



# Call Option for 1 George Street

**27 Mar 2008**



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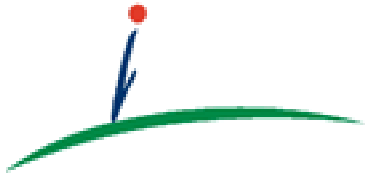
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You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the CCT Manager on future events.



# Agenda

1. 1 George Street
2. Call Option Agreement
3. Rationale for Acquisition of 1 George Street
4. Healthy Office Market Fundamentals
5. Next Step



# 1 George Street

New,  
Premier Grade A  
Office Building

# Prominently Located within Core CBD



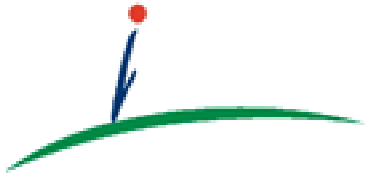
- ✓ Walking distance to Raffles Place MRT station and Clarke Quay MRT station
- ✓ Other complementary Grade A office buildings in the vicinity



# Modern Premier Grade A Bldg Specifications

<b>Address</b>	1 George Street, Singapore 049145
<b>Title</b>	99 years with effect from 22 January 2003 (94 years remaining)
<b>Land Area</b>	60,242 sq ft (5,597 sq m)
<b>Gross Floor Area</b>	556,639 sq ft (51,714 sq m)
<b>Net Lettable Area</b>	<b>Total</b> <b>447,999 sq ft (41,621 sq m)</b> Office     435,560 sq ft (40,465 sq m) Retail     12,439 sq ft (1,156 sq m)
<b>Age of Building</b>	3 years
<b>No. of Car Park Lots</b>	178
<b>Committed Occupancy</b>	100% (as at 31 December 2007)
<b>Accolade</b>	Green Mark GOLD Award by Building and Construction Authority of Singapore





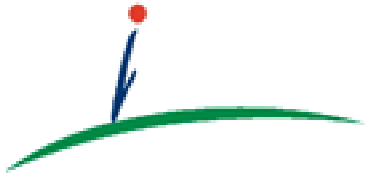
# Call Option Agreement



# **CCT obtains Call Option to Purchase 1 George Street**

- ▣ CCT has right but not obligation from CapitaLand to buy 1 George Street at purchase price of S\$1.165 billion or S\$2,600 per sq ft of net lettable area
- ▣ CapitaLand will provide a yield-protection to CCT to ensure minimum net property income of S\$49.5 million p.a. (or 4.25% p.a. of Purchase Price) for 5 years from the date of completion of Acquisition till 2013
- ▣ Subject to :
  - Completion of due diligence by CCT
  - Unitholders' approval at an EGM to be convened by 30 Jun 2008





# Rationale for Acquisition of 1 George Street

# 1 George Street Fits CCT's Investment Strategy

- ☑ Acquisition will be yield accretive
  - Net property yield of 4.25% p.a. is more than the yield of 3.2%<sup>1</sup> from CCT's Grade A office assets
- ☑ Property has good growth potential
  - At 4.25% p.a., the implied rental rate is about S\$10.50 per sq ft → upside in rental
- ☑ Sustainable minimum returns due to Yield Protection → eliminates downside risk for 5 years and allows CCT to benefit from all upside

Note:

1. Based on the FY2008 net property income forecast shown in the CCT circular to unitholders dated 5 November 2007 and the valuation as at 1 December 2007

