



CapitaCommercial  
Trust

# CapitaCommercial Trust

## Singapore's First Listed Commercial REIT

### Financial Year 2014 Results

21 January 2015



# Important Notice

**This presentation shall be read in conjunction with CCT's 4Q 2014 Unaudited Financial Statement Announcement.**

The past performance of CCT is not indicative of the future performance of CCT. Similarly, the past performance of CapitaCommercial 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.

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

# 1. Highlights

Capital Tower, Singapore



# 2014 Year in review - CCT

## FY 2014 Financials

Distributable Income

**S\$249.2**  
million

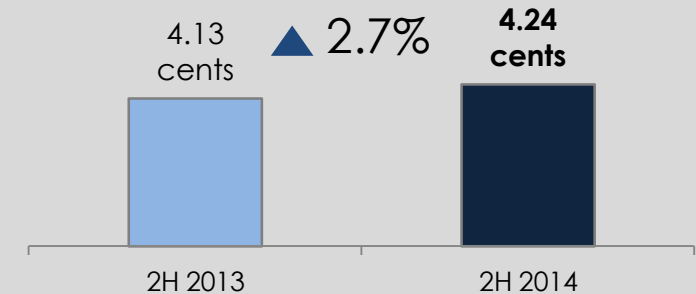
▲ 6.4% YoY

Estimated  
Distribution Per Unit

**8.46<sup>(1)</sup>**  
cents

▲ 3.9% YoY

Distribution per Unit



Deposited Properties

**S\$7,633.6**  
million

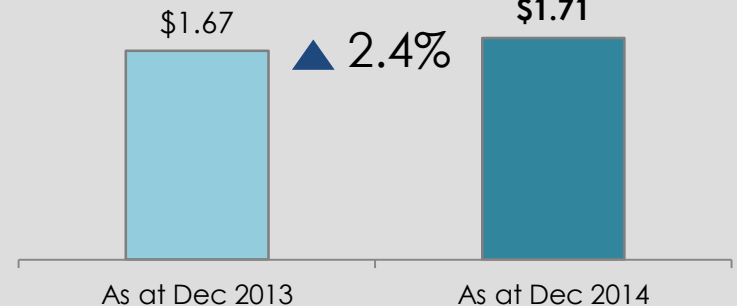
▲ 5.7% YoY

Adjusted NAV per Unit

**S\$1.71**

▲ 2.4% YoY

Adjusted NAV per Unit



**Note:**

(1) DPU for 2H 2014 and FY 2014 were computed on the basis that none of the convertible bonds due 2017 ("CB 2017"), is converted into CCT units on or before books closure date. Accordingly, the actual quantum of DPU may differ if any of the Convertible Bonds is converted into CCT units on or before books closure date.

Assuming all the outstanding S\$175.0 million CB 2017 is converted into CCT units on or before books closure date, DPU for 2H 2014 would be reduced by approximately 0.14 cents (assuming no interest expense savings).

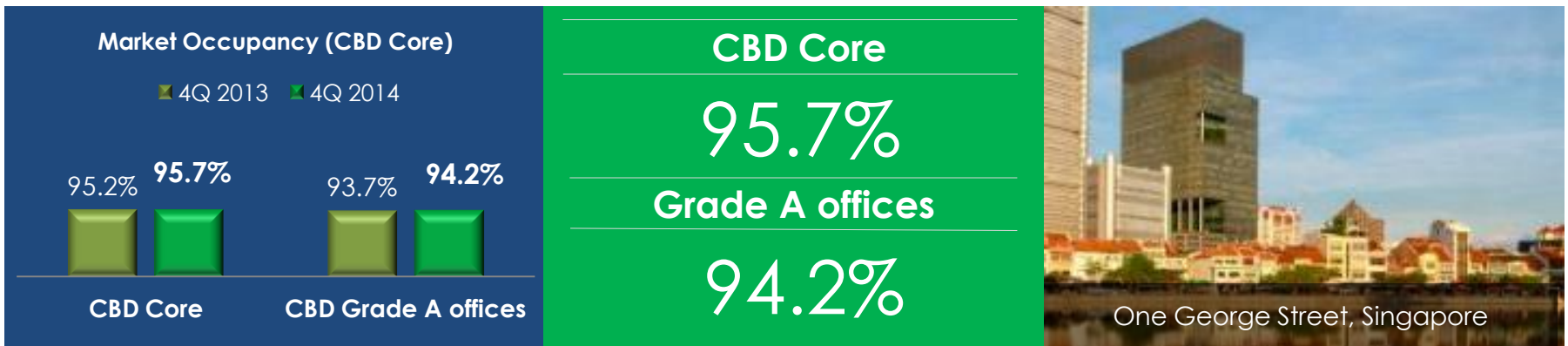


# Portfolio highlights

## 4Q 2014 committed occupancy

<b>CCT Portfolio occupancy (excluding CapitaGreen)</b> <b>99.5%</b> <b>CCT Grade A offices (excluding CapitaGreen)</b> <b>99.8%</b>	<b>CCT Portfolio occupancy (including CapitaGreen)</b> <b>96.8%</b> <b>CCT Grade A offices (including CapitaGreen)</b> <b>95.4%</b>	<b>CCT's monthly average office portfolio rent (with CapitaGreen)</b> <b>S\$8.61 psf</b> <b>▲ 5.9% (4Q 2013: S\$8.13 psf)</b>
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## 4Q 2014 market occupancy<sup>(1)</sup>



Note:  
 (1) CBRE Ltd, 4Q 2014 MarketView



# Value creation for CCT

Through asset enhancement initiatives (AEIs) and development

**Completed S\$32.3 million AEI at Raffles City Tower in end-Jun 2014**  
Achieved return on investment of **9.3%**, above target of 8.6%



Raffles City Tower – Refurbished main lobby

**Ongoing S\$40.0 million AEI at Capital Tower on schedule completion in 4Q 2015**  
Target return on investment of **7.8%**



Capital Tower – Revitalised main lobby

**Completed first development project CapitaGreen received Temporary Occupation Permit (TOP) on 18 Dec 2014; Committed occupancy at 69.3%**



Acquisition pipeline: Call option to buy 60.0% interest in CapitaGreen within 3 years after completion



# Proactive capital management

Healthy balance sheet provides financial flexibility for growth opportunities

Low gearing	Average cost of debt	Gross borrowings on fixed rate	Debt headroom
<b>29.3%</b>	<b>2.3% p.a.</b>	<b>83%</b>	<b>S\$1.3 billion</b>
4Q 2013: 29.3%	Improved from 2.6% p.a. in 4Q 2013	4Q 2013: 80%	Assuming 40% gearing

- **Tap on market when there is opportunity to issue debt at low interest rate for long-dated maturity**
  - Issued S\$50.0 million Medium Term Note 2.98% p.a. due 2021
  - Issued S\$75.0 million equivalent of Japanese yen-denominated Medium Term Note 2.95% p.a. due 2021
- **S\$190.3 million convertible bonds due 2015 cancelled**
  - Redeemed and repurchased S\$121.0 million
  - S\$69.3 million converted into 58.1 million CCT units



## 2. Healthy Financial Results and Prudent Capital Management

One George Street, Singapore





# FY 2014 distribution per unit up by 3.9%

Estimated 4Q 2014 DPU

2.15<sup>(1)</sup>  
cents

▲ 2.9% YoY

Estimated 2H 2014 DPU

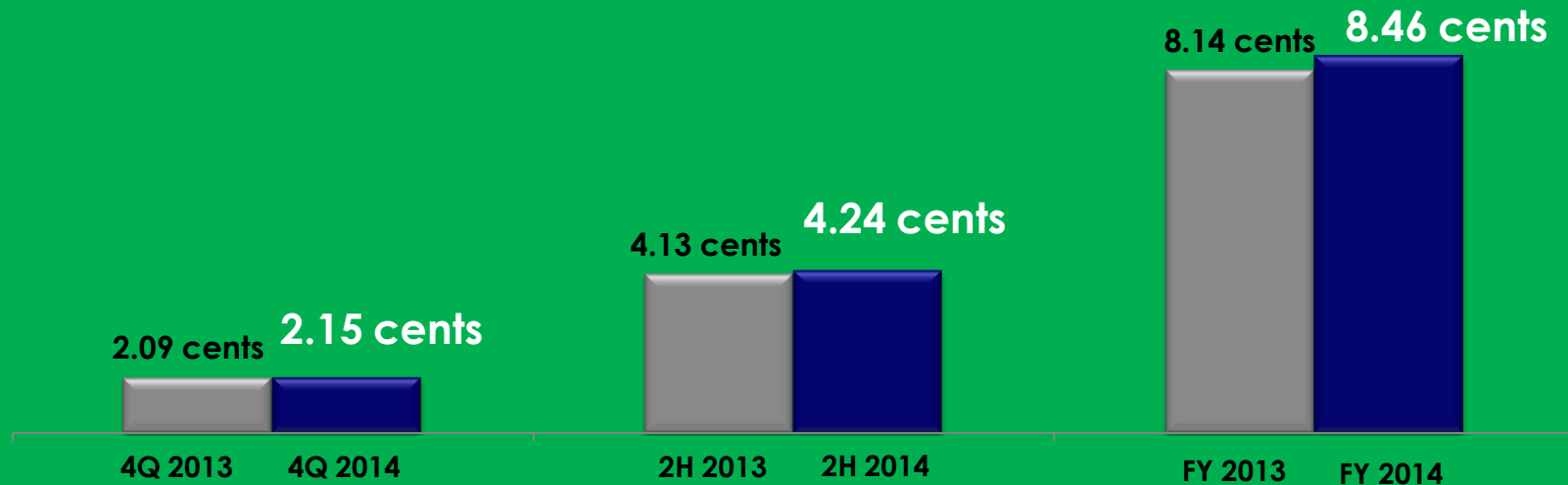
4.24<sup>(1)</sup>  
cents

▲ 2.7% YoY

Estimated FY 2014 DPU

8.46<sup>(1)</sup>  
cents

▲ 3.9% YoY



**Note:**

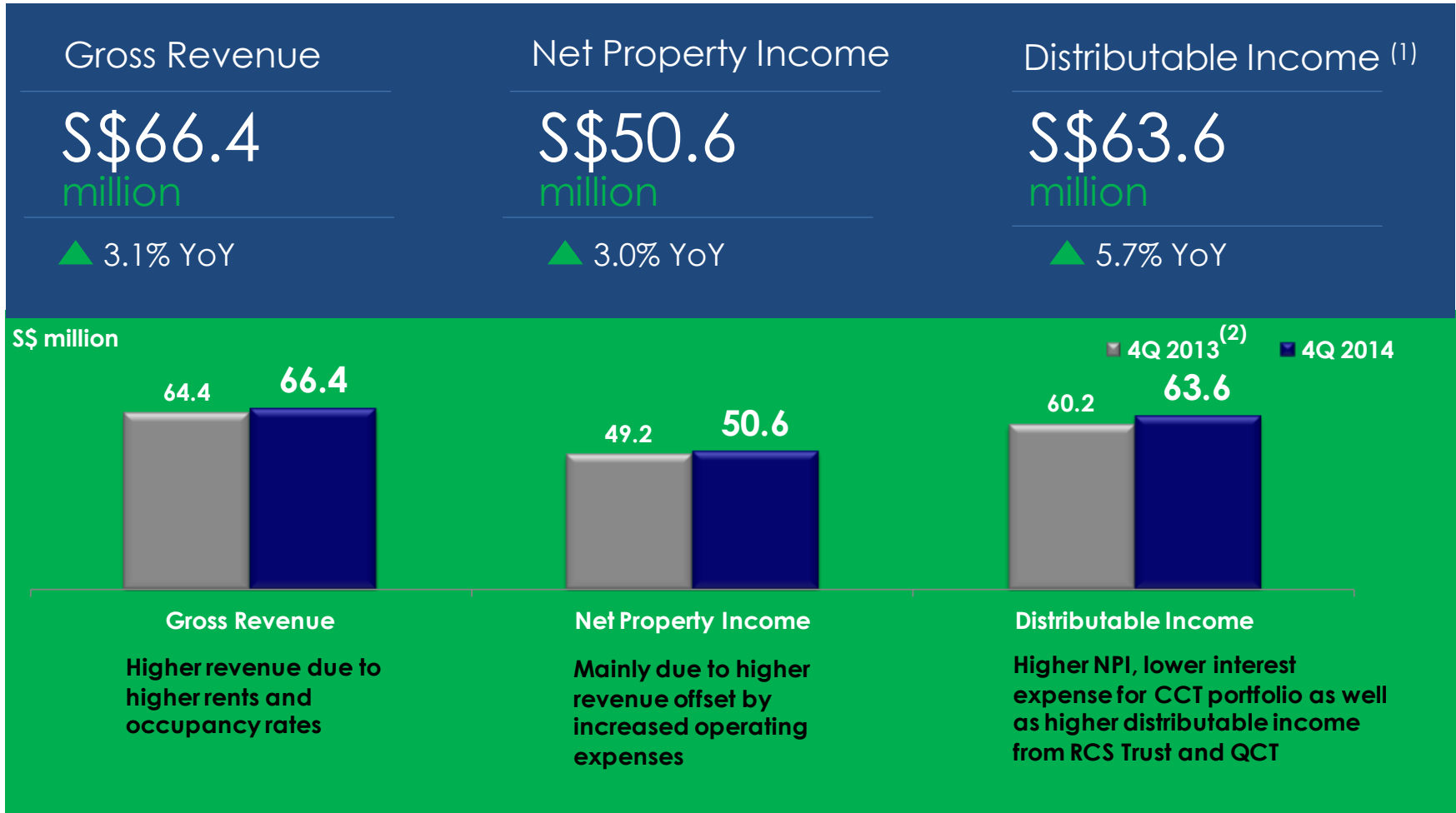
(1) DPU for 2H 2014 and FY 2014 were computed on the basis that none of the convertible bonds due 2017 ("CB 2017"), is converted into CCT units on or before books closure date. Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into CCT units on or before books closure date.

Assuming all the outstanding S\$175.0 million CB 2017 is converted into CCT units on or before books closure date, DPU for 2H 2014 would be reduced by approximately 0.14 cents (assuming no interest expense savings).





