



For Immediate Release

NEWS RELEASE

CCT registered 2Q 2020 distributable income of S\$65.6 million

Singapore, 23 July 2020 – CapitaLand Commercial Trust Management Limited, the Manager of CapitaLand Commercial Trust (CCT or Trust), today reports a distributable income of S\$65.6 million for the quarter ended 30 June 2020 (2Q 2020), 20.4% lower than 2Q 2019. Distribution per unit (DPU) was 1.69 cents, 23.2% lower year-on-year but 2.4% higher than 1Q 2020 DPU of 1.65 cents.

During the quarter under review, new contribution from Main Airport Center – acquired in September 2019 – and higher income from Gallileo partially mitigated the lower income from properties in Singapore that were affected by upgrading works, lower occupancies and rental waivers to tenants. Overall, gross revenue for 2Q 2020 decreased 8.1% to S\$92.8 million and net property income reduced by 9.7% to S\$70.8 million.

Compared to 1Q 2020, distributable income for 2Q 2020 increased by 3.0%. It included S\$6.4 million of taxable distributable income retained in 1Q 2020 and S\$4.7 million of tax-exempt income. This is after having considered rental support that has already been provided for tenants, and the gradual reopening of Singapore's economy following the easing of the country's "circuit breaker" measures.

In 1H 2020, distributable income was S\$129.3 million and DPU was 3.34 cents. Based on an annualised 1H 2020 DPU and CCT's closing price per unit of S\$1.76 on 22 July 2020, CCT's distribution yield is 3.8%.

As CCT pays distribution semi-annually, Unitholders can expect to receive their 1H 2020 DPU of 3.34 cents on Friday, 28 August 2020. The books closure date is Monday, 3 August 2020.

CCT's aggregate portfolio property value was S\$10.9 billion as at 30 June 2020 based on independent appraisals of the Trust's investment properties and share of investment properties held through joint ventures. This was 1.7% lower from the last appraisal conducted six months ago. The valuations were largely driven by lower market rents and rental growth rates due to economic uncertainties and COVID-19. There was no change in capitalisation rate assumptions. Adjusted net asset value per unit of S\$1.76 was down 3.3% compared to six months ago, after excluding 1H 2020 distributable income to Unitholders.

The Trust's unaudited Consolidated Financial Statements for 2Q 2020 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

SUMMARY OF CCT GROUP RESULTS

	2Q 2020	2Q 2019	Change (%)	1H 2020	1H 2019	Change (%)
Gross Revenue (S\$'000)	92,796	100,985	(8.1)	196,395	200,747	(2.2)
Net Property Income (S\$'000)	70,768	78,383	(9.7)	151,101	158,185	(4.5)
Income available for distribution to Unitholders¹ (S\$'000)	59,161	82,435	(28.2)	129,323	165,158	(21.7)
Distributable Income² (S\$'000)	65,602	82,435	(20.4)	129,323	165,158	(21.7)
DPU (cents)	1.69	2.20	(23.2)	3.34	4.40	(24.1)

Mr Kevin Chee, Chief Executive Officer of the Manager, said: "CCT's 2Q 2020 results reflected the impact of our portfolio repositioning and rental support for tenants amidst COVID-19. Retaining and supporting our tenants through the COVID-19 challenges remains a priority for CCT. To ensure that our portfolio maintains a sustainable path to future growth, we are focused on completing the asset enhancements of Six Battery Road and 21 Collyer Quay as well as the development of CapitaSpring in 2021. With an improved portfolio positioning and enhanced offerings, CCT will be better placed to meet the evolving workspace needs of our tenants in a post-COVID-19 world."

"Amidst the uncertainties, we continue to adopt a proactive capital management strategy. We successfully completed the refinancing of borrowings due in 2020 and lowered CCT's average cost of debt to 2.2% per annum as at 30 June 2020. CCT's aggregate leverage as at 30 June 2020 was 36.4%, well below the regulatory limit of 50%."

Portfolio leasing update

With the phased reopening of Singapore's economy from 19 June 2020, CCT's tenants are progressively returning to their offices. The Trust is prudently managing property expenses while ensuring a clean and safe workspace for building occupants.

As at 30 June 2020, CCT's portfolio committed occupancy stood at 95.2%. Against the backdrop of relatively muted leasing activities in 2Q 2020, the Trust managed to sign approximately 176,000 square feet (sq ft) of new leases and renewals at rental rates which were mostly higher than the respective expiring rents. Of the total net lettable area committed, about 13% were new leases. Demand for space came predominantly from tenants in the Business Consultancy, IT, Media and Telecommunications; Financial Services; and Food and Beverage sectors. CCT will continue to proactively renew existing or attract replacement tenants for the remaining 8% of office portfolio leases expiring in 2020 (based on committed gross rental income). Since late June 2020, the Trust has resumed conducting office viewings while adhering to safe distancing guidelines. New tenants are also resuming fit-out works.

¹ Due to lower net property income, reduced contribution from RCS Trust (60.0% interest) by S\$13.2 million and S\$18.8 million in 2Q 2020 and 1H 2020 respectively, and payment of asset management fees for Asia Square Tower 2 in cash.

² Distributable income of 2Q 2020 included the release of S\$6.4 million retained in 1Q 2020.

Outlook

Singapore

Since Singapore entered Phase 2 of the reopening on 19 June 2020, most businesses have started to resume operations, although telecommuting remains the default mode of work for many office-based companies. The pace of office leasing activities is expected to pick up over time. As at 30 June 2020, Singapore's Grade A monthly office market rent declined by 3.0% to S\$11.15 per sq ft quarter-on-quarter and Core CBD occupancy rate was 94.4%. Gross new supply of office space remains limited.

Advance estimates by Singapore's Ministry of Trade and Industry showed that Singapore economy contracted by 12.6% on a year-on-year basis in 2Q 2020 due to weak external demand and COVID-19 "circuit breaker" measures. Singapore's 2020 GDP growth forecast is expected to be -7.0% to -4.0%. Only manufacturing sector grew by 2.5% year-on-year while all other sectors including services saw declines. The business and operating environment of CCT and prospects of the office sector continue to be affected by the uncertainty of the duration and severity of COVID-19 as well as the economic recovery trajectory globally and in Singapore.

Germany

Since June 2020, leasing activities including site visits in Frankfurt have gradually resumed.

According to CBRE Germany's 2Q 2020 report, Frankfurt's cumulative office take-up of 103,600 square metres in 1H 2020 was 62% below previous year's level mainly due to the coronavirus-related lockdown. In addition, lease extensions increased to 55,200 square metres. Frankfurt market vacancy rate fell by 0.3% year-on-year to 6.9% as at 30 June 2020. About 73.6% of the new supply pipeline of 413,100 square metres coming onstream from the later part of 2020 until the end of 2021 has already been pre-let. Frankfurt's prime office monthly rent remained resilient at EUR 44 per square metre. Prime office yield was stable at 2.9%. The extensive government support measures have helped Frankfurt to overcome the economic shock of COVID-19. The Frankfurt office market is expected to be robust due to the comparatively low vacancy rate and a completion pipeline that has high pre-letting rates.

About CapitaLand Commercial Trust (www.cct.com.sg)

CapitaLand Commercial Trust (CCT) is Singapore's first and largest listed commercial real estate investment trust (REIT) with a market capitalisation of approximately S\$6.5 billion as at 30 June 2020. 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\$11.6 billion as at 30 June 2020 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 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)

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\$131.9 billion as at 31 December 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.

**Issued by CapitaLand Commercial Trust Management Limited
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