered Assets as % of Total Assets <sup>(3)</sup></b> | 77.4%       | <b>77.4%</b>       | <b>Stable</b>                                     |
| <b>Average Term to Maturity <sup>(4)</sup></b>                 | 3.6 years   | <b>3.4 years</b>   | <b>Lower</b><br>(passing of time)                 |
| <b>Average Cost of Debt (p.a.) <sup>(5)</sup></b>              | 2.5%        | <b>2.5%</b>        | <b>Stable</b>                                     |
| <b>Interest Coverage <sup>(6)</sup></b>                        | 5.8 times   | <b>5.7 times</b>   | <b>Lower</b><br>(Lower EBITDA)                    |

## 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 venture borrowings and deposited property values are included when computing aggregate leverage. The ratio of total gross borrowings to total net assets is 56.3%.

(3) Investment properties at CCT (exclude Joint Ventures) are all unencumbered except for CapitaGreen and Gallileo.

(4) Excludes borrowings of joint ventures.

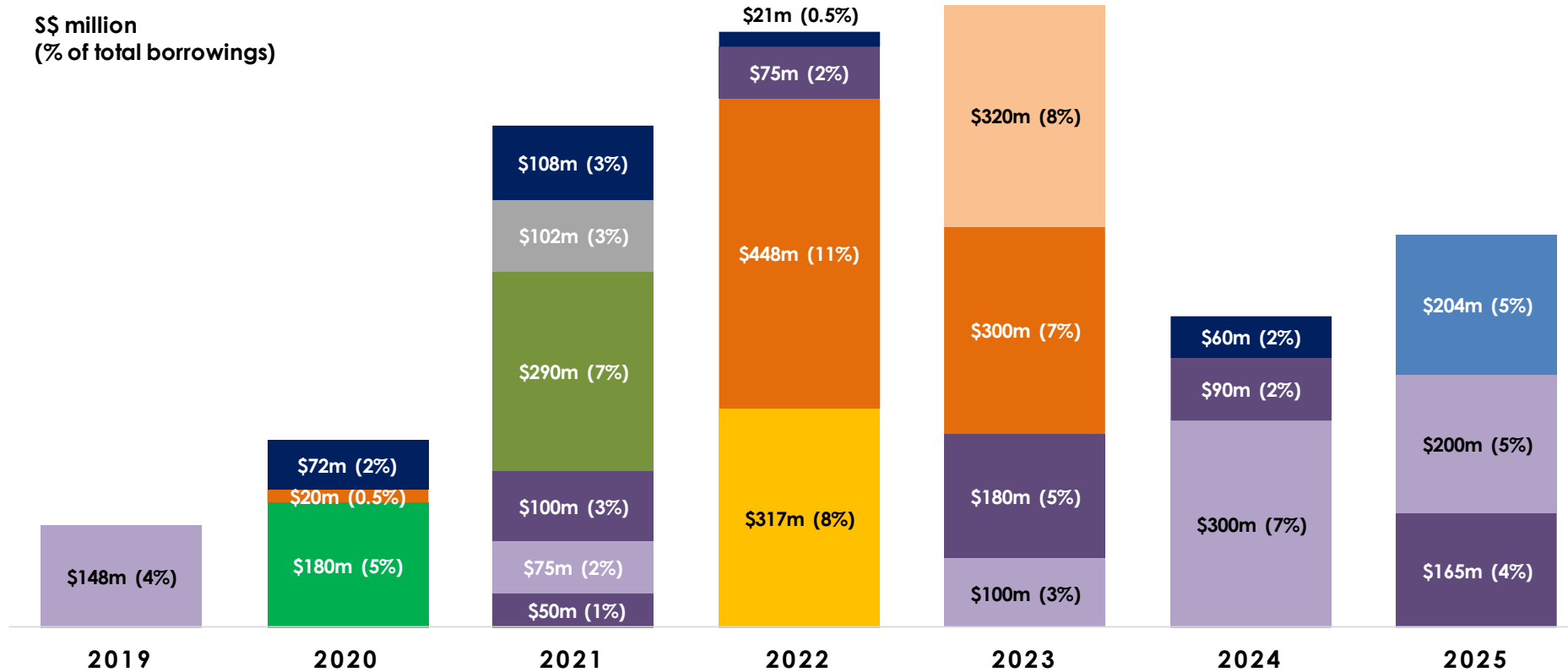
(5) Ratio of interest expense (excludes amortization of transaction costs) over weighted average gross borrowings.