# 4Q 2014 distributable income rose by 5.7% YoY



**Notes:**

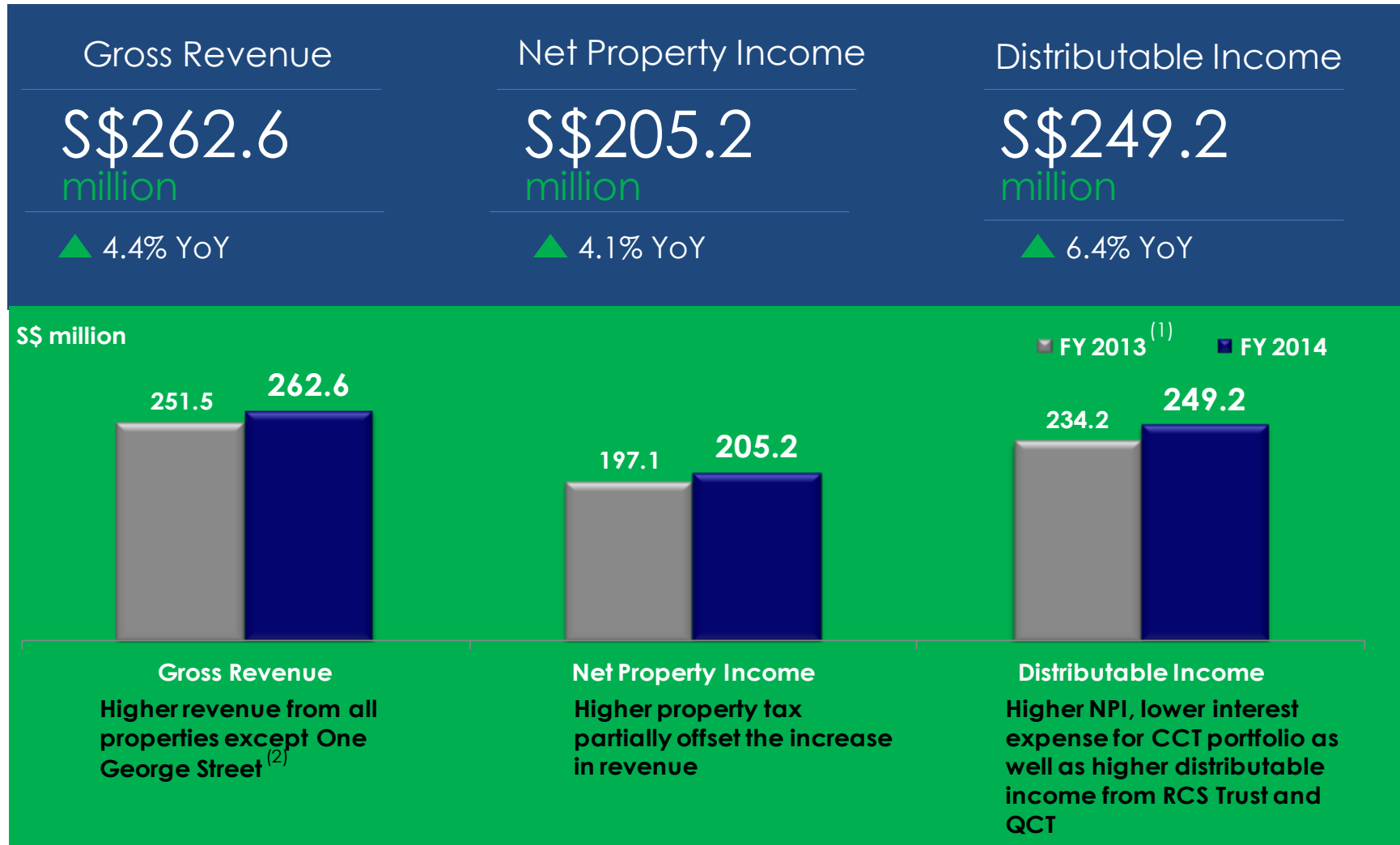
(1) 4Q 2014 released \$1.7 million of net tax-exempt income from QCT (4Q 2013: nil).

(2) 4Q 2013 gross revenue and net property income have been restated with the adoption of FRS111 Joint Arrangements.





# FY 2014 distributable income up by 6.4% YoY



**Notes:**

- (1) FY 2013 gross revenue and net property income have been restated with the adoption of FRS 111 Joint Arrangements.
- (2) Due to absence of yield protection income.





# Valuation of portfolio up 5.7% YoY mainly due to CapitaGreen being valued as an operating asset

Investment Properties	31 Dec 2013 \$m	30 Jun 2014 \$m	31 Dec 2014 \$m	12-month Variance (Dec 2013 to Dec 2014) %	6-month Variance (Jun 2014 to Dec 2014) %	31 Dec 2014 Capital Value \$psf
Capital Tower	1,282.0	1,301.0	<b>1,309.0</b>	2.1	0.6	1,770
Six Battery Road	1,285.0	1,312.0	<b>1,330.0</b>	3.5	1.4	2,691
One George Street	959.0	963.0	<b>975.0</b>	1.7	1.2	2,179
Twenty Anson	431.0	431.0	<b>431.0</b>	0.0	0.0	2,102
HSBC Building	429.0	446.0	<b>450.0</b>	4.9	0.9	2,245
Golden Shoe Car Park	138.4	139.0	<b>141.0</b>	1.9	1.4	Nm <sup>(1)</sup>
Wilkie Edge	186.0	188.0	<b>191.0</b>	2.7	1.6	1,249
Bugis Village <sup>(2)</sup>	58.6	57.9	<b>55.4</b>	(5.5)	(4.3)	457
<b>Sub- Total</b>	<b>4,769.0</b>	<b>4,837.9</b>	<b>4,882.4</b>	<b>2.4</b>	<b>0.9</b>	
Raffles City (60.0%)	1,810.8	1,846.8	<b>1,865.7</b>	3.0	1.0	Nm <sup>(1)</sup>
CapitaGreen (40.0%)	380.0 <sup>(3)</sup>	438.5 <sup>(3)</sup>	<b>610.4<sup>(4)</sup></b>	Nm <sup>(1)</sup>	Nm <sup>(1)</sup>	2,171
<b>Total</b>	<b>6,959.8</b>	<b>7,123.2</b>	<b>7,358.5</b>	<b>5.7</b>	<b>3.3</b>	

## Notes:

- (1) NM indicates "Not Meaningful".
- (2) The valuation of Bugis Village takes into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019 upon payment of S\$6,610,208.53 plus accrued interest.
- (3) Book value of property under construction comprising land value, construction and related costs.
- (4) Market value of CapitaGreen as an operating asset.



# Higher values largely driven by higher market rents

- Office rent growth rates<sup>(2)</sup> assumed for discounted cashflow method averaged 3.9%<sup>(3)</sup> per annum over 10 years, more conservative than the 4.1%<sup>(3)</sup> assumed in previous valuation
- Terminal yields<sup>(4)</sup> same as capitalisation rates for Six Battery Road and HSBC Building which have 999-year lease tenures, 0.25% higher than capitalisation rates for the rest of the portfolio
- Market rents assumed are generally lower than CCT's recently achieved rents

	Capitalisation Rates						Discount Rates					
	Dec 10	Dec 11	Dec 12	Dec 13	Jun 14	Dec 14	Dec 10	Dec 11	Dec 12	Dec 13	Jun 14	Dec 14
Capital Tower	4.15	4.00	3.75	3.75	3.85	<b>3.85</b>	7.75	7.50	8.00	8.00	7.50	<b>7.50</b>
Six Battery Road	4.00	4.00	3.75	3.75	3.75	<b>3.75</b>	7.75	7.50	8.00	8.00	7.50	<b>7.50</b>
One George Street	4.15	4.00	3.75	3.75	3.85	<b>3.85</b>	7.75	7.50	8.00	8.00	7.50	<b>7.50</b>
HSBC Building	4.00	4.00	3.75	3.75	3.85	<b>3.85</b>	7.75	7.50	8.00	8.00	7.50	<b>7.50</b>
Twenty Anson	NA	NA	3.75	3.75	3.85	<b>3.85</b>	NA	NA	8.00	8.00	7.50	<b>7.50</b>
Wilkie Edge <sup>(5)</sup>	4.40	4.40	4.25	4.25	4.25	<b>4.25</b>	8.00	7.75	8.00	8.00	7.50	<b>7.50</b>
CapitaGreen	NA	NA	NA	NA	NA	<b>4.00</b>	NA	NA	NA	NA	NA	<b>7.25</b>
Raffles City SG												
Office	4.50	4.50	4.25	4.25	4.25	<b>4.25</b>	7.75	7.50	7.50	7.35	7.50	<b>7.50</b>
Retail	5.50	5.40	5.40	5.25	5.25	<b>5.25</b>	8.00	7.75	7.80	7.65	7.50	<b>7.50</b>
Hotel	5.75	5.75	5.75	5.55	5.25	<b>5.25</b>	7.75	7.75	8.00	7.75	7.75	<b>7.75</b>

**Notes:**

- (1) CBRE was appointed for 2014 valuation of CCT properties and Raffles City Singapore, while Knight Frank was appointed to value CapitaGreen
- (2) Excludes Golden Shoe Car Park and Bugis Village and includes CapitaGreen as an operating asset for Dec 2014 valuation
- (3) Calculated on a simple average basis
- (4) Excludes Bugis Village due to the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019 upon payment of S\$6,610,208.53 plus accrued interest.
- (5) Refers to office capitalisation rate only



# Robust balance sheet<sup>(1)</sup>

## As at 31 Dec 2014

	S\$ '000
Non-current Assets	6,381,629
Current Assets	139,430
<b>Total Assets</b>	<b>6,521,059</b>
Current Liabilities <sup>(2)</sup>	328,795
Non-current Liabilities	1,038,776
<b>Total Liabilities</b>	<b>1,367,571</b>
<b>Net Assets</b>	<b>5,153,488</b>
<b>Unitholders' Funds</b>	<b>5,153,488</b>

**Units in issue ('000)**                      **2,944,849**

	S\$ '000
<b>Deposited Properties<sup>(3)</sup></b>	<b>7,633,640</b>

<b>Net Asset Value Per Unit</b>	<b>\$1.75</b>
<b>Adjusted Net Asset Value Per Unit (excluding distributable income)</b>	<b>\$1.71</b>

**Credit Rating**  
**A-** by **S&P**  
 Outlook stable

**Notes:**

- (1) CCT Group has accounted for its 60.0% interest in RCS Trust and 40.0% interest in MSO Trust based on the respective joint ventures' net carrying amounts of assets and liabilities.
- (2) There are sufficient credit facilities to refinance borrowings due 2015.
- (3) Deposited properties for CCT Group includes CCT's 60.0% interest in total assets of RCS Trust (S\$1.88 billion) and 40.0% interest in MSO Trust (S\$0.62 billion).





# Strong financial ratios

	3Q 2014	4Q 2014	Remarks
Net Debt / EBITDA <sup>(1)</sup>	4.9 times	<b>5.0 times</b>	<b>Increased</b> (Higher Net Debt)
Unencumbered Assets as % of Total Assets <sup>(2)</sup>	100.0%	<b>100.0%</b>	<b>Stable</b>
Average Term to Maturity	4.0 years	<b>3.9 years</b>	<b>Decreased</b> (Passing of time)
Average Cost of Debt (p.a.) <sup>(3)</sup>	2.3%	<b>2.3%</b>	<b>Stable</b>
Interest Coverage <sup>(4)</sup>	7.1 times	<b>7.2 times</b>	<b>Improved</b> (Lower interest expense and higher EBITDA)

**Notes:**

- (1) Net debt excludes borrowings of RCS Trust and MSO Trust. EBITDA refers to earnings before interest, tax, depreciation and amortisation but after share of profit of associate and joint ventures.
- (2) Investment properties at CCT Trust and Twenty Anson (held through CCT's 100.0% interest in FirstOffice Pte. Ltd.) are all unencumbered.
- (3) Ratio of interest expense over weighted average borrowings.
- (4) Ratio of EBITDA over finance costs includes amortisation and transaction costs.



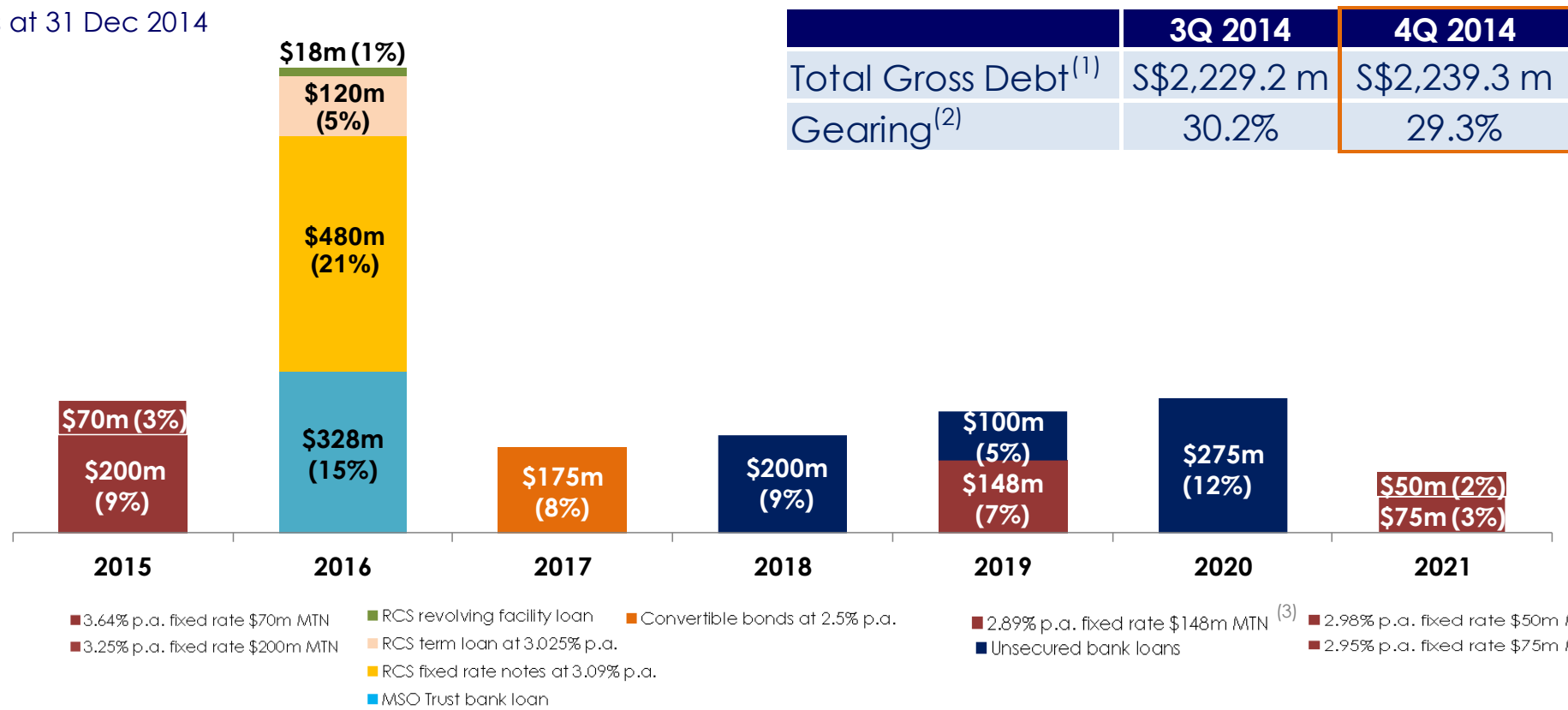


# Diversified funding sources

## New issuance of \$75m MTN due in 2021

As at 31 Dec 2014

S\$ million (% of total borrowings)



	3Q 2014	4Q 2014
Total Gross Debt <sup>(1)</sup>	S\$2,229.2 m	S\$2,239.3 m
Gearing <sup>(2)</sup>	30.2%	29.3%

