For Immediate Release

NEWS RELEASE

CCT registered 3Q 2020 and final quarter distributable income of S$77.5 million

Merger with CapitaLand Mall Trust by way of a Trust Scheme of Arrangement becomes effective today

Singapore, 21 October 2020 – CapitaLand Commercial Trust Management Limited, the Manager of CapitaLand Commercial Trust (CCT or Trust), today reports a distributable income of S$77.5 million for the quarter ended 30 September 2020 (3Q 2020), 8.6% lower than 3Q 2019. Distribution per unit (DPU) was 2.00 cents, a decrease of 9.1% year-on-year. Year-to-date (YTD) distributable income was S$206.9 million and DPU was 5.34 cents, lower by 17.3% and 19.1% year-on-year respectively. This translates to a DPU yield of 4.4% based on an annualised YTD 2020 DPU and CCT's last closing price of S$1.65 on 16 October 2020.

Year-on-year, gross revenue for 3Q 2020 decreased by 8.7% to S$94.7 million, while net property income fell 9.9% to S$73.1 million. During the quarter under review, the full-quarter contribution from Main Airport Center (acquired in September 2019) and higher contributions from Gallileo and CapitaGreen were offset by reduced gross revenue from the other Singapore operating properties due to asset enhancement works, lower occupancies, lower non-rental revenue and rental waivers granted to tenants in view of COVID-19.

Distributable income for 3Q 2020 declined 8.6% year-on-year due to lower net property income and lower distribution from RCS Trust. This was partially mitigated by higher distribution from OGS LLP, higher tax-exempt income distribution and lower interest expense. In 3Q 2020, S$3.75 million or half of the S$7.5 million of taxable income retained by RCS Trust in 1H 2020 had been released.

CCT has suspended trading since 19 October 2020 and the trust scheme of arrangement became effective in accordance with its terms today. The clean-up distribution for the period from 1 July to 20 October 2020, including the reported distribution of 2.00 cents for 3Q 2020, is expected to be paid by 30 November 2020. Further details on the clean-up distribution will be announced by the Manager on 30 October 2020.

The Trust's unaudited Consolidated Financial Statements for 3Q 2020 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

SUMMARY OF CCT GROUP RESULTS

	3Q 2020	3Q 2019	Change (%)	YTD Sep 2020	YTD Sep 2019	Change (%)
Gross Revenue (S$'000)	94,727	103,804	(8.7)	291,122	304,551	(4.4)
Net Property Income (S$'000)	73,115	81,144	(9.9)	224,216	239,329	(6.3)
Distributable income[1] to Unitholders (S$'000)	77,535	84,829	(8.6)	206,858	249,987	(17.3)
DPU (cents)	2.00	2.20	(9.1)	5.34	6.60	(19.1)

Mr Kevin Chee, Chief Executive Officer of the Manager, said: "For year-to-date 2020, CCT delivered a credible performance despite challenges brought on by the COVID-19 pandemic and the softening office market environment. The two German properties acquired in 2018 and 2019 have enhanced the resilience of the portfolio, while the ongoing asset enhancement of 21 Collyer Quay and Six Battery Road will ensure the longer-term operational sustainability of both properties. Construction of CapitaSpring pushes on steadily with an expected completion in 2H 2021. Our leasing team has proactively engaged with tenants and prospects to renew expiring leases and sign new leases. Leases due in 2020 have largely been committed as a result, and leases with major tenants due in 2021 have also been renewed. We are confident that this disciplined approach to proactive leasing, asset management and portfolio reconstitution will continue under CapitaLand Integrated Commercial Trust."

"We would like to once again thank CCT Unitholders for the strong mandate to proceed with the merger with CapitaLand Mall Trust. We look forward to the leadership, resilience and growth that the larger merged entity, CapitaLand Integrated Commercial Trust, will bring, and remain committed to generating sustainable returns for unitholders."