(6) Ratio of EBITDA over finance costs includes amortisation of transaction costs.

# Debt Maturity Profile

as at 30 June 2019

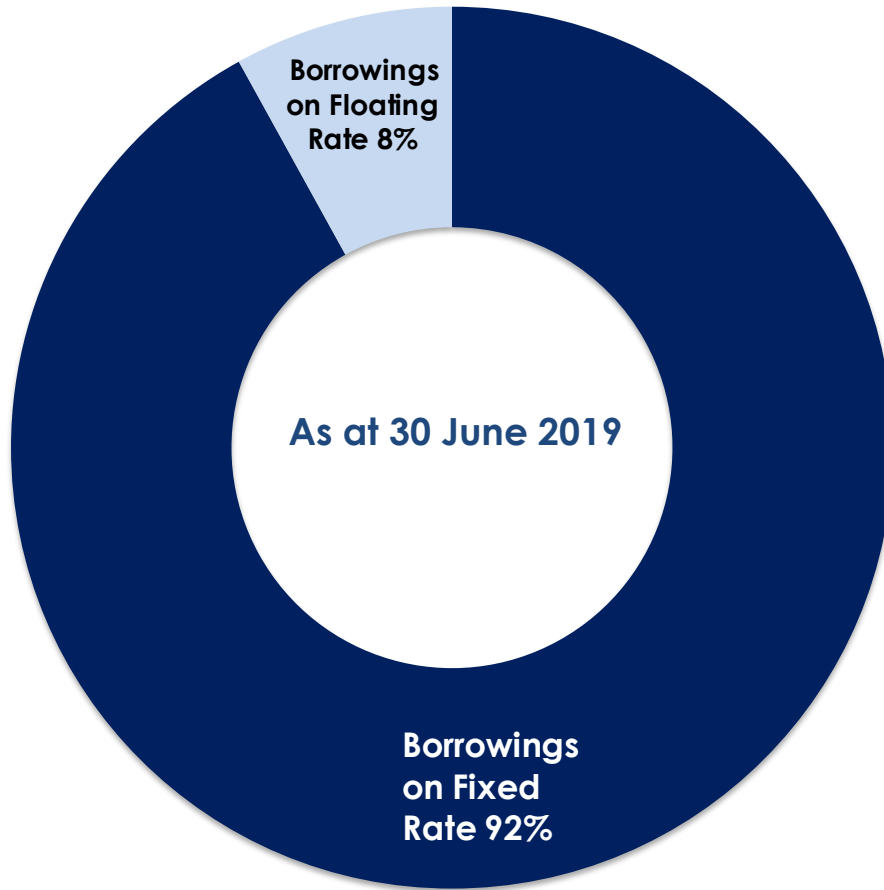
S\$ million  
(% of total borrowings)



- 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
- Unsecured CCT EUR bank loans due 2023
- 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 EUR 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