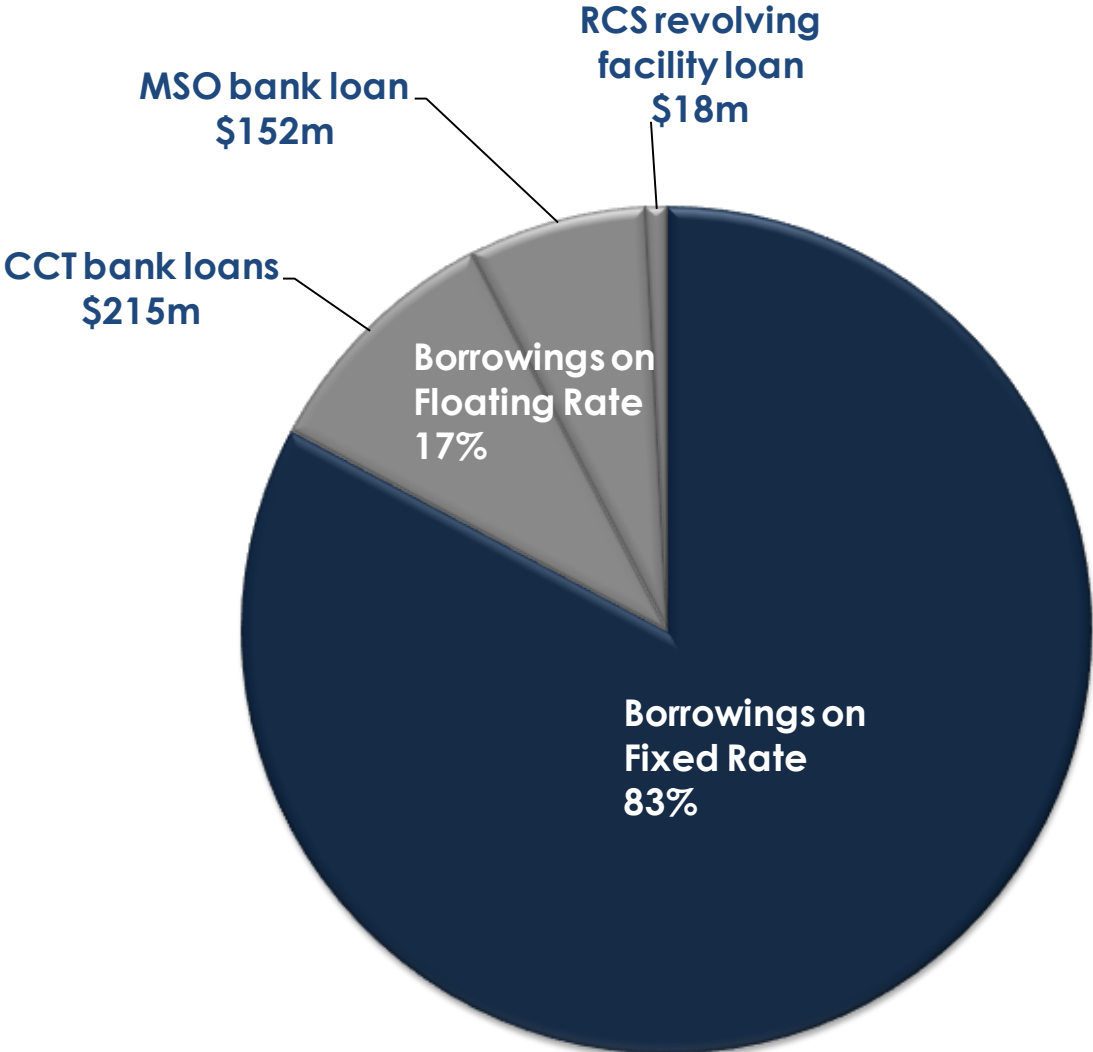
**Notes:**

- (1) Total gross debt of CCT Group includes CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust.
- (2) Gearing was computed based on total gross debt over total deposited properties which includes CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust.
- (3) JPY bond swapped to S\$





# 83% of fixed rate borrowings provides certainty of interest expense



# 3. CapitaGreen and Key Portfolio Information

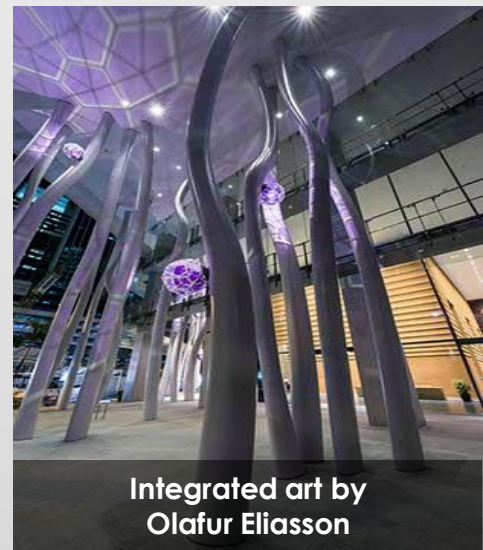
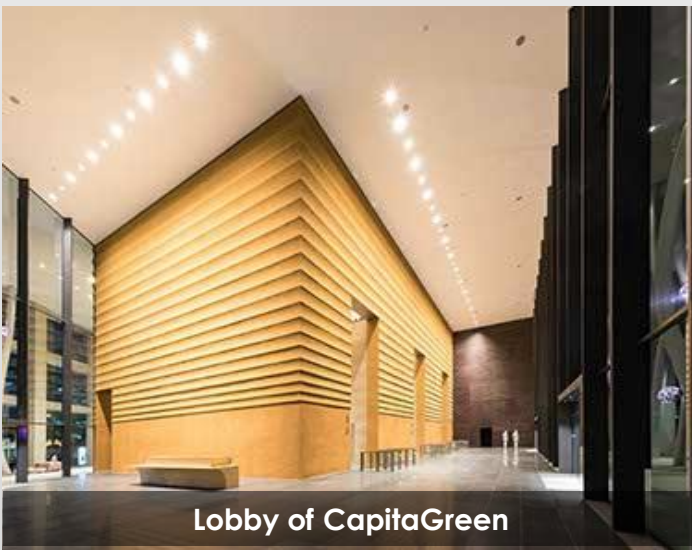


Six Battery Road, Singapore

# CapitaGreen obtained Temporary Occupation Permit and achieved commitment for 69.3% of NLA



- Status: Temporary Occupation Permit (TOP) issued on 18 Dec 2014
- Total Net Lettable Area: 702,000 sq ft
- No. of storeys: 40
- Committed Occupancy: 486,800 sq ft or 69.3%, exceeded target occupancy of 50%

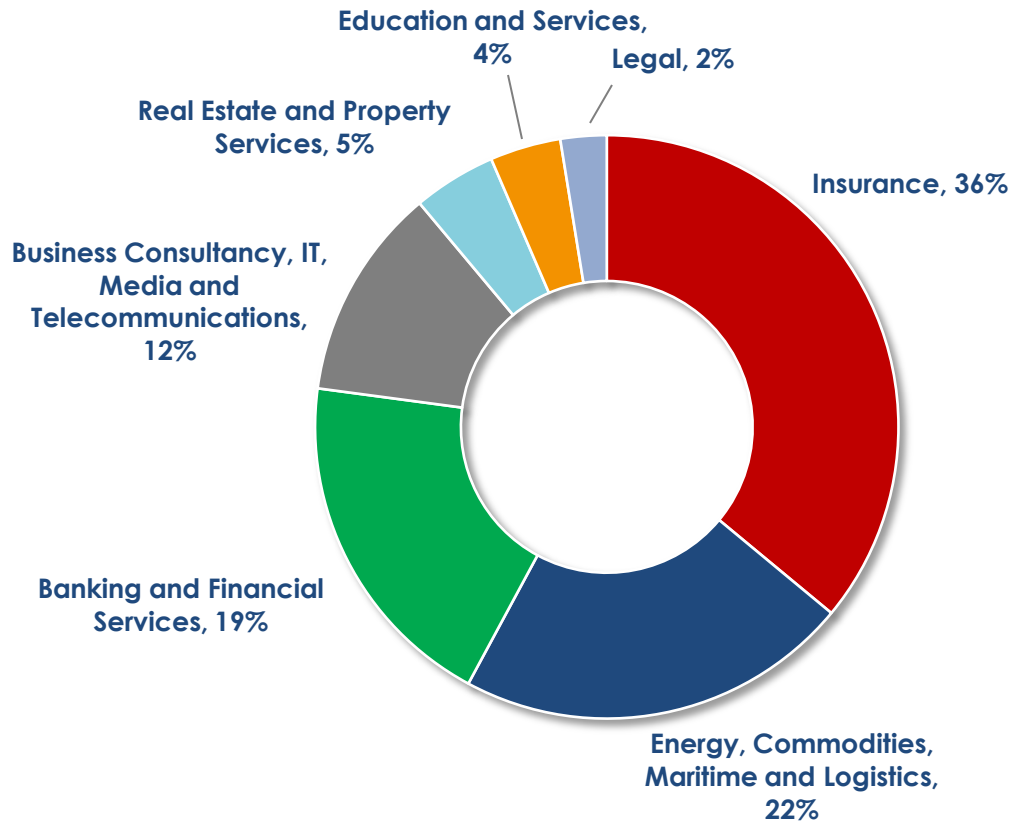




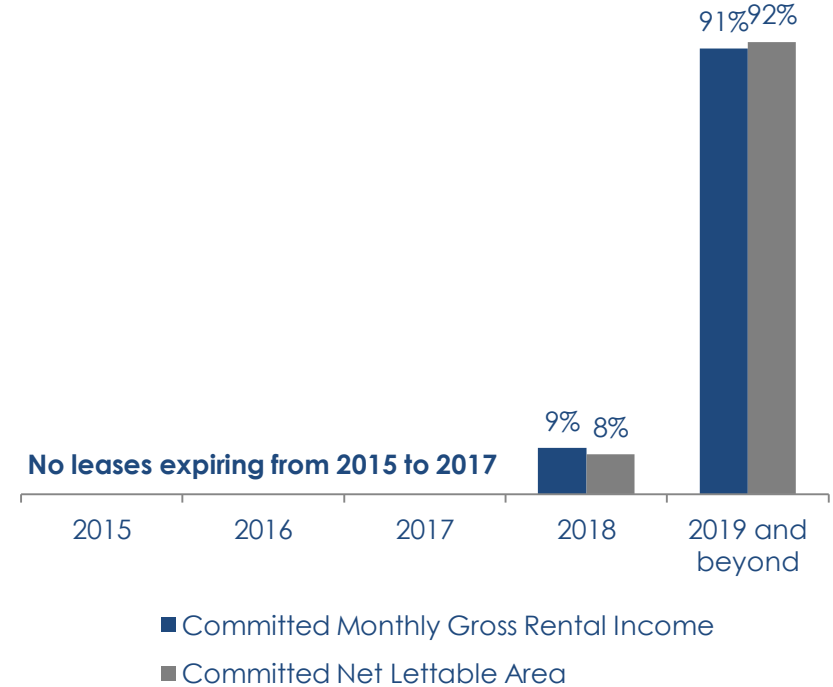
# CapitaGreen was 69.3% committed as at 31 Dec 2014

Committed tenants are on long term leases and predominantly from the Insurance, Banking and Financial Services sector

Tenant trade mix<sup>(1)</sup> for CapitaGreen



Lease expiry profile for CapitaGreen



Note:

(1) Based on net lettable area of new leases committed at CapitaGreen





# CapitaGreen: Completion on schedule



Wind scoop



Swimming Pool



Sky terrace

CCT's 40.0% interest	CCT's 40.0% interest in MSO Trust	Progress payment as at Dec 2014	Balance by progress payment <sup>(2)</sup>
MSO Trust's debt <sup>(1)</sup>	S\$356.0m	(\$328.0m)	S\$ 28.0m
Equity inclusive of shareholder's loan	S\$204.0m	(\$135.2m)	S\$ 68.8m
<b>Total</b>	<b>S\$560.0m</b>	<b>(\$463.2m)</b>	<b>S\$96.8m</b>

**Notes:**

- (1) MSO Trust has secured committed bank loan facilities of up to S\$890m (100% interest)
- (2) Ongoing capital requirement by progress payment until 2015

# Public art sculptures at CapitaGreen





# Potential acquisition pipeline of remaining 60.0%



## CapitaGreen 138 Market Street

- Total project development cost of S\$1.4 billion
- CCT owns 40.0% share of CapitaGreen
- Has call option to acquire balance 60.0% from JV partners
- Purchase price at market valuation
- Subject to minimum of development cost compounded at 6.3% p.a.
- Exercise period: within 3 years after completion (2015 to 2017)

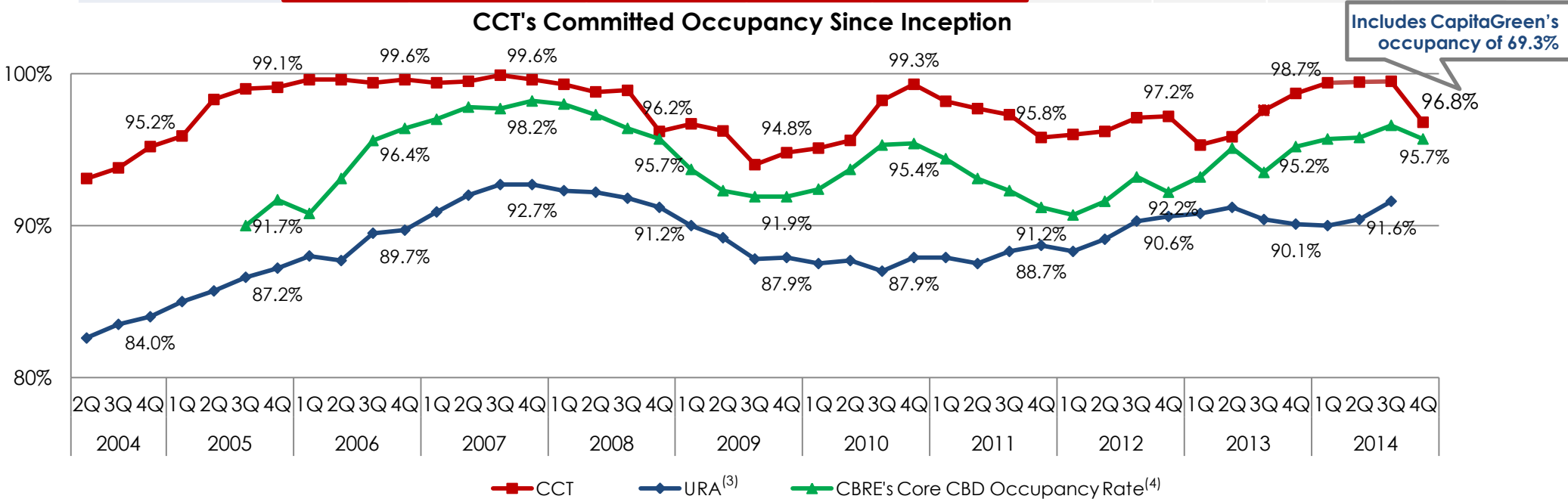




# CCT's portfolio occupancy of 96.8% above market occupancy of 95.7%

	CCT Committed Occupancy				Market Occupancy Level (2)				
		Including CapitaGreen (1)	Excluding CapitaGreen		Excluding CapitaGreen				
Grade A office	4Q 2014	95.4%	99.8%	3Q 2014	99.8%	4Q 2014	94.2%	3Q 2014	95.7%
Portfolio	4Q 2014	96.8%	99.5%	3Q 2014	99.4%	4Q 2014	95.7%	3Q 2014	96.6%

CCT's Committed Occupancy Since Inception



- Notes:**
- (1) Including CapitaGreen's occupancy of 69.3% as at 31 Dec 2014. CapitaGreen was completed on 18 Dec 2014.
  - (2) Source: CBRE Pte. Ltd.
  - (3) Source: URA. URA has not released Occupancy Index Figure for 4Q 2014
  - (4) Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q 2005 onwards





# Overall positive rental reversions for CCT's Grade A office leases committed in 4Q 2014

S\$ psf per month	Average Expired Rents	Committed Rents <sup>(1)</sup>	Sub-Market	Market Rents of Comparative Sub-Market	
				Colliers <sup>(2)</sup>	DTZ <sup>(3)</sup>
CapitaGreen	-	9.80 – 16.00	Premium Grade Raffles Place	11.93	10.80
Six Battery Road	11.23	11.40 – 14.20	Grade A Raffles Place	10.25	10.80
One George Street	10.00	10.20 – 11.90	Grade A Raffles Place	10.25	10.80