# 1 George Street Fits CCT's Investment Strategy

## ☒ Enhance quality of CCT portfolio

- Grade A prime office
- 3-year old new office
- Good tenant mix

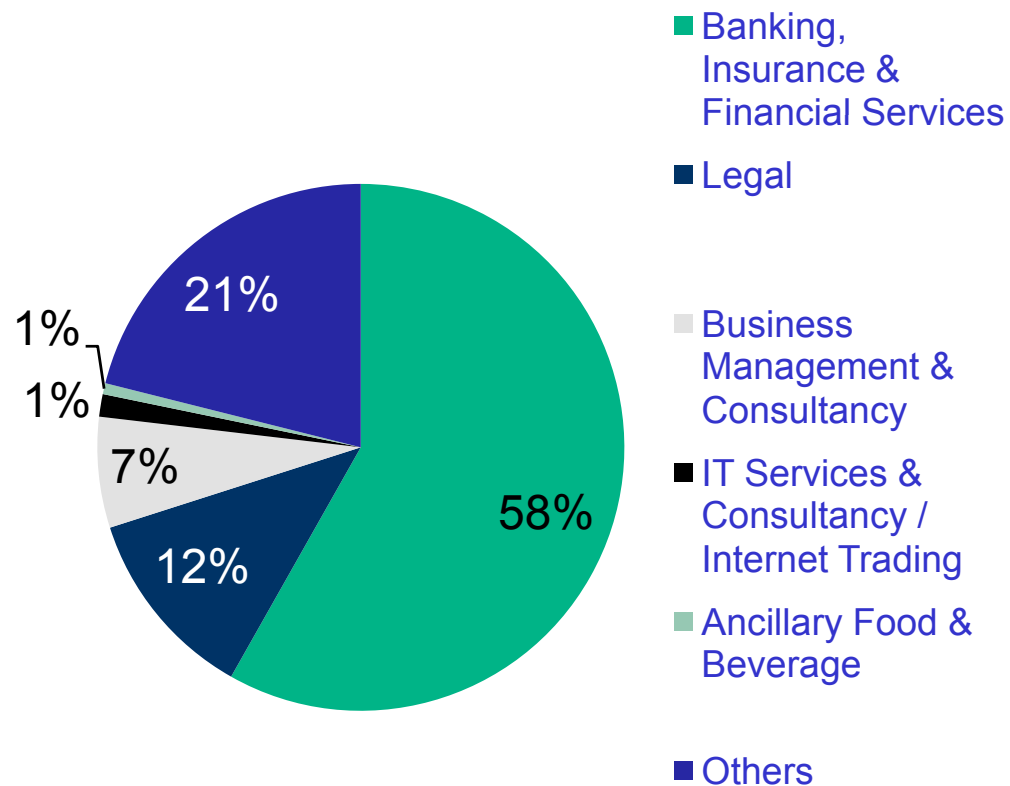
## ☒ Increase asset size and benefit from economies of scale

Note:

1. Based on the FY2008 net property income forecast shown in the CCT circular to unitholders dated 5 November 2007 and the valuation as at 1 December 2007