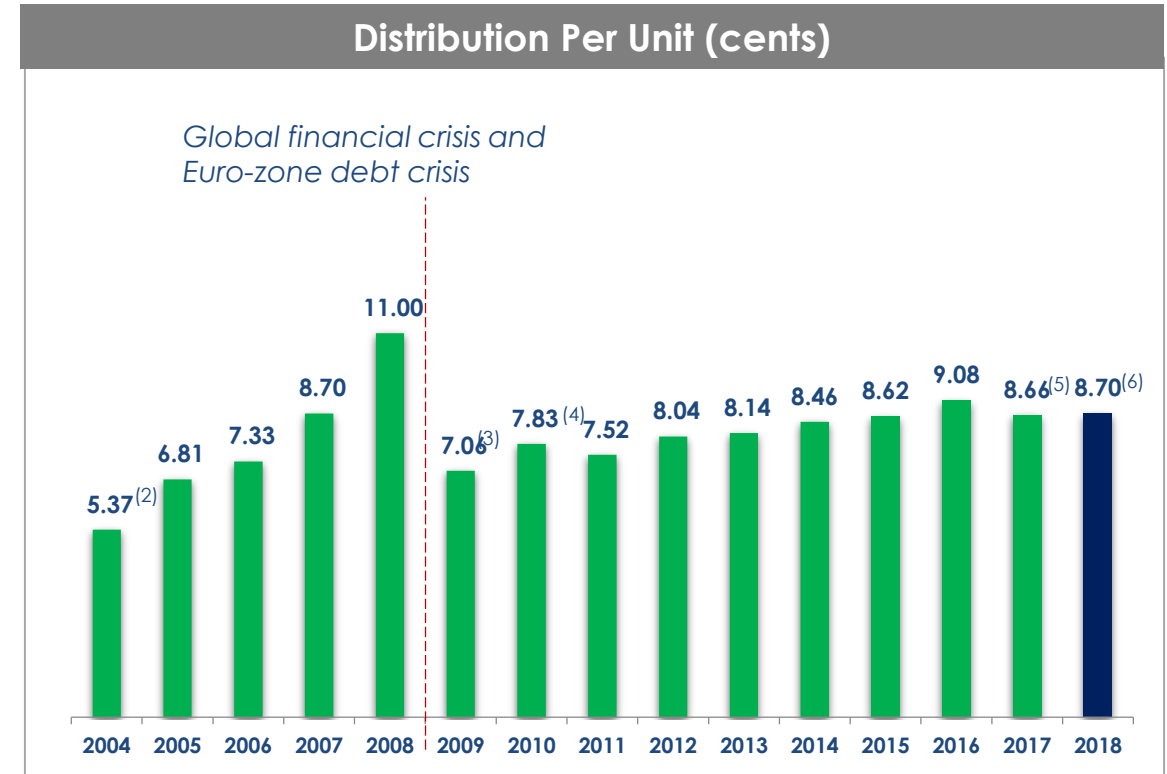
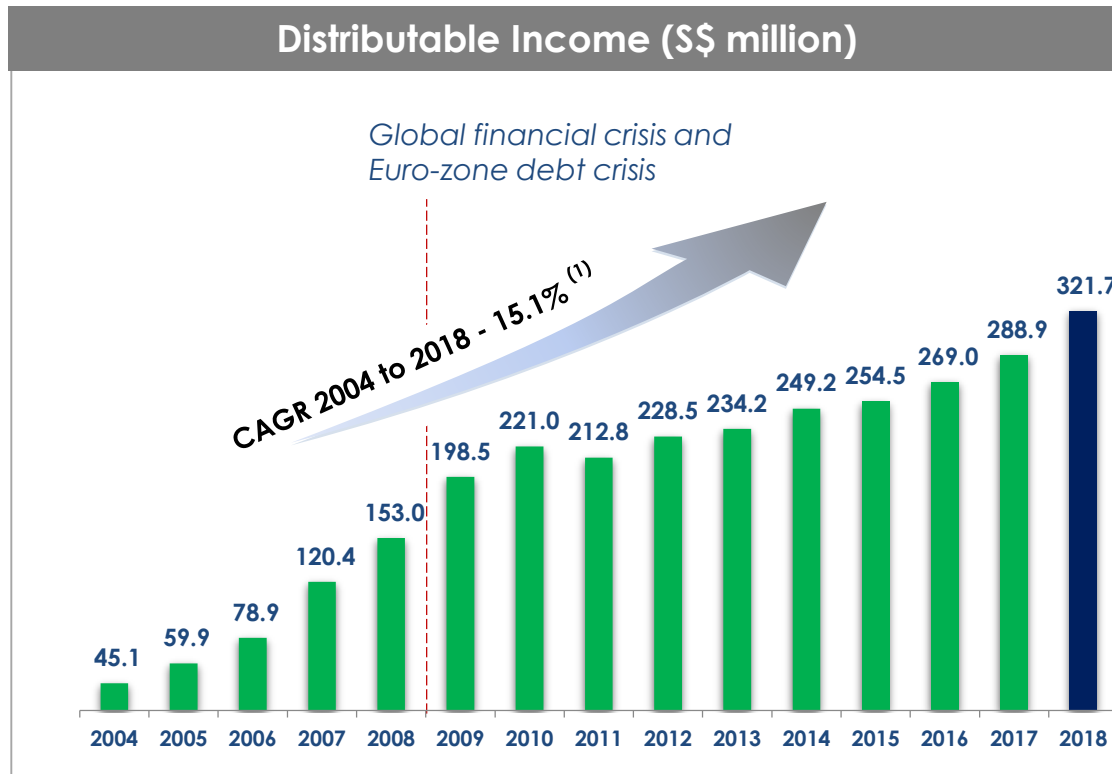
# 92% of borrowings on fixed rate provides certainty of interest expense



| Proforma impact on:                               | Assuming +0.5% p.a. increase in interest rate   |
|---------------------------------------------------|-------------------------------------------------|
| Estimated additional Interest expense for FY 2019 | +\$1.6 million p.a.                             |
| Annualised 1H 2019 DPU                            | -0.04 cents<br>(0.5% of annualised 1H 2019 DPU) |