**Notes:**

(1) Renewal/new leases committed in 4Q 2014

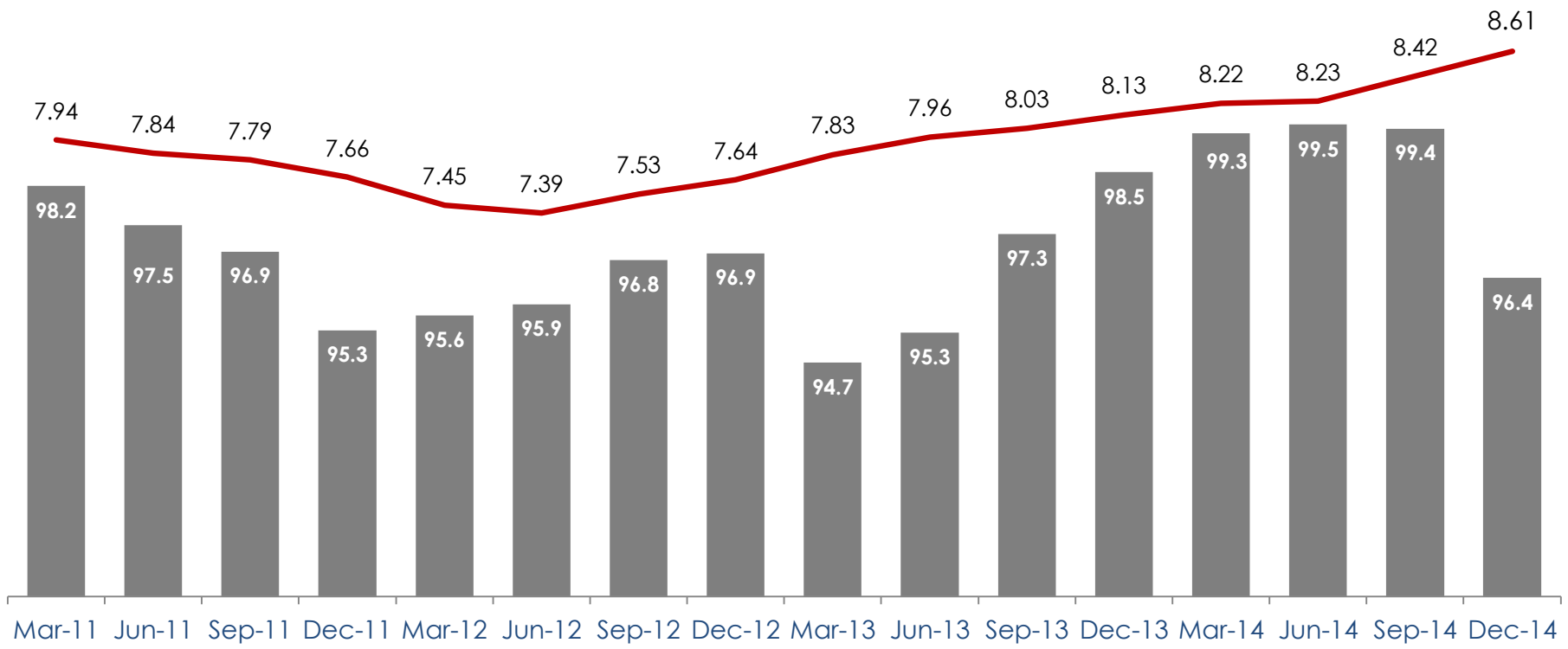
(2) Source: Colliers International 4Q 2014

(3) Source: DTZ 4Q 2014. DTZ do not have a premium grade classification

(4) CBRE Pte. Ltd.'s 4Q 2014 Grade A rent is S\$11.20 psf per month and they do not publish sub-market rents



# Monthly average office rent of CCT's portfolio<sup>(1)(2)</sup> up by 5.9% over 12-month period



■ Committed occupancy of office portfolio (%)

— Average gross rent per month for office portfolio (\$/psf)

**Notes:**

(1) Average rent per month for office portfolio (\$/psf) =  $\frac{\text{Total committed gross rent for office per month}}{\text{Committed area of office per month}}$

(2) Includes 40.0% interest in CapitaGreen with effect from Dec 2014



A low-angle photograph of the Raffles City Singapore building. The image shows the glass facade of the building, with the 'Raffles City' logo prominently displayed in large, dark letters with a green underline. Above it, the 'Capita Commercial Trust' and 'Capita Mall Trust' logos are visible. The building is set against a blue sky with scattered white clouds.

## 4. Solid Portfolio (excluding CapitaGreen information)



# Higher retention rate supported CCT's full occupancy<sup>(1)</sup>

- In 2014, CCT signed approximately 900,000 square feet of new leases and renewals, of which 15% are new leases.
- The above include retail space of approximately 203,000 square feet.
- 2014's tenant retention rate<sup>(2)</sup> was 86% compared to 2013's 67%.
- CCT portfolio occupancy excluding CapitaGreen increased to 99.5% as at 31 Dec 2014 compared to 98.7% as at 31 Dec 2013.

**Notes:**

(1) Excludes CapitaGreen

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



# Active portfolio leasing activities for CCT<sup>(1)</sup>

	New and renewed leases signed in 2014				
Quarter	1Q	2Q	3Q	4Q	FY2014
Area (sf)	242,000	97,000	131,000	430,000	900,000

- For 4Q 2014, new and renewed tenants include:

Tenant	Trade Sector	Building
GIC Private Limited.	Banking, Insurance and Financial Services	Capital Tower
Robert Walters (Singapore) Pte Ltd	Business Consultancy	Six Battery Road
Egon Zehnder International Pte Ltd	Business Consultancy	Six Battery Road
D'Amico Shipping Singapore Pte Ltd	Maritime	Six Battery Road
RedPine Capital International Holdings Pte. Ltd.	Banking, Insurance and Financial Services	Six Battery Road
Ashmore Investment Management (Singapore) Pte. Ltd.	Banking, Insurance and Financial Services	One George Street

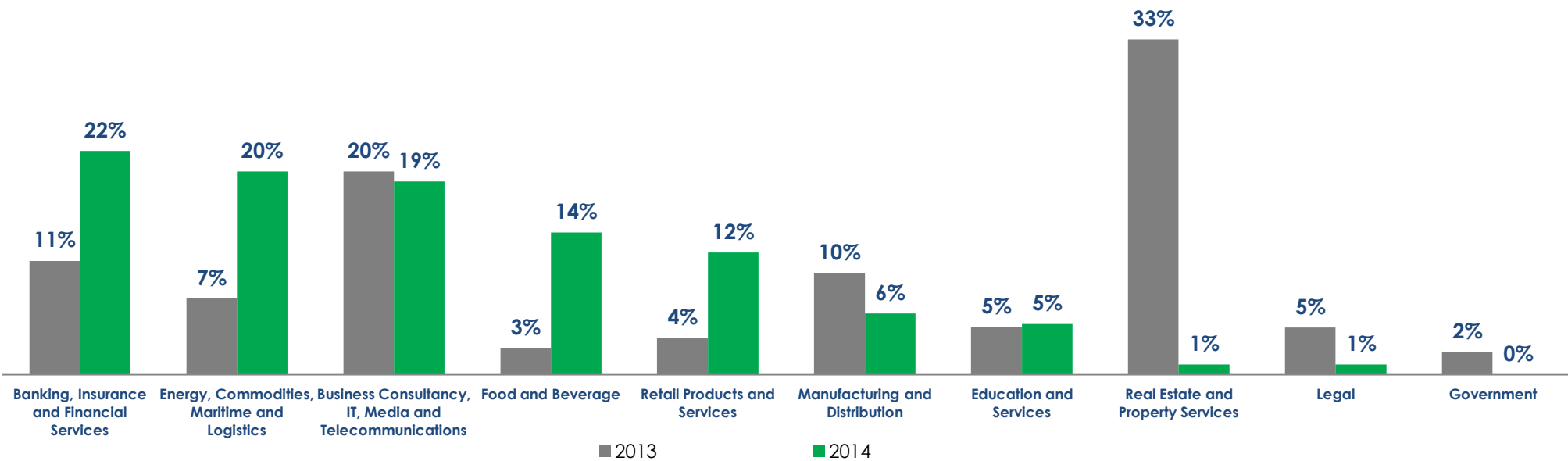
Note:

(1) Excludes CapitaGreen



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

Trade mix of new leases signed in 2014 compared to 2013<sup>(1)</sup>



Note:

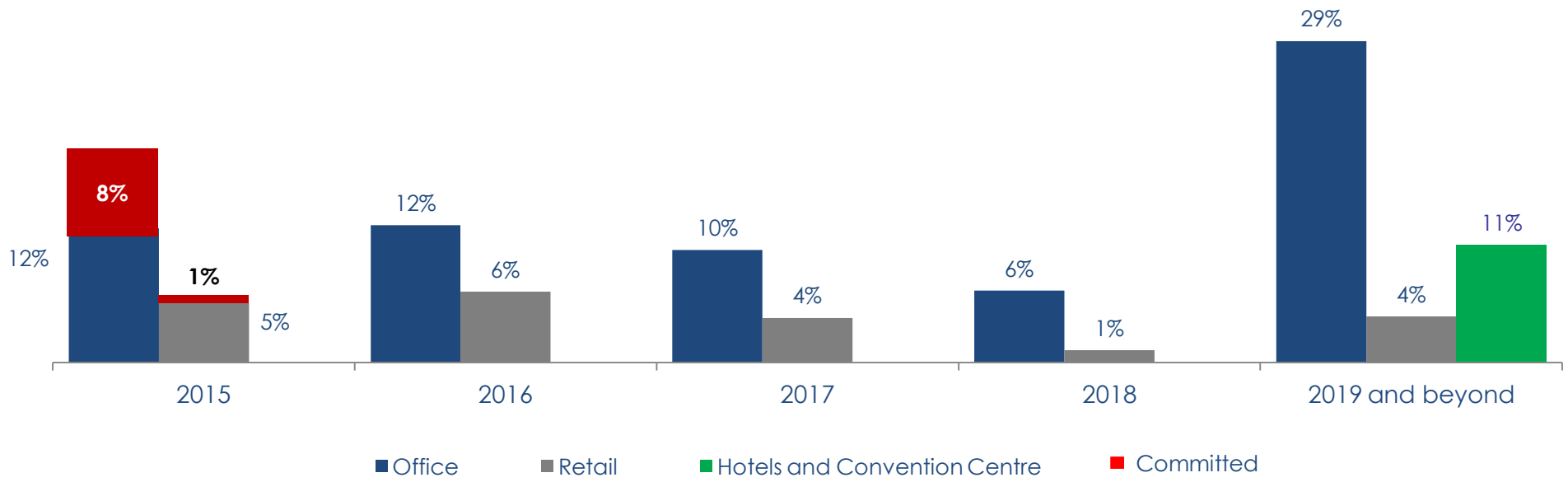
(1) Based on net lettable area of new leases committed using 100% basis for Raffles City Singapore and excluding CapitaGreen





# Well spread portfolio lease expiry profile

Lease expiry profile as a percentage of monthly gross rental income<sup>(1)</sup> for Dec 2014



**Portfolio WALE<sup>(2)</sup> by NLA as at end Dec 2014 = 8.1 years**

**Notes:**

- (1) Excludes retail and hotel turnover rent and CapitaGreen
- (2) WALE: Weighted Average Lease term to Expiry

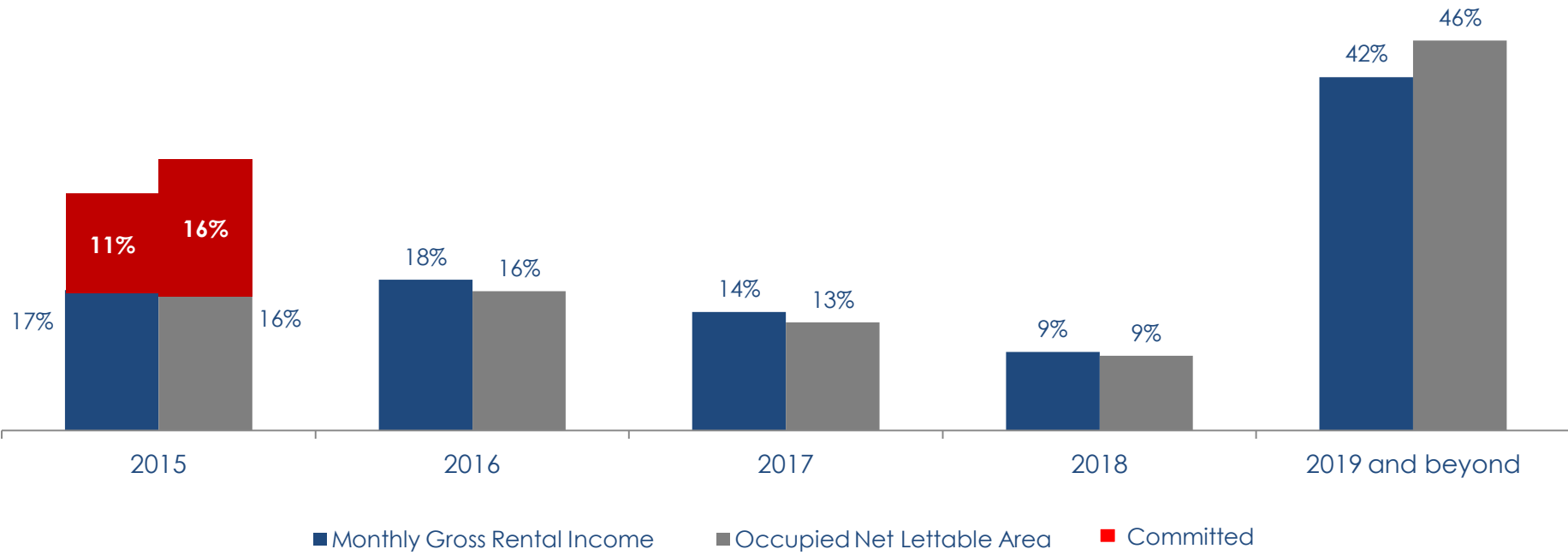






# Low lease expiries during period of expected increase in office supply

Office lease expiry<sup>(1)</sup> profile as a percentage of net lettable area and monthly gross rental income for Dec 2014



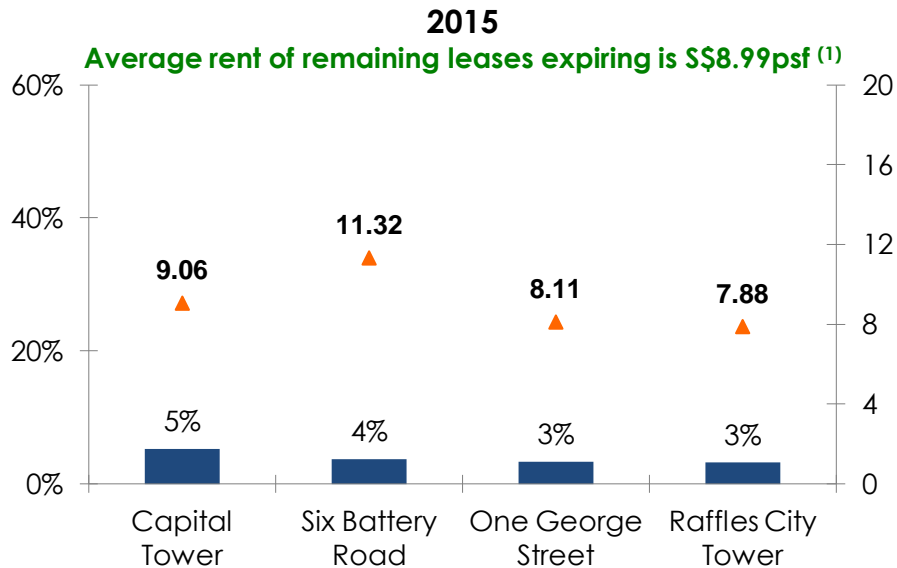
**Note:**  
(1) Excludes CapitaGreen





# Lower 2015 lease expiries compared to 3Q 2014, due to proactive renewals of key tenants

4Q 2014 Industry Statistics <sup>(1)</sup> –  
Grade A Office Average Market Rent: S\$11.20 psf per month