# **Blue-Chip Companies Enhance Profile of CCT's Tenant Base**

## **Tenant Business Sector**



## **Major 1 George Street Tenants include:**

**The Royal Bank of Scotland PLC**

**WongPartnership LLP**

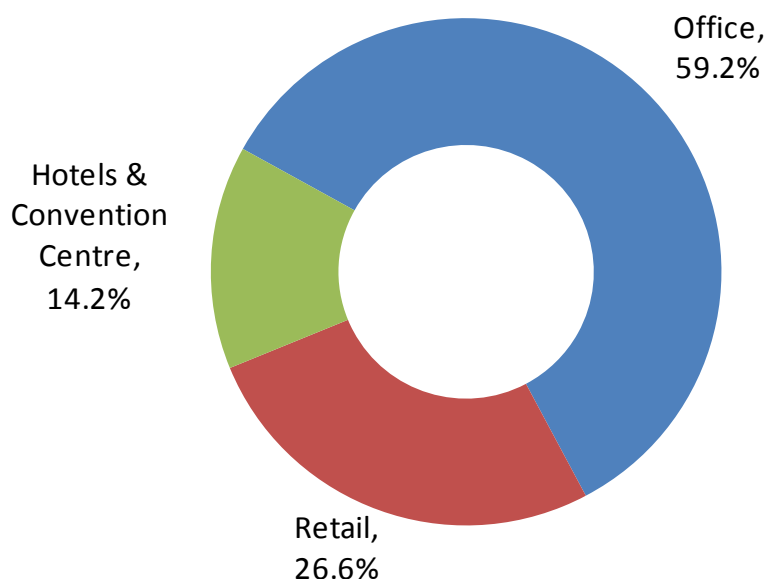
**Borouge Pte. Ltd.**

**Lloyd's of London (Asia) Pte Ltd**

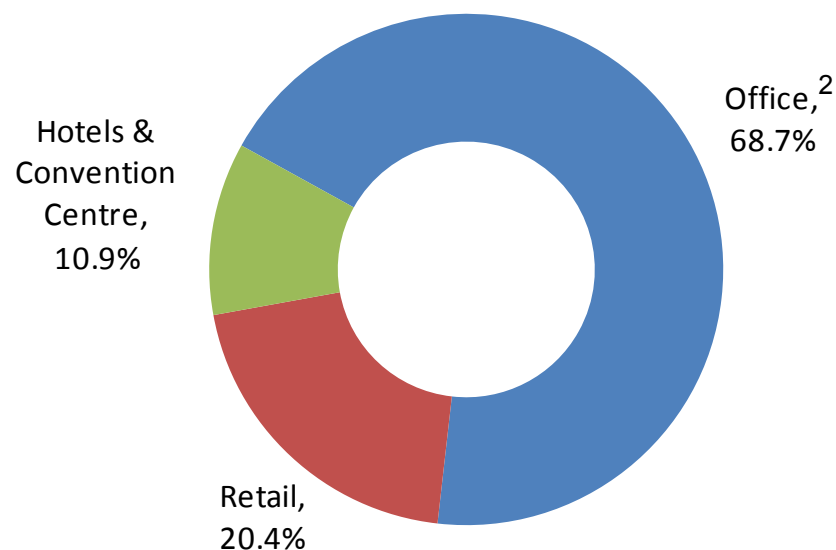
**Canadian High Commission**

# Key Growth Driver in CCT's Portfolio *Office*

**Contribution to Gross Rental Income<sup>1</sup> will be INCREASED**



**Before acquisition of 1 George Street**



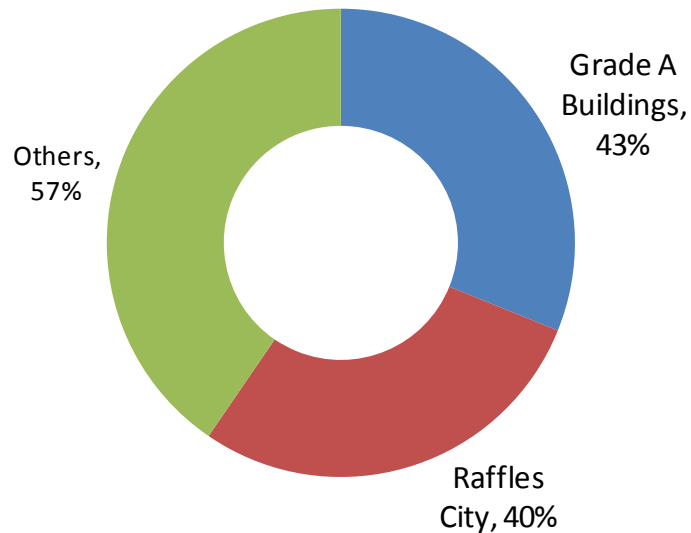
**After acquisition of 1 George Street**

Note:

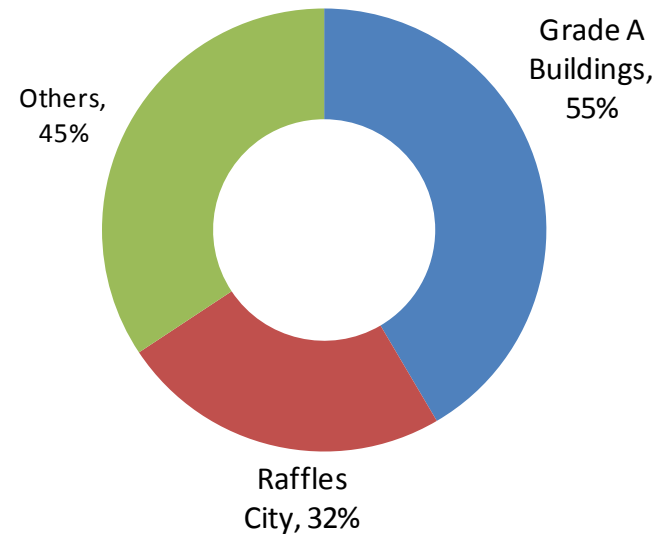
1. Based on the monthly gross rental income for December 2007 for CCT's existing properties
2. Based on the derived gross rental income (including income support) from a net property income @ 4.25% property yield and assuming an operating margin of 75% and other income of the property of S\$280,000 per month

