



For Immediate Release

NEWS RELEASE

**CCT's 4Q 2019 distributable income rises 5.5% year-on-year**  
***Underpinned by organic growth and acquisition of second German property***

**Singapore, 22 January 2020** – CapitaLand Commercial Trust Management Limited, the Manager of CapitaLand Commercial Trust (CCT or Trust), is pleased to report distributable income of S\$87.6 million for the quarter ended 31 December 2019 (4Q 2019), representing a year-on-year growth of 5.5%. Distribution per unit (DPU) on an enlarged unit base for 4Q 2019 was 2.28 cents, 2.7% higher than the corresponding period in 2018.

Gross revenue and net property income (NPI) for 4Q 2019 rose by 8.9% and 3.3% to S\$107.8 million and S\$81.9 million respectively. The improved performance was largely attributed to the acquisition of Main Airport Center and higher contribution from 21 Collyer Quay and Capital Tower.

CCT's 2H 2019 DPU of 4.48 cents comprised an advanced distribution of 0.62 cents for the period from 1 July to 28 July 2019, which was paid out on 29 August 2019, and 3.86 cents for the period from 29 July 2019 to 31 December 2019. The books closure date for the DPU of 3.86 cents is Thursday, 30 January 2020 and payment is expected to be made on Friday, 28 February 2020.

For FY 2019, CCT's distributable income was S\$337.6 million, an increase of 4.9% year-on-year. This was due to higher net property income, lower costs of borrowing and higher distribution of tax-exempt income (largely attributable to Gallileo and Main Airport Center). The DPU of 8.88 cents for FY 2019 was 2.1% higher than the 8.70 cents for FY 2018. Based on FY 2019 DPU and closing price per unit of S\$2.13 on 20 January 2020, CCT's distribution yield is 4.2%.

With the addition of Main Airport Center, the independent appraisals of the Trust's investment properties and proportionate interest in investment properties held through joint ventures<sup>1</sup> aggregated to a portfolio property value of S\$11.1 billion as at 31 December 2019, up 4.7% year-on-year. The adjusted net asset value per unit of S\$1.82 was up 1.1% year-on-year, after excluding 2H FY 2019 distributable income to unitholders.

The Trust's unaudited Consolidated Financial Statements for FY 2019 results are available on its website ([www.cct.com.sg](http://www.cct.com.sg)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

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<sup>1</sup> Refers to Raffles City Singapore, One George Street and CapitaSpring.

## SUMMARY OF CCT GROUP RESULTS

	4Q 2019	4Q 2018	Change (%)	2H 2019	2H 2018	Change (%)	FY 2019	FY 2018	Change (%)
<b>Gross Revenue (S\$'000)</b>	<b>107,797</b>	99,025	<b>8.9</b>	<b>211,601</b>	199,535	<b>6.0</b>	<b>412,348</b>	393,968	<b>4.7</b>
<b>Net Property Income (S\$'000)</b>	<b>81,894</b>	79,267	<b>3.3</b>	<b>163,038</b>	159,664	<b>2.1</b>	<b>321,223</b>	314,610	<b>2.1</b>
<b>Distributable Income<sup>2</sup> (S\$'000)</b>	<b>87,635</b>	83,057	<b>5.5</b>	<b>172,464</b>	165,742	<b>4.1</b>	<b>337,622</b>	321,731	<b>4.9</b>
<b>DPU (cents)</b>	<b>2.28<sup>3</sup></b>	2.22	<b>2.7</b>	<b>4.48<sup>4</sup></b>	4.42	<b>1.4</b>	<b>8.88<sup>5</sup></b>	8.70	<b>2.1</b>

Mr Soo Kok Leng, Chairman of the Manager, said: “The Trust has sustained its growth momentum and delivered a strong set of results for FY 2019 based on proactive portfolio and capital management strategies. CCT delivered a total return of 18.8% in 2019 and 53.5% over a three-year period from 2017 to 2019. Deposited property value grew by 5.1% year-on-year to S\$11.8 billion in 2019, reflecting the Manager’s focus on long-term value creation. The Trust also issued its first green bond in December 2019, reinforcing its commitment to sustainability.”

Mr Kevin Chee, Chief Executive Officer of the Manager, said: “We are pleased to report a DPU of 8.88 cents for FY 2019, 2.1% higher than FY 2018. Through consistent engagement with and value add to our tenants, we maintained a high portfolio occupancy of 98.0% and achieved a healthy tenant retention rate of 82% as at 31 December 2019.”

“In 2019, we deepened our presence in Frankfurt, Germany with the acquisition of our second property – Main Airport Center. Our overseas properties now make up 8% of the Trust’s portfolio property value and provide income diversification. The Trust remains predominantly Singapore-focused, with assets in Singapore accounting for 92% of portfolio property value. We will continue to explore opportunities to enhance the long-term value for CCT.”

### Active leasing and asset management

Tenant engagement is a primary focus and in 4Q 2019, CCT leased approximately 398,000 square feet (sq ft) through renewal and new leases. New leases made up 20% of the total leases with demand mainly from companies in the Financial Services; Energy, Commodities, Maritime and Logistics; and Manufacturing and Distribution sectors. In addition, one-third of the leases expiring in 2020 have been completed to date. Separately, CapitaSpring, an integrated development expected to be completed in 1H 2021, has increased its committed occupancy to 34.8% as at 31 December 2019.