Period	1H 2015		2H 2015	
	% of Expiring Leases	Rental Rates of Expiring Leases	% of Expiring Leases	Rental Rates of Expiring Leases
Capital Tower	3.1%	\$10.15	2.2%	\$7.85
Six Battery Road	0.9%	\$10.93	2.9%	\$11.45
One George Street	1.8%	\$8.54	1.5%	\$7.63
Raffles City Tower	0.3%	\$9.78	2.9%	\$7.71
<b>Total / Weighted Average<sup>(2)</sup></b>	<b>6.1%</b>	<b>\$9.68</b>	<b>9.5%</b>	<b>\$8.59</b>

- ▲ Average monthly gross rental rate for expiring leases (S\$ psf / month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

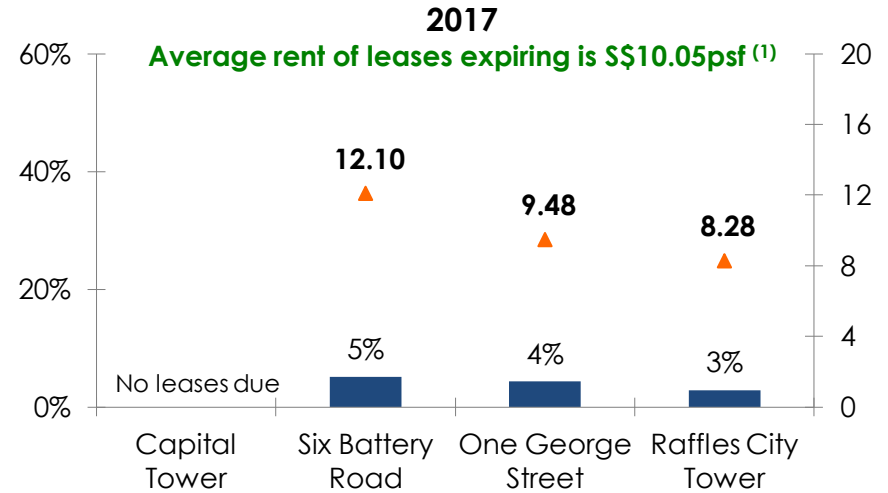
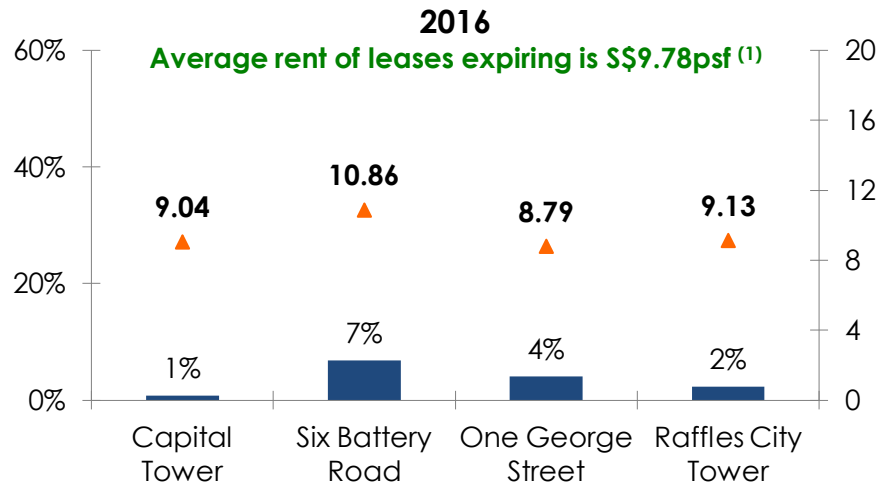
**Notes:**

- (1) Source: CBRE Pte. Ltd. as at 4Q 2014
- (2) Percentages may not add up due to rounding





# Continue to renew leases ahead of expiries



- ▲ Average monthly gross rental rate for expiring leases (S\$ psf/month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Note:**

(1) 3 Grade A buildings and Raffles City Tower only

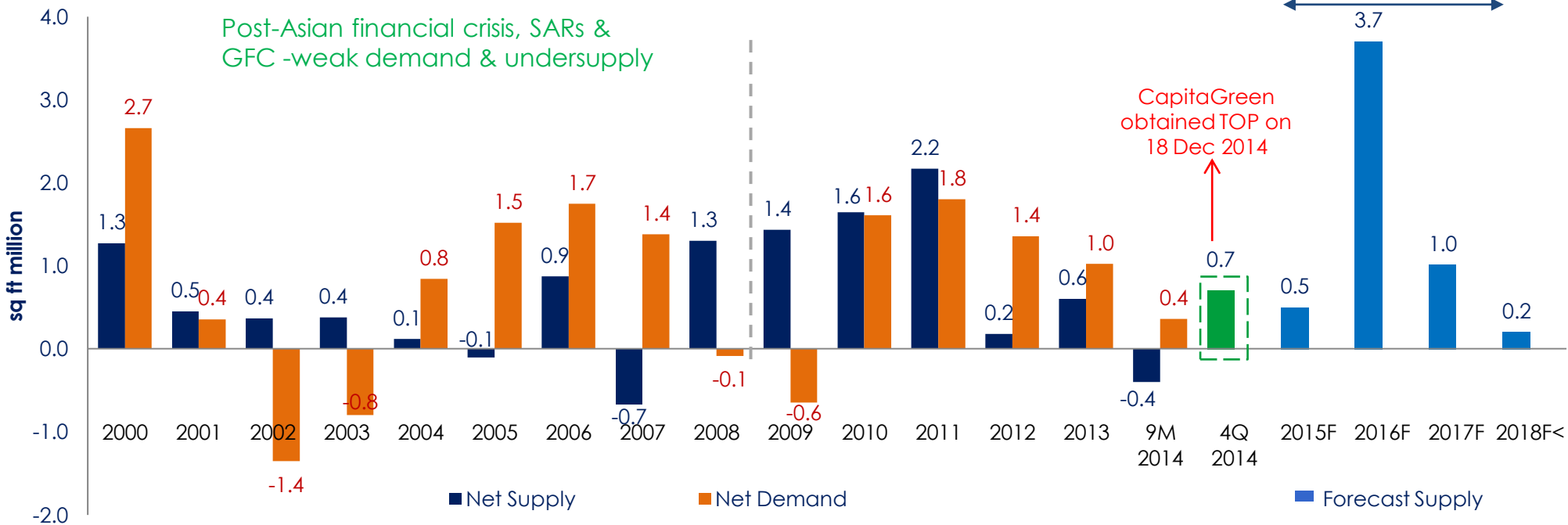
# 5. Positive Singapore Office Market



# Limited new supply in CBD in 2015; CBD Core occupancy at 95.7% as at end Dec 2014

## Singapore Private Office Space (Central Area) – Net Demand & Supply

Forecast average annual gross new supply (2015 to 2019): 1.1 mil sq ft



Periods	Average annual net supply	Average annual net demand
2004 – 2013 (through 10-year property market cycles)	0.8m sq ft	1.1m sq ft
2009 – 2013 (five years period during and post GFC)	1.2m sq ft	1.0m sq ft
2015 – 2019 (gross supply)	1.1m 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 3Q 2014 (4Q 2014 data from URA not released yet); Forecast supply from Jones Lang LaSalle and CBRE Pte. Ltd.



# Known Future Office Supply in Central Area (2015 – 2018<)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
2015	South Beach Development (about 80-90% committed – reported by DTZ, Dec 2014)	Beach Road/City Hall	523,214
		<b>Subtotal (2015):</b>	<b>523,214</b>
2016	Marina One	Marina Bay	1,880,000
3Q 2016	DUO	Bugis	570,000
3Q 2016	Guoco Tower	Tanjong Pagar	900,000
4Q 2016	V on Shenton (Former UIC Building at 5 Shenton Way)	Shenton Way	285,000
4Q 2016	Robinson Square (Redevelopment of The Corporate Building)	Robinson Road	35,355
		<b>Subtotal (2016):</b>	<b>3,670,355</b>
1Q 2017	Robinson Tower	Robinson Road	128,000
2017	SBF Centre (Strata Office)	Shenton Way	235,400
4Q 2017	Fraser's Cecil Street Development	Shenton Way	645,000
		<b>Subtotal (2017):</b>	<b>1,008,400</b>
2018 and beyond	Oxley Tower (Strata Office)	Shenton Way	111,713
2018 and beyond	EON Shenton (Redevelopment of Marina House) (Strata Office)	Shenton Way	103,021
		<b>Subtotal (2018 and beyond):</b>	<b>214,734</b>
<b>TOTAL FORECAST SUPPLY (2015-2018&lt;)</b>			<b>5,416,703</b>
<b>Total forecast supply excluding strata offices</b>			<b>4,966,569</b>

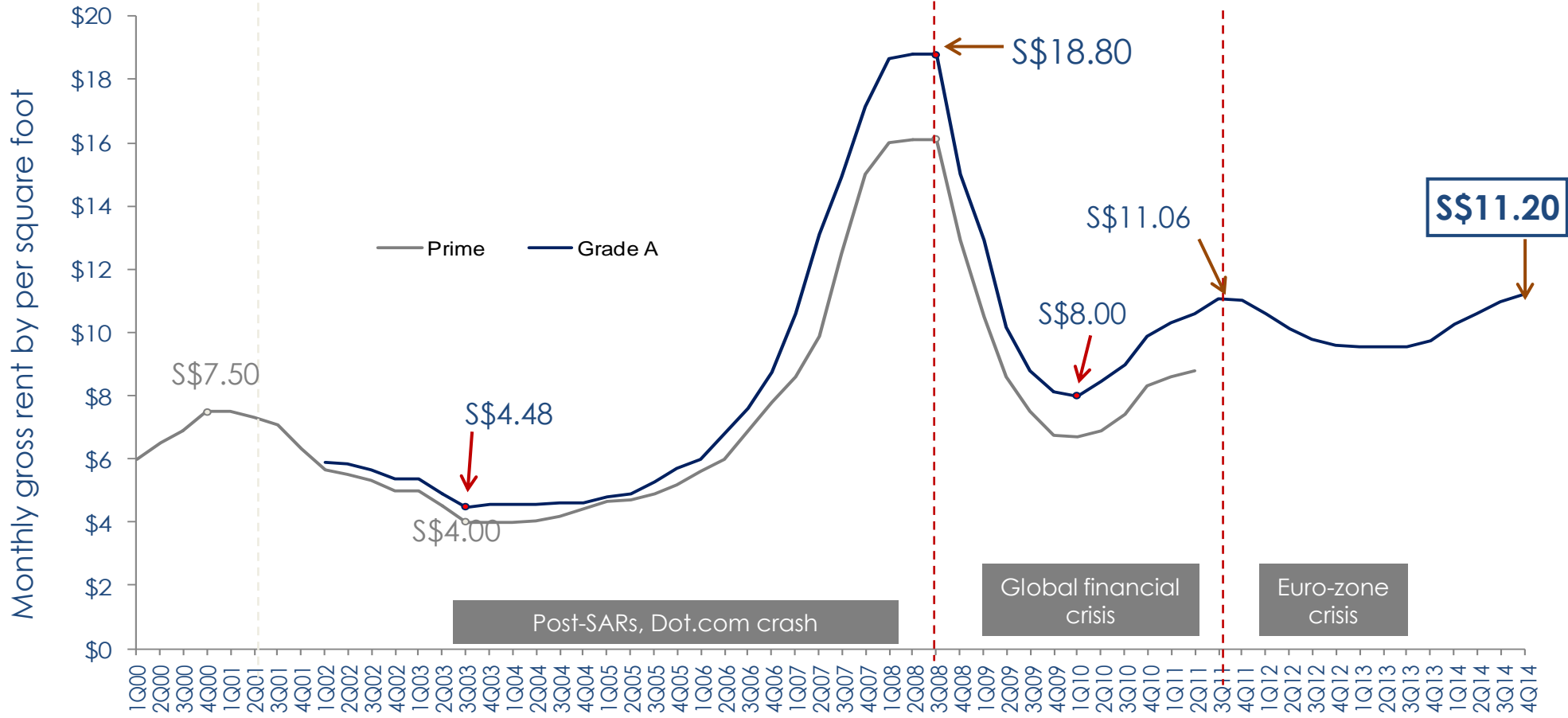
**Note:**  
 (1) Source: URA, Jones Lang LaSalle Research, 24 Oct 2014





# Grade A office market rent grew by 14.9% YoY

	4Q 13	1Q 14	2Q 14	3Q 14	4Q 14*
Mthly rent (S\$ / sq ft)	9.75	10.25	10.60	10.95	<b>11.20</b>
% change	+2.1%	+5.1%	+3.4%	+3.3%	<b>+2.3%</b>



\*No historical data for Grade A rents prior to 2002.

Source of data: CBRE Pte. Ltd. (figures as at end of each quarter). CBRE no longer tracks prime rents from 3Q 2011.