# Strengthens Income Contribution from Grade A office from 43% to 55%

Before acquisition of 1 George Street



After acquisition of 1 George Street



■ Capital Tower, 6 Battery Road, HSBC Building, and 1 George Street

■ Raffles City

■ Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park, Market Street Car Park and Wilkie Edge

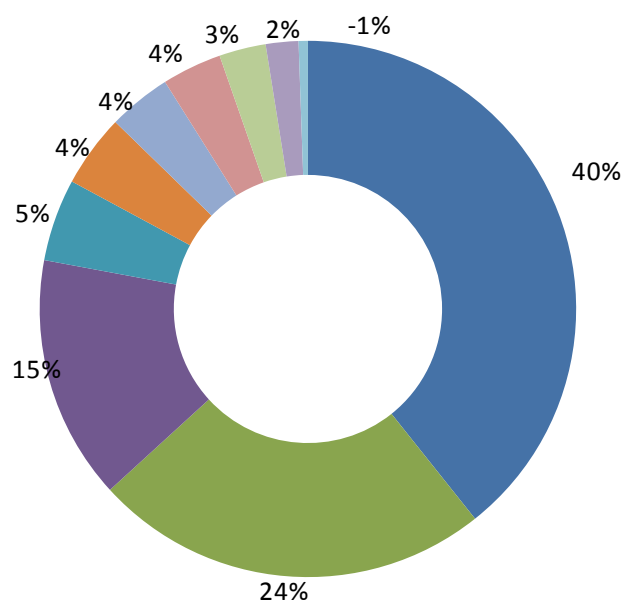
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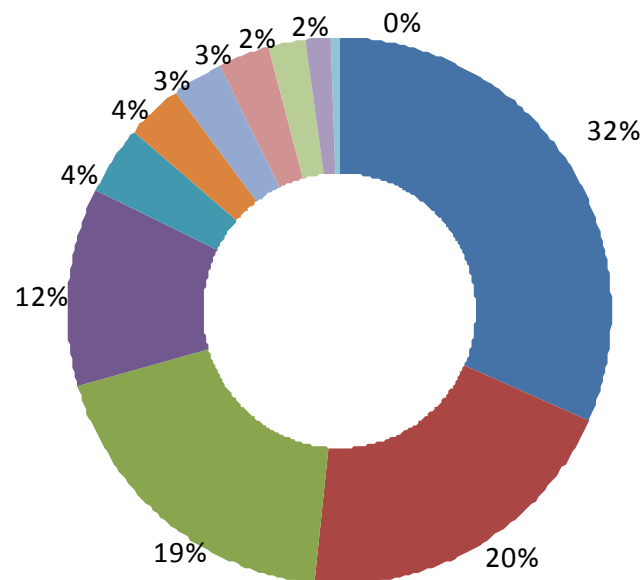


# Income Diversification

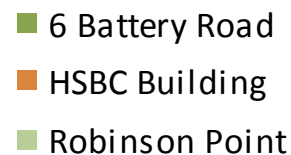
Maximum income<sup>1</sup> contribution by any single property reduced from 40% to **32%**



Before acquisition of 1 George Street

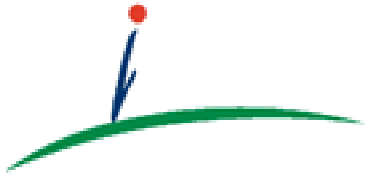


After acquisition of 1 George Street



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