# CCT delivered higher distribution YoY through property market cycles

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

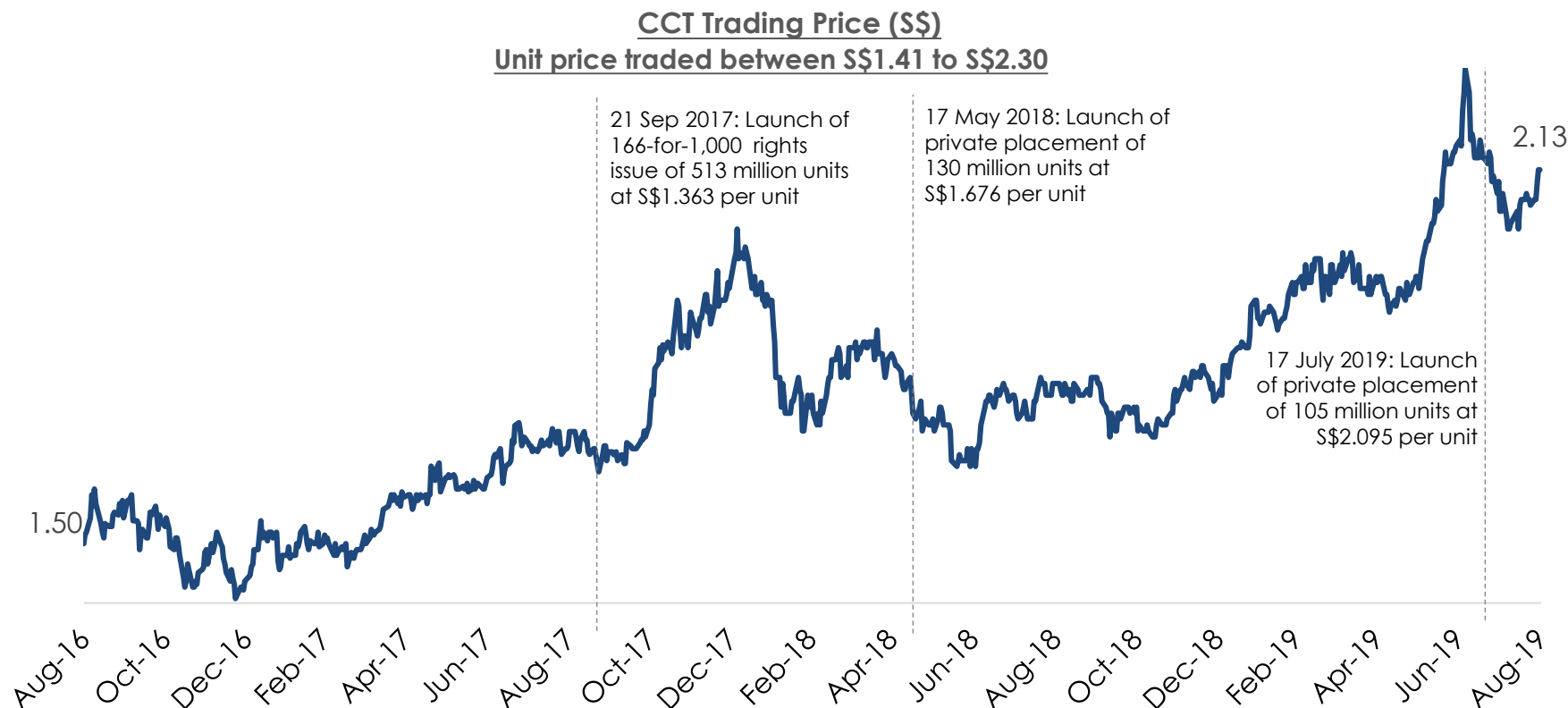


**Notes:**

- (1) CAGR: Compounded annual growth rate
- (2) Annualised
- (3) After taking into consideration the issue of rights units in July 2009
- (4) Decline in 2011 DPU compared to 2010 was due to divestment of two properties in 2010, Robinson Point and StarHub Centre
- (5) Issued 513,540,228 new units following the 166-for-1,000 rights issue at S\$1.363 per rights unit in October 2017
- (6) Issued 130 million new units following a private placement at S\$1.676 per unit in May 2018