# 6. Summary

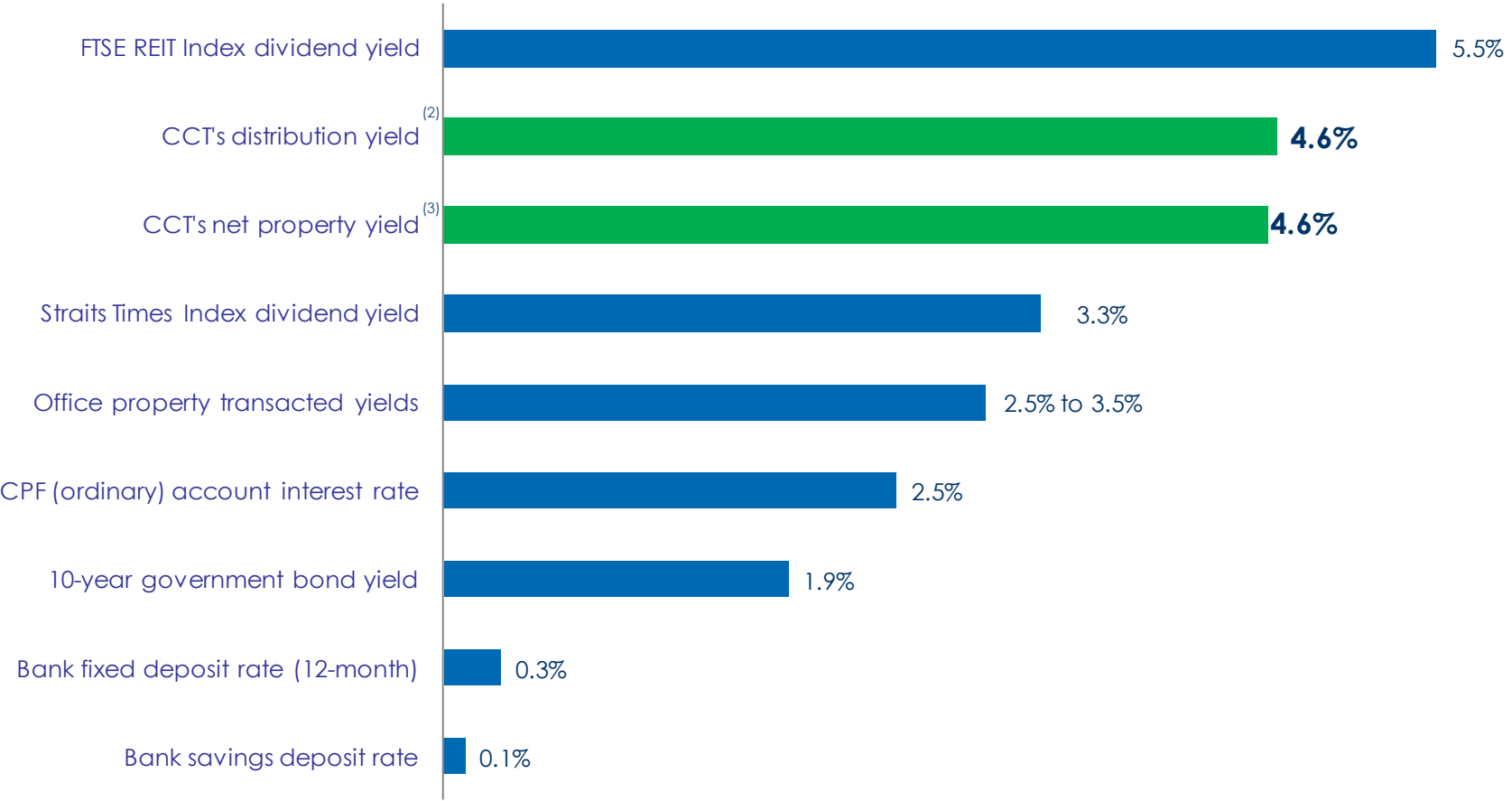
Raffles City

Raffles City Singapore





# Attractive yield compared to other investments<sup>(1)</sup>

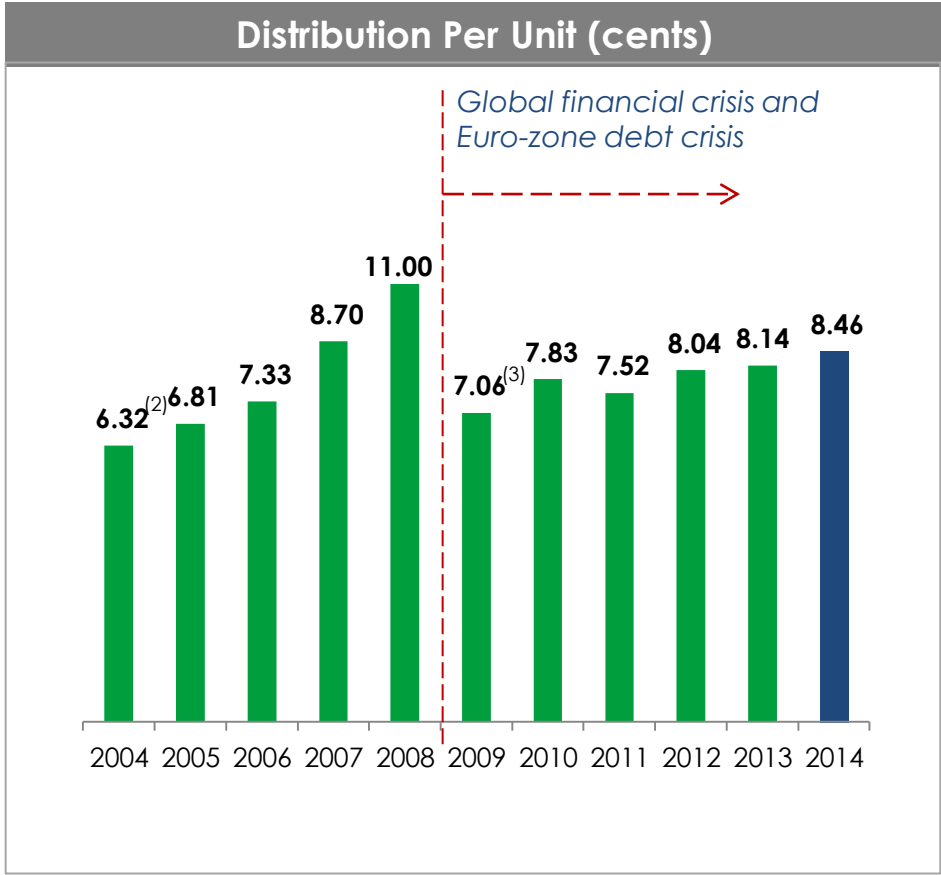
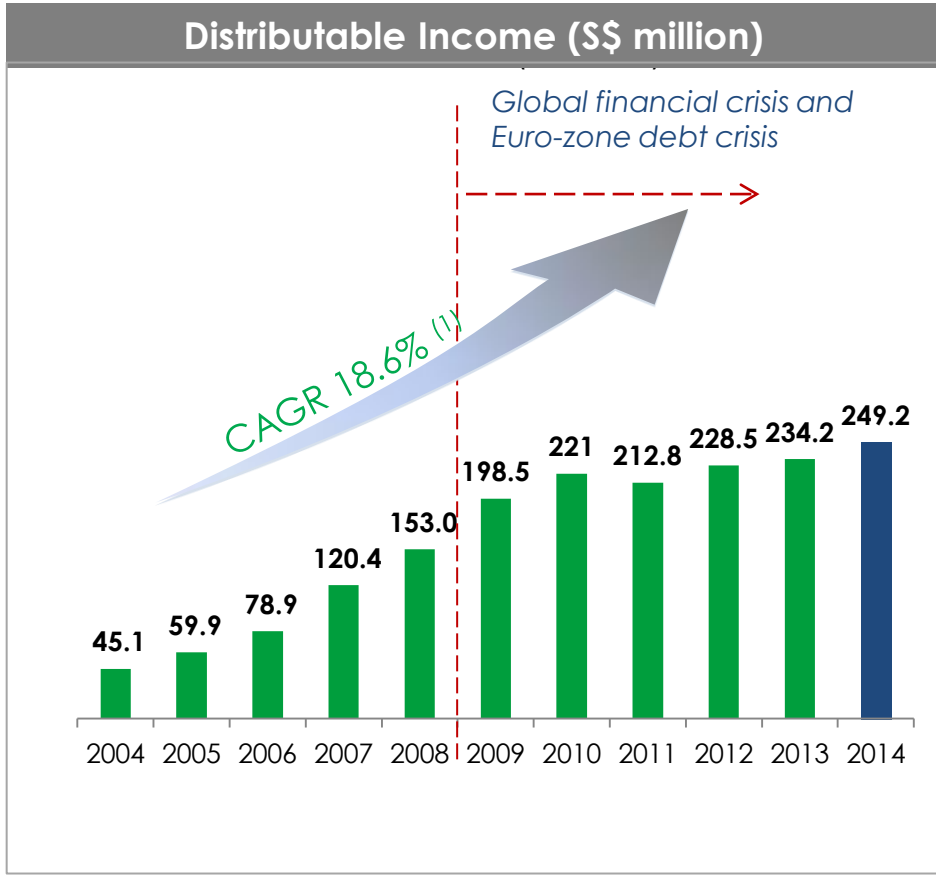


**Notes:**  
(1) All information as at 31 Dec 2014 except for FTSE REIT Index, STI and 10-year government bond yield which are as at 20 Jan 2015. Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities, CBRE Pte. Ltd.  
(2) CCT Group distribution yield is based on FY 2014 DPU of 8.46 cents over closing price of S\$1.835 as at 20 Jan 2015  
(3) CCT Group (including RCS Trust and excluding CapitaGreen) net property yield based on FY 2014 net property income and Dec 2014 valuation





# CCT delivered higher returns



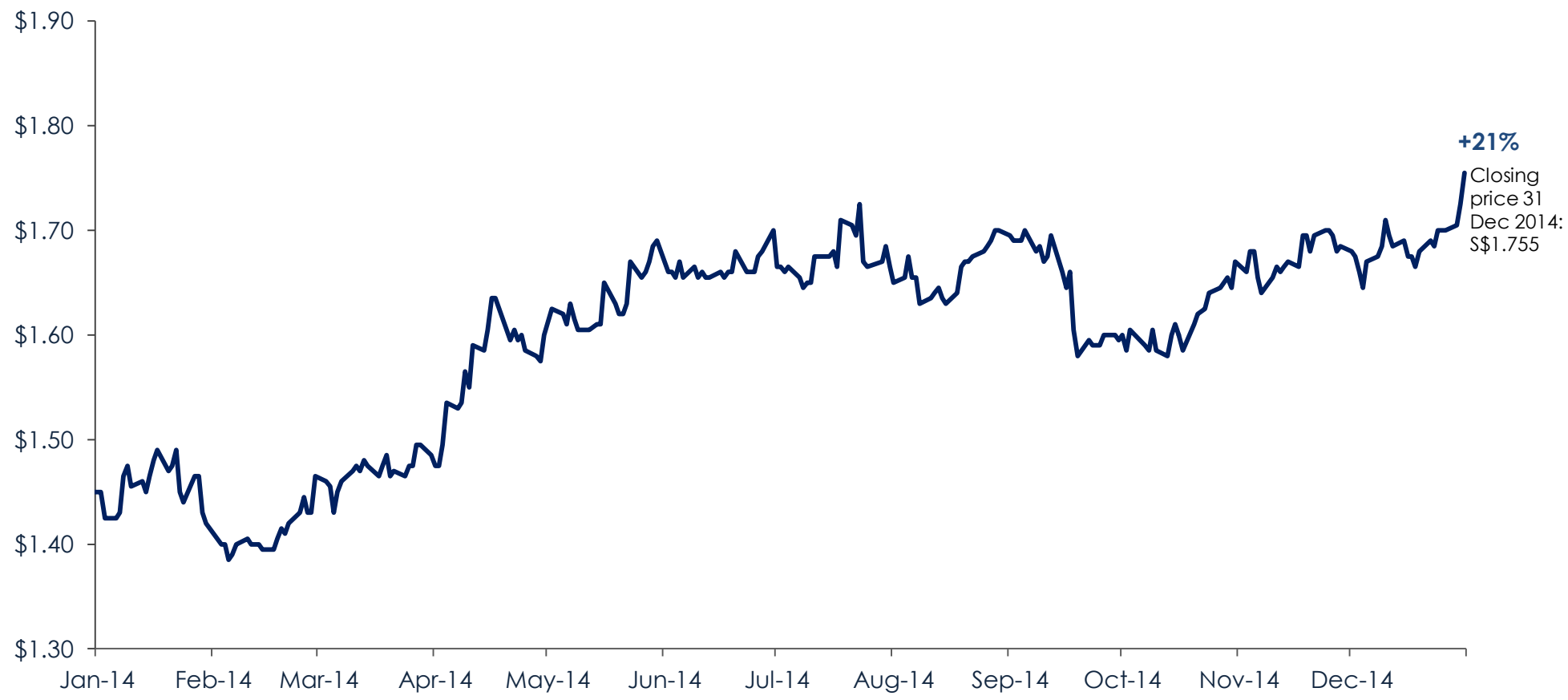
**Notes:**

- (1) CAGR: Compounded Annual Growth Rate; After taking into consideration the issue of rights units in July 2009
- (2) Annualised
- (3) After taking into consideration the issue of rights units in July 2009



# CCT records total return of 26.9% for FY 2014<sup>(1)</sup>

CCT's trading price increased 21% from 31 Dec 2013 to 31 Dec 2014



**Note:**

(1) 
$$\text{Total Return} = \frac{\text{Capital appreciation in 2014} + \text{FY2014 DPU}}{\text{Closing price as of 31 Dec 2013}} \times 100\%$$





# Well positioned for opportunities

- ✓ Limited supply in Singapore office market
- ✓ Office leases contributing 12% of portfolio gross rental income up for renewal in 2015
- ✓ CapitaGreen secures lease commitment for 69.3% of total NLA
- ✓ CCT has debt headroom of S\$1.3 billion assuming 40% gearing
- ✓ Acquisition pipeline: Call option to buy 60.0% interest in CapitaGreen within 3 years (2015-2017) after completion
- ✓ Ability to deploy development capacity up to S\$760 million



CCT owns 40.0% of CapitaGreen



# CCT 2H 2014 Distribution Details

<b>Distribution period</b>	1 July to 31 December 2014
<b>Estimated DPU <sup>(1)</sup></b>	Taxable - <b>4.19</b> cents Tax-exempt - <b>0.05</b> cents
<b>Books Closure Date</b>	Thursday, 29 January 2015
<b>Distribution Payment Date</b>	Wednesday, 25 February 2015

Note:

(1) The estimated DPU was computed on the basis that none of the CB 2017 is converted into units on or before the books closure date. Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into units on or before the books closure date.



**CapitaCommercial**  
Trust

# Thank you

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

**CapitaCommercial 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

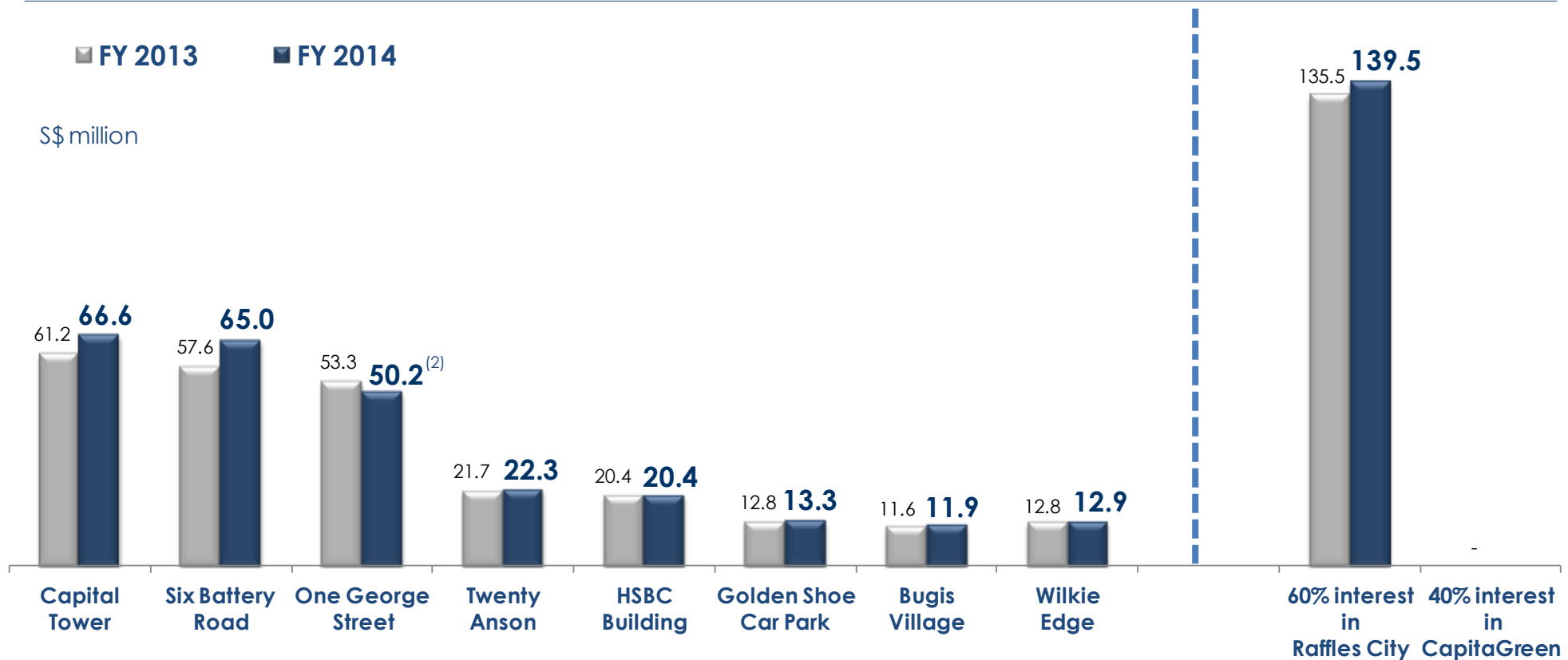
# 7. Supplementary Information

Raffles City Singapore



# FY 2014 revenue by property

- Increased 4.4% YoY (excludes CCT's 60.0% interest in Raffles City)<sup>(1)</sup>
- Revenue for all properties improved YoY except for One George Street



### Notes:

(1) CCT group has adopted FRS 111 Joint Arrangements whereby interest in RCS Trust and MSO Trust were accounted for using equity method.