<sup>2</sup> Distributable income in 4Q 2019, 2H 2019 and FY 2019 includes tax-exempt income of S\$7.5 million, S\$11.4 million and S\$18.6 million respectively (4Q 2018, 2H 2018 and FY 2018: S\$3.9 million, S\$7.7 million and S\$8.5 million respectively).

<sup>3</sup> 4Q 2019 DPU of 2.28 cents was computed on 3,857.7 million CCT units, which included the issuance on 29 July 2019 of 105.0 million units in relation to the equity placement and the issuance on 26 September 2019 of 1.8 million units for the acquisition fees for Main Airport Center.

<sup>4</sup> 2H 2019 DPU was 4.48 cents comprising 0.62 cents advanced distribution from 1 July 2019 to 28 July 2019 computed on 3,749.8 million units; and 3.86 cents from 29 July 2019 to 31 December 2019 computed on 3,857.7 million units.

<sup>5</sup> FY 2019 DPU of 8.88 cents comprises 4.40 cents for 1H 2019 and 4.48 cents for 2H 2019.

Asset enhancement work for Six Battery Road commenced in 1Q 2020 and is expected to complete in 3Q 2021, during which time the main office tower will remain operational. Contribution from the upgraded space at Six Battery Road will resume progressively in 4Q 2020. 21 Collyer Quay is on track to start upgrading from 2Q 2020 and the new lease will commence in 2Q 2021.

### Prudent capital management

Aggregate leverage as at 31 December 2019 decreased slightly to 35.1% from 35.5% as at 30 September 2019, arising from higher deposited property value. As at end December 2019, CCT's average cost of debt was lower at 2.4% per annum. After refinancing CapitaGreen's bank borrowings in 4Q 2019, CCT's proportion of unencumbered assets increased to 91.0% of total assets, further enhancing the Trust's financial flexibility.

In December 2019, under a Sustainability Financing Framework, CCT issued its first green bond comprising JPY 10.0 billion of unsecured bonds due in November 2027, which were swapped into approximately S\$124.7 million at a fixed interest rate of 2.84% per annum.

### Outlook

Based on data from CBRE Research, Singapore's average monthly Grade A office market rent grew by 6.9% year-on-year to S\$11.55 per square foot as at 31 December 2019. Occupancy in Singapore's Core CBD office buildings as at end December was 95.8%, compared with 96.0% in end September 2019. Macroeconomic uncertainties will continue to weigh on office demand going forward. However, with limited new Grade A office supply completing in the immediate future, CBRE expects Grade A (Core CBD) rent to be stable.

Frankfurt's office market is expected to remain resilient, due to healthy demand, lower vacancy rates and ongoing pre-commitment for new supply.

### **About CapitaLand Commercial Trust ([www.cct.com.sg](http://www.cct.com.sg))**

CapitaLand Commercial Trust (CCT) is Singapore's first listed commercial real estate investment trust (REIT) with a market capitalisation of approximately S\$7.7 billion as at 31 December 2019. Listed on Singapore Exchange Securities Trading Limited (SGX-ST) since May 2004, CCT aims to own and invest in real estate and real estate-related assets which are income-producing and predominantly used for commercial purposes. CCT's deposited property is approximately S\$11.8 billion as at 31 December 2019 comprising a portfolio of eight prime commercial properties in Singapore and two properties in Frankfurt, Germany. The properties in Singapore are Capital Tower, CapitaGreen, Asia Square Tower 2, Six Battery Road, Raffles City (60.0% interest through RCS Trust), One George Street (50.0% interest through OGS LLP), 21 Collyer Quay (HSBC Building) and CapitaSpring (45.0% interest through Glory Office Trust and Glory SR Trust), an upcoming 51-storey integrated development in Raffles Place. The properties in Germany are Gallileo (94.9% interest), in the Banking District of Frankfurt, and Main Airport Center (94.9% interest) near Frankfurt Airport.

CCT is included in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, MSCI World ESG Leaders Index, FTSE4Good Index Series (FTSE4Good), the FTSE EPRA Nareit Global Real Estate Index Series, the iEdge SGX Sustainability Index and FTSE Straits Times Index.

CCT is managed by CapitaLand Commercial Trust Management Limited, which is a wholly owned subsidiary of Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups.

## **About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth S\$131.7 billion as at 30 September 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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## **Issued by CapitaLand Commercial Trust Management Limited (Company registration no. 200309059W)**

### Analyst contact

Ho Mei Peng  
CapitaLand Commercial Trust Management  
Head, Investor Relations  
DID: (65) 6713 3668  
Mobile: (65) 9668 8290  
Email: [ho.meipeng@capitaland.com](mailto:ho.meipeng@capitaland.com)

### Media contact

Chia Pei Siang  
CapitaLand  
VP, Group Communications  
DID: (65) 6713 1379  
Mobile: (65) 9368 9920  
Email: [chia.peisiang@capitaland.com](mailto:chia.peisiang@capitaland.com)

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