# CCT's trading price up 42.0% over three years

CCT's three-year total return<sup>(1)</sup> was 60.0%



Source: CCT's adjusted trading price based on Bloomberg

Note:

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



# Thank you

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

Email: [ho.meipeng@capitaland.com](mailto:ho.meipeng@capitaland.com)

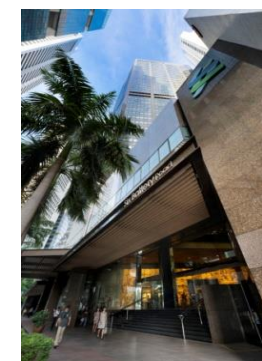
**CapitaLand Commercial Trust Management Limited (<http://www.cct.com.sg>)**

168 Robinson Road, #28-00 Capital Tower, Singapore 068912

Tel: (65) 6713 2888; Fax: (65) 6713 2999



# 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>              | 734,000           | 778,000                                       | 701,000           | 494,000          | 808,800<br>(Office: 381,300, Retail: 427,500)                  |
| <b>Leasehold expiring</b>       | 31-Dec-2094       | 2-Mar-2107<br>(land lot only <sup>(1)</sup> ) | 31-Mar-2073       | 19-Apr-2825      | 15-Jul-2078                                                    |
| <b>Committed occupancy</b>      | 99.7%             | 95.8%                                         | 100.0%            | 97.2%            | 99.5%                                                          |
| <b>Valuation (30 June 2019)</b> | S\$1,390.0m       | S\$2,182.0m                                   | S\$1,643.0m       | S\$1,435.0m      | S\$3,340.0m (100.0%)<br>S\$2,004.0m (60.0%)                    |
| <b>Car park lots</b>            | 415               | 263                                           | 184               | 190              | 1,045                                                          |

Note:

(1) Excludes airspace and subterranean lots.

# Property details (2)



|                                 | One George Street (100.0%)                   | 21 Collyer Quay (HSBC Building) | CapitaSpring (100.0%) <sup>(1)</sup>    | Gallileo (100.0%) Contribution from 19 Jun 2018                            | Main Airport Center (100.0%) Pending acquisition completion |
|---------------------------------|----------------------------------------------|---------------------------------|-----------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Address</b>                  | 1 George Street                              | 21 Collyer Quay                 | 86 & 88 Market Street                   | Gallusanlage 7/<br>Neckarstrasse 5, 60329<br>Frankfurt am Main,<br>Germany | Unterschweinstiege 2-<br>14, 60549 Frankfurt                |
| <b>NLA (sq ft)</b>              | 446,000                                      | 200,500                         | 647,000                                 | 436,000                                                                    | 648,400                                                     |
| <b>Leasehold expiring</b>       | 21-Jan-2102                                  | 18-Dec-2849                     | 31-Jan-2081                             | Freehold                                                                   | Freehold                                                    |
| <b>Committed occupancy</b>      | 97.6%                                        | 100.0%                          | About 24%                               | 100.0%                                                                     | 90.0%                                                       |
| <b>Valuation (30 June 2019)</b> | S\$1,141.0m<br>(100.0%)<br>S\$570.5m (50.0%) | S\$462.2m                       | S\$1,062m (100.0%)<br>S\$477.9m (45.0%) | S\$553.8m <sup>(2)</sup> (100.0%)<br>S\$525.5m <sup>(2)</sup> (94.9%)      | S\$407.8m (100.0%)<br>S\$387.1m (94.9%)                     |
| <b>Car park lots</b>            | 178                                          | 55                              | 350                                     | 43                                                                         | 1,510                                                       |

**Notes:**

(1) CapitaLand, CCT and MEC have formed a joint venture to develop CapitaSpring.

(2) Valuations as at 31 December 2018 and 30 June 2019 for 100% interest in Gallileo, Frankfurt was EUR361.2 and EUR361.3 million respectively. The variance in S\$ was due to conversion rates used for the 31 December 2018 and 30 June 2019 valuation which were EUR1=S\$1.561 and EUR1=S\$1.533 respectively.