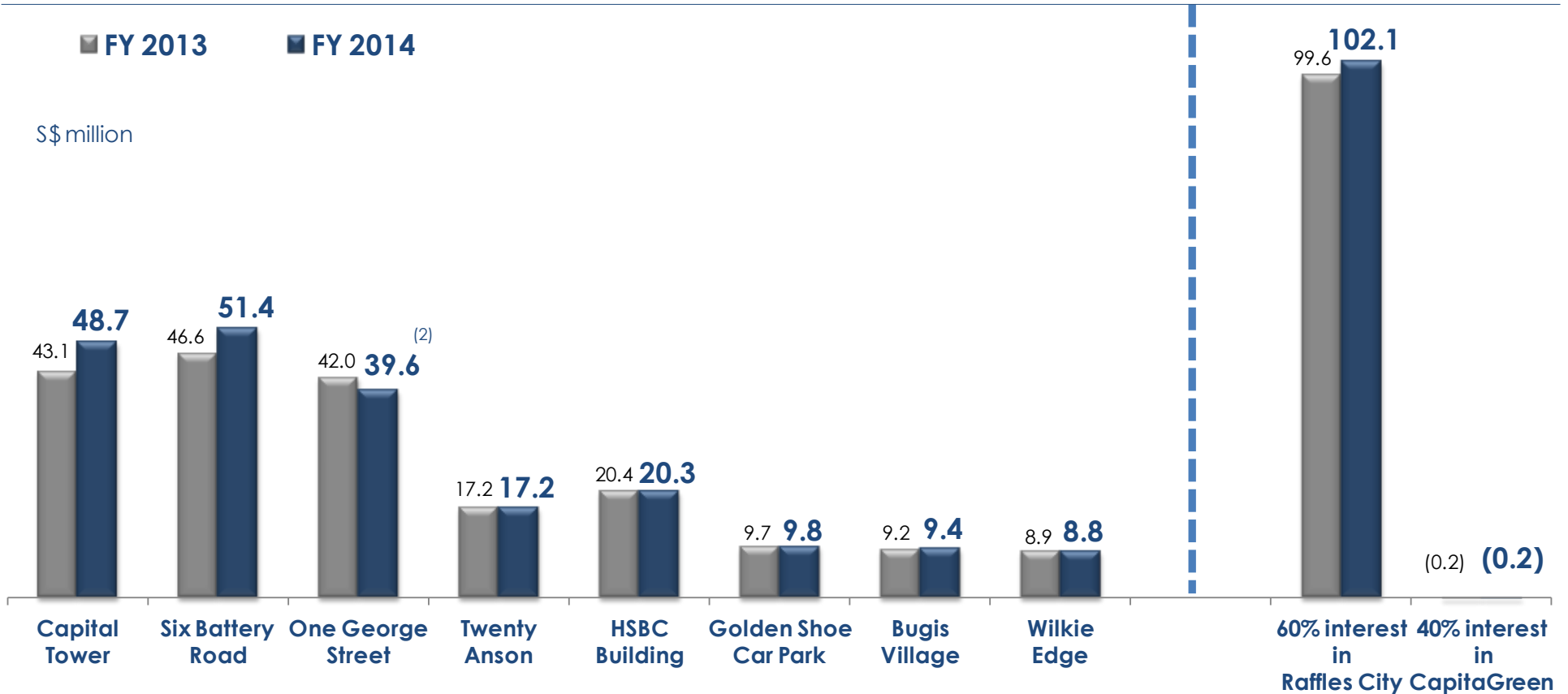
(2) Due to the cessation of yield protection income on 10 July 2013.





# FY 2014 NPI by property

Increased 4.1% YoY (excludes CCT's 60.0% interest in Raffles City)<sup>(1)</sup>



### Notes:

(1) CCT group has adopted FRS 111 Joint Arrangements whereby interest in RCS Trust and MSO Trust were accounted for using equity method.

(2) Due to absence of yield protection income. In January 2014, CCT shared that the year-on-year decline for One George Street's NPI expected to be no more than S\$4.5 million. Actual difference was S\$2.4 million.





# Portfolio committed occupancy rate<sup>(1)</sup> consistently above 90%

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014
Capital Tower	94.5	100.0	100.0	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Six Battery Road	97.5	99.5	100.0	99.9	98.6	99.2	99.7	85.4 <sup>(2)</sup>	93.0 <sup>(2)</sup>	98.6 <sup>(2)</sup>	99.2	99.2	99.2	99.2
Bugis Village	92.9	92.1	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	98.3	96.6	95.7	94.8
Golden Shoe Car Park	100.0	85.4	98.0	96.4	100.0	100.0	95.2	100.0	100.0	94.6	96.9	97.1	100.0	100.0
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	99.9	99.9	100.0
Wilkie Edge <sup>(3)</sup>					52.5	77.9	98.4	98.4	93.9	99.6	99.6	98.7	98.2	100.0
One George Street					100.0	96.3	100.0	93.3	92.5	95.5	100.0	100.0	100.0	100.0
Twenty Anson									100.0	98.1	95.0	97.8	97.8	97.8
CapitaGreen (40% interest) <sup>(4)</sup>								NA	NA	NA	NA	NA	NA	69.3
<b>Portfolio Occupancy</b>	<b>95.2</b>	<b>99.1</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>99.4</b>	<b>99.4</b>	<b>99.4</b>	<b>96.8</b>

Notes:

- (1) For years 2004 to 2009, portfolio occupancy rate includes Starhub Centre and Robinson Point which were divested in 2010
- (2) Six Battery Road's AEI has been completed in Dec 2013
- (3) Wilkie Edge is a property legally completed in Dec 2008
- (4) CapitaGreen is a Grade A office tower on the former site of Market Street Car Park. It obtained TOP on 18 Dec 2014
- (5) Portfolio occupancy rate excluding CapitaGreen as at 31 Dec 2014 is 99.5%

# Capital Tower AEI: Work in progress

Target return on investment of 7.8% with budget of \$40m

## Works Completed

- ✓ Main lobby upgraded
- ✓ Mezzanine lobby upgraded
- ✓ Chillers replaced and upgraded
- ✓ Turnstiles and self registration kiosks in operation
- ✓ VIP lift and VIP lift lobbies upgraded

## Upper lift lobbies upgrade

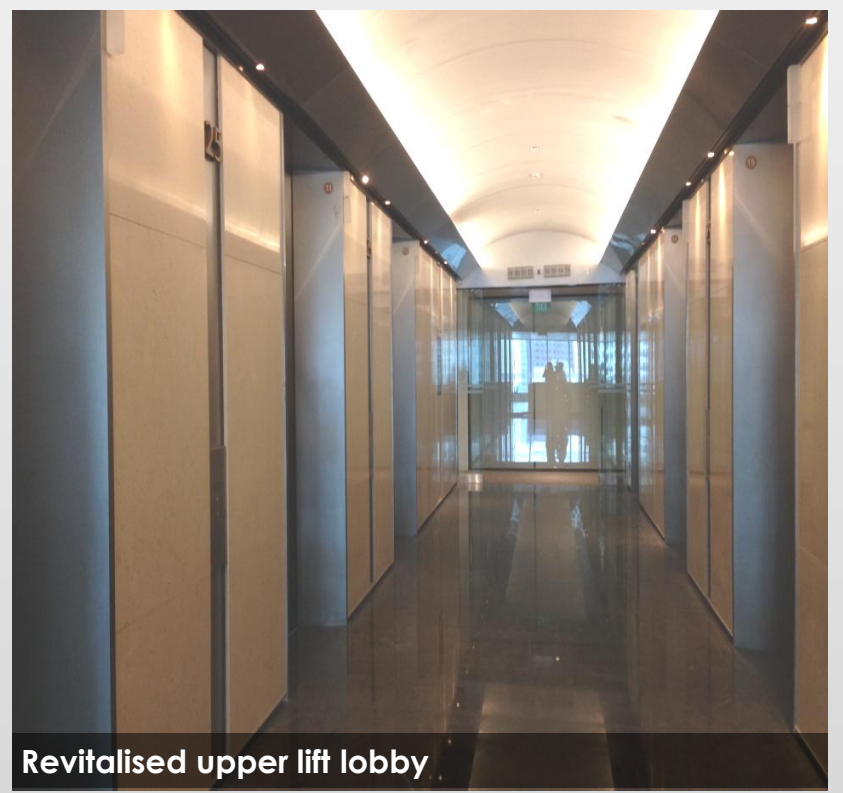
5 floors from Dec 2014 to Jan 2015

AEI on schedule for completion on  
**4Q 2015**

**100%**  
Committed occupancy  
as at 31 Dec 2014

**S\$26.3 m** paid to date

Restroom Upgrade  
Completed **35** out of **40** floors



Revitalised upper lift lobby



# CapitaCommercial Trust

First and Largest Listed Commercial REIT in Singapore (11 May 2004)

<b>S\$5.4b#</b> Market Capitalisation	<b>10</b> Properties in Singapore's Central Area	<b>S\$7.6b*</b> Deposited Properties	<b>3.2m sq ft</b> NLA	<b>32%</b> Owned by CapitaLand Group	<b>30%</b> Stake in Quill Capita Trust
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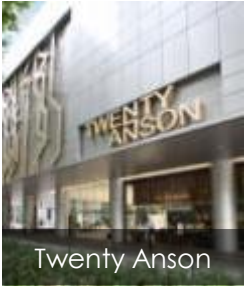
Capital Tower



Wilkie Edge



HSBC Building



Twenty Anson



One George Street



Six Battery Road



CapitaGreen (40% stake)



Golden Shoe Car Park



Raffles City Singapore (60% stake)



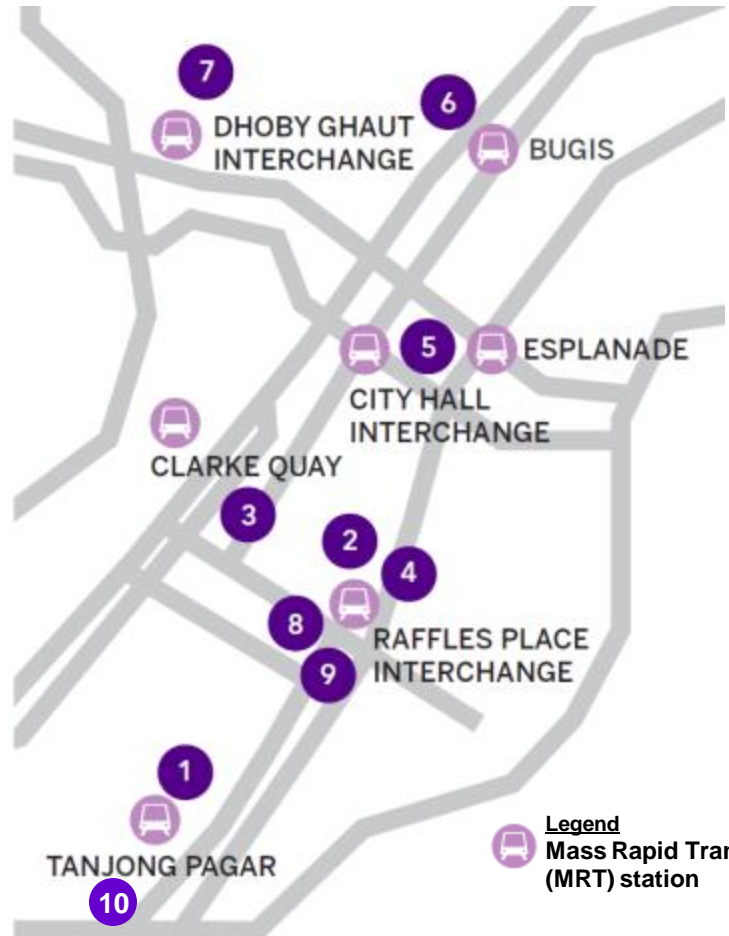
Bugis Village

# Market Capitalisation as at 20 Jan 2015  
\* Deposited Properties as at 31 Dec 2014





# Owns 10 centrally-located quality commercial properties

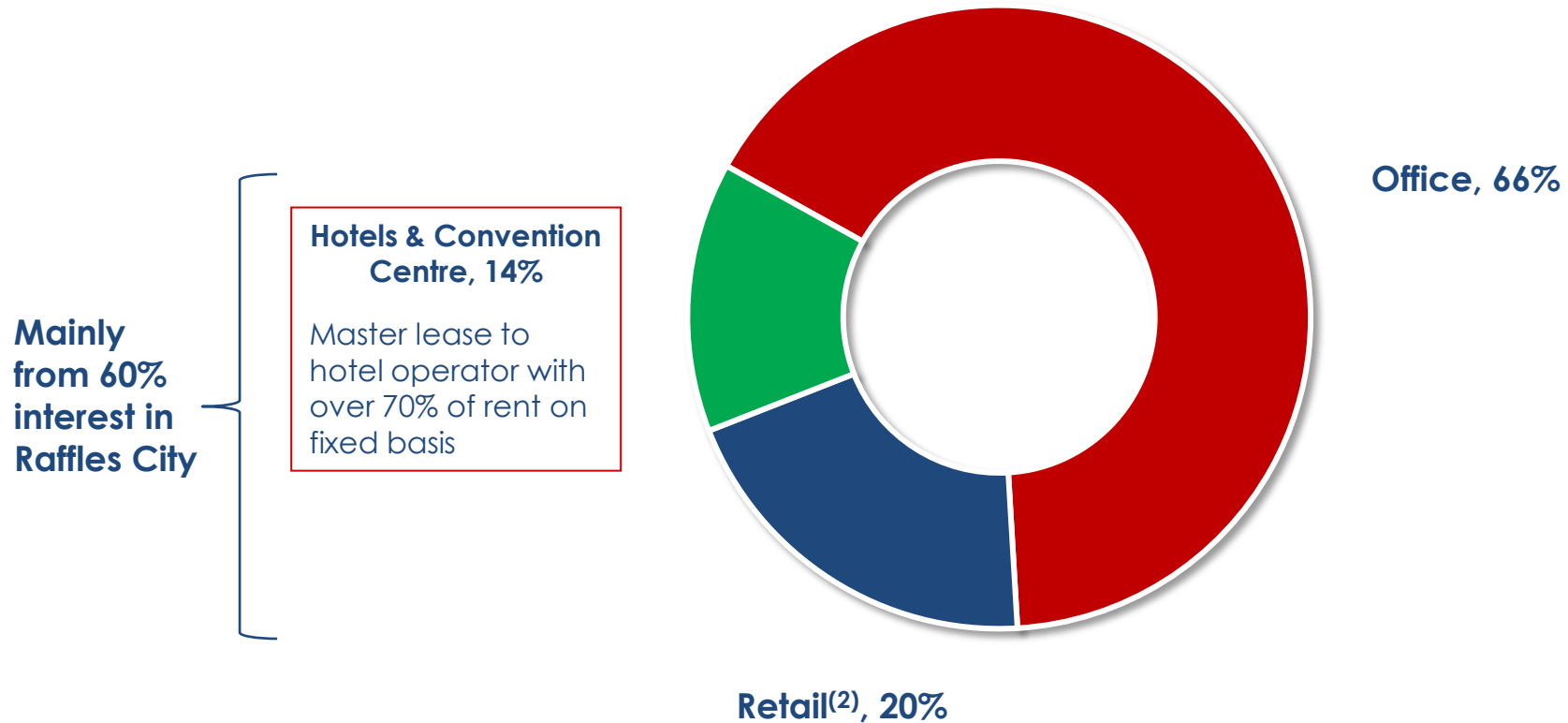


- 1. Capital Tower
- 2. Six Battery Road
- 3. One George Street
- 4. HSBC Building
- 5. Raffles City Singapore
- 6. Bugis Village
- 7. Wilkie Edge
- 8. Golden Shoe Car Park
- 9. CapitaGreen (completed on 18 Dec 2014)
- 10. Twenty Anson