Portfolio and leasing updates

As at 30 September 2020, CCT's portfolio committed occupancy was 95.2%. In 3Q 2020, the Trust signed new leases and renewals for approximately 290,000 square feet (sq ft) of net lettable area, of which 24% of the space were new leases. The new leases were committed by tenants predominantly from the Real Estate and Property Services; Financial Services; and Business Consultancy, IT, Media and Telecommunications sectors. Amidst softening office market conditions, CCT's proactive leasing efforts have led to largely positive rent reversions for the quarter. Most of the Trust's expiring leases for the year have been committed.

CCT continued to support tenants affected by COVID-19 with rent waivers and rent deferment on a targeted basis. Rent waivers for 3Q 2020 amounted to about S$0.9 million. About 6.2% of tenants are on rent deferment schemes. Separately, with the further easing of COVID-19 restrictions, more people are returning to their workplaces. By the week ended 16 October 2020, some 35% of CCT's office community have returned.

Asset enhancement and upgrading works at 21 Collyer Quay and Six Battery Road are ongoing to improve their positioning and offering. Full income contribution from 21 Collyer Quay is expected to commence in the later part of 2021, while the income contribution from Six Battery Road is expected

[1] Distributable income includes tax-exempt income of S$11.6 million in 3Q 2020 and S$16.3 million for YTD Sep 2020 (3Q 2019 and YTD Sep 2019: S$3.9 million and S$11.1 million respectively).

to grow progressively from the later part of 2021 and more significantly in 2022 as the upgraded spaces start generating income. The development of CapitaSpring is scheduled for completion in 2H 2021.

<u>Capital management</u>

As at end 3Q 2020, CCT's aggregate leverage was stable at 36.9% while its average cost of debt held steady at 2.2% per annum. On 30 September 2020, S&P Global Ratings upgraded the Trust's credit rating to "A-" with stable outlook from "BBB+".

<u>Outlook</u>

Singapore

The government allowed more people to return to their workplaces from 28 September 2020, subject to safe management measures being in place. Telecommuting remains the default mode of work for many office-based companies and not more than half the workforce is permitted to return to the offices at any one time.

CBRE Singapore reported that as at 30 September 2020, Grade A monthly office market rent decreased by 4.0% to S$10.70 per sq ft from S$11.15 in the previous quarter. Island wide and Core CBD occupancy rates were 94.1% and 93.9% respectively. Gross new supply of office space remains limited for the foreseeable future.

Advance estimates by Singapore's Ministry of Trade and Industry reported that Singapore's economy contracted by 7.0% year-on-year in 3Q 2020, an improvement from the 13.3% contraction in 2Q 2020. The improved performance in 3Q 2020 came on the back of the phased re-opening of the economy following the circuit breaker that was implemented from 1 April 2020 to 1 June 2020. Within the services producing industries, the aviation and tourism related sectors continued to see contraction while the finance & insurance and information & communications sectors recorded steady growth during the quarter. Consumer-facing sectors such as retail and food services remained in contraction, despite improvement in performance. Considering the global and domestic economic environment, as well as the performance of the Singapore economy in the first half of the year, the GDP growth forecast for Singapore for 2020 has been narrowed from "-7.0 to -4.0%" to "-7.0 to -5.0%".

Germany

According to CBRE Germany's 3Q 2020 report, Frankfurt's overall vacancy rate was 6.9%, a reduction by 0.2% year-on-year. Frankfurt office market showed the strongest letting volume in 3Q 2020 since the beginning of 2020, although this represented a decline of 14% compared to 3Q 2019. Banking District constituted 28% of the total leasing in 3Q 2020. New office supply to be completed in the final quarter of 2020 is already 91% leased and half of the office pipeline due to complete between 2021 and 2022 is already committed by companies. Frankfurt monthly office market rent remained stable at EUR 44 per square metre as at 30 September 2020. CBRE reported market vacancy rates of 4.8% and 5.3% in the Banking District and Airport District respectively, where CCT's two properties are separately located.

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$6.4 billion as at 16 October 2020, its last day of trading. 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 September 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 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 about S$134.7 billion as at 30 June 2020. 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 220 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.

CapitaLand places sustainability at the core of what it does. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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The past performance of CapitaLand Commercial Trust ("CCT") is not indicative of future performance. The listing of the units in the CCT ("Units") on the Singapore Exchange Securities Trading Limited ("SGX-ST") does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

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