# 66% of gross rental income<sup>(1)</sup> contributed by office and 34% by retail and hotel & convention centre

## CCT's income contribution by sector



**Notes:**

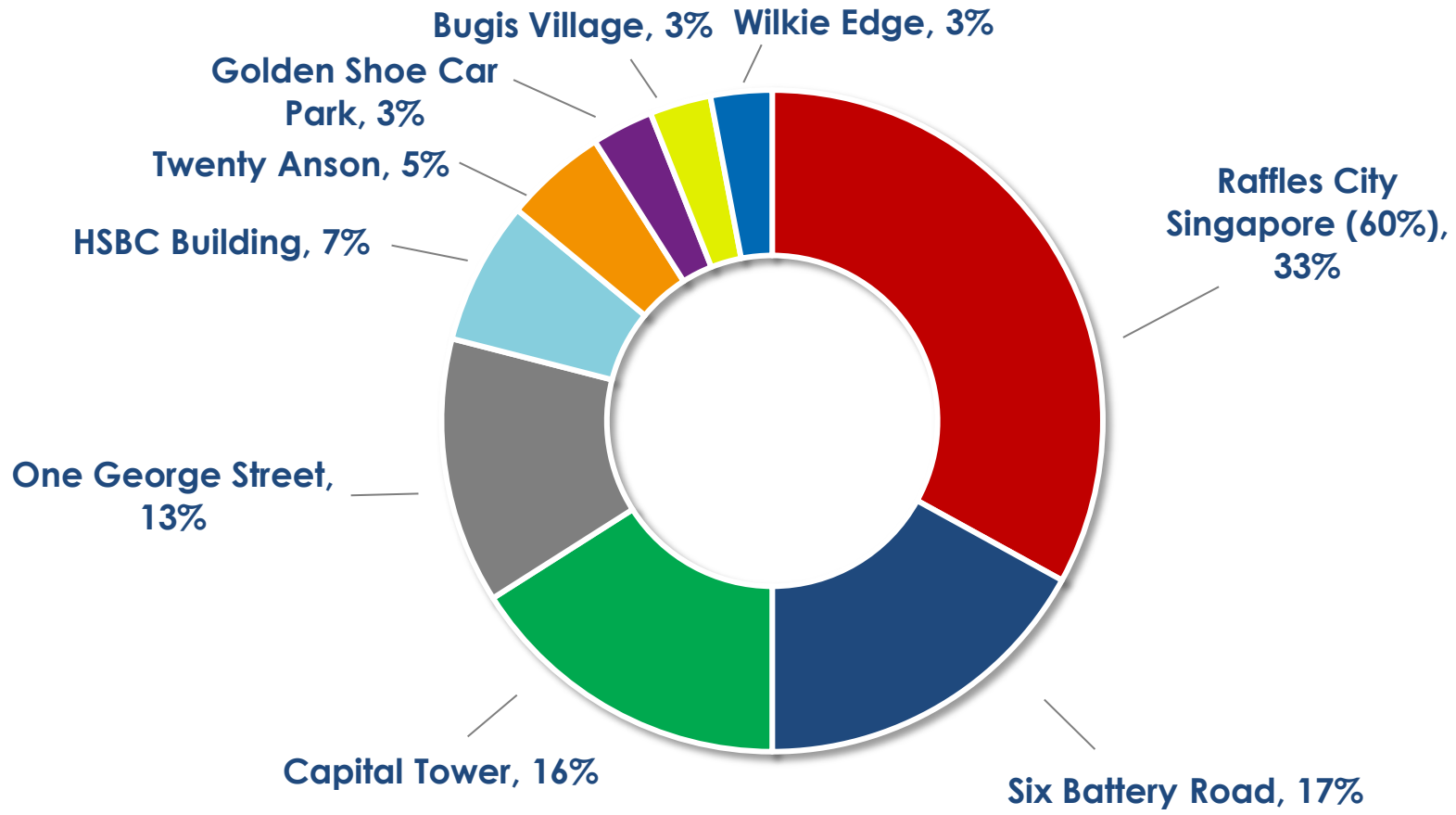
(1) Based on gross rental income excluding retail turnover rent from 1 Jan 2014 to 31 Dec 2014

(2) Includes gross rental income from CCT's 60.0% interest in Raffles City Singapore



# Portfolio diversification with focus on quality

91% of Net Property Income<sup>(1)</sup> from Grade A and prime offices<sup>(2)</sup>



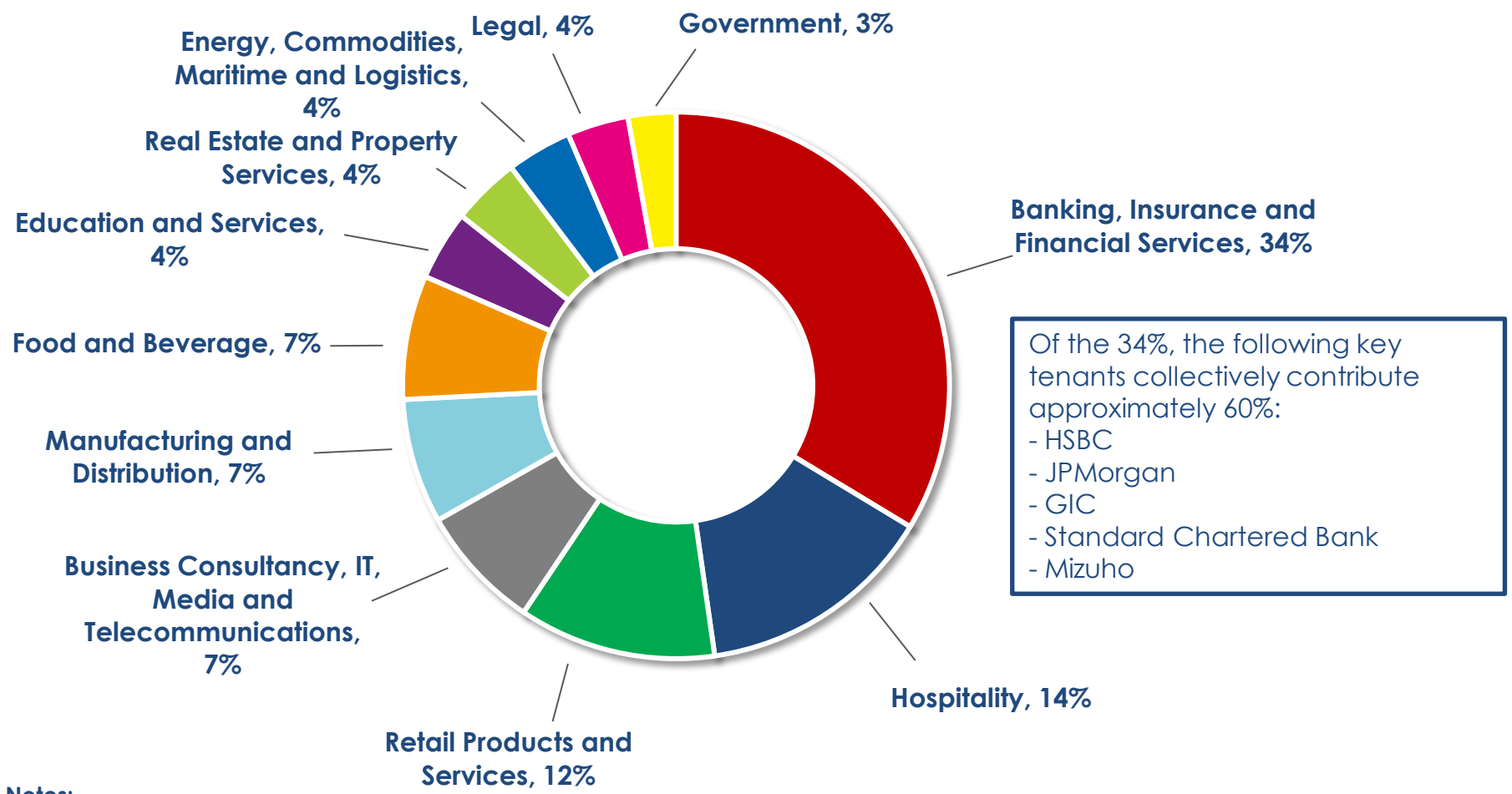
**Notes:**

- (1) Based on net property income from 1 Jan 2014 to 31 Dec 2014
- (2) Includes net property income from CCT's 60.0% interest in Raffles City Singapore



# Diverse tenant mix in CCT's portfolio<sup>(1)</sup>

## Tenant mix in CCT portfolio



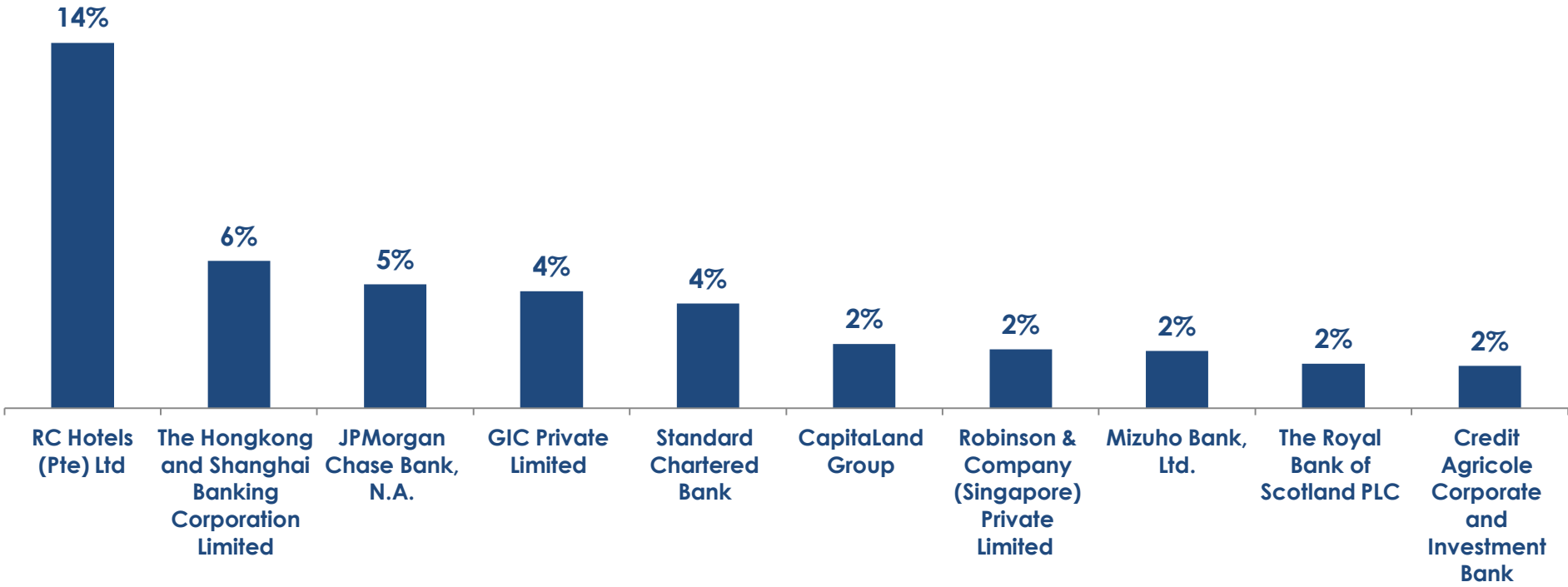
**Notes:**

(1) Based on monthly gross rental income including CCT's 60.0% interest in Raffles City Singapore and excluding retail turnover rent of tenants as at 31 Dec 2014





# Top 10 blue-chip tenants contribute 42% of monthly gross rental income<sup>(1)</sup>



**Note:**

(1) Based on monthly gross rental income excluding retail turnover rent, of top ten tenants as at 31 Dec 2014. Total percentage may not add up due to rounding.



# Successful portfolio reconstitution strategy has re-positioned CCT for further growth



2005:  
Acquired  
HSBC Building



2006:  
Acquired  
60.0%  
interest in  
RCS Trust  
which owns  
Raffles City  
Singapore



2008:  
Acquired  
Wilkie Edge  
and One  
George  
Street



2010:  
Sale of  
Robinson  
Point and  
StarHub  
Centre



2011:  
Entered into  
joint venture for  
redevelopment  
of Market Street  
Car Park into a  
Grade A office  
Building called  
CapitaGreen



2012:  
Acquired  
Twenty  
Anson



18 Dec 2014:  
Completion of  
CapitaGreen



# Commitment to environmental sustainability and improved energy efficiency



No.	CCT Properties	Green Mark Award
1	Six Battery Road	Platinum
2	Twenty Anson	Platinum
3	CapitaGreen (completed on 18 Dec 2014)	Platinum
4	Capital Tower	Platinum
5	One George Street	Gold <sup>Plus</sup>
6	Golden Shoe Car Park	Gold <sup>Plus</sup>
7	Raffles City Singapore	Gold
8	Wilkie Edge	Gold
9	HSBC Building	Certified
10	Six Battery Road Tenant Service Centre	Gold <sup>Plus</sup> (Office Interior)



FTSE4Good

Since 18 September 2009, CCT has been and continues to be a constituent of FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices derived from the globally recognized FTSE Global Equity Index Series

# Property details (1)



	Capital Tower	Six Battery Road	One George Street	Raffles City Singapore (100%)	Twenty Anson
<b>Address</b>	168 Robinson Road	6 Battery Road	1 George Street	250/252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road	20 Anson Road
<b>NLA (sq ft)</b>	740,000	494,000	447,000	801,000 (Office: 381,000, Retail: 420,000)	205,000
<b>Leasehold expiring</b>	31-Dec-2094	19-Apr-2825	21-Jan-2102	15-Jul-2078	22-Nov-2106
<b>Committed occupancy</b>	100.0%	99.2%	100.0%	100.0%	97.8%
<b>Valuation (31 Dec 2014)</b>	S\$1,309.0m	S\$1,330.0m	S\$975.0m	S\$3,109.5m (100.0%) S\$1,865.7m (60.0%)	S\$431.0 m
<b>Car park lots</b>	415	190	178	1,045	55



# Property details (2)



	HSBC Building	Wilkie Edge	Bugis Village <sup>(1)</sup>	Golden Shoe Car Park	CapitaGreen <sup>(2)</sup> (100%)
<b>Address</b>	21 Collyer Quay	8 Wilkie Road	62 to 67 Queen Street, 151 to 166 Rochor Road, 229 to 253 (odd nos only) Victoria Street	50 Market Street	138 Market Street
<b>NLA (sq ft)</b>	200,000	153,000	121,000	47,000	702,000
<b>Leasehold expiring</b>	18-Dec-2849	20-Feb-2105	30-Mar-2088	31-Jan-2081	31-Mar-2073
<b>Committed occupancy</b>	100.0%	100.0%	94.8%	100.0%	69.3%
<b>Valuation (31 Dec 2014)</b>	S\$450.0m	S\$191.0m	S\$55.4m	S\$141.0m	S\$1,526.0m (100.0%) S\$610.4m(40.0%)
<b>Car park lots</b>	NA	215	NA	1,053	180

**Notes:**

- (1) The leasehold title and the valuation take into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the State Lease on 1 Apr 2019 upon payment of S\$6,610,208.53 plus accrued interest.
- (2) Figures shown are 100% interest. CCT owns 40.0% of CapitaGreen development with a call option to acquire balance 60.0% within 3 years upon receipt of temporary occupation permit. CapitaGreen obtained TOP on 18 Dec 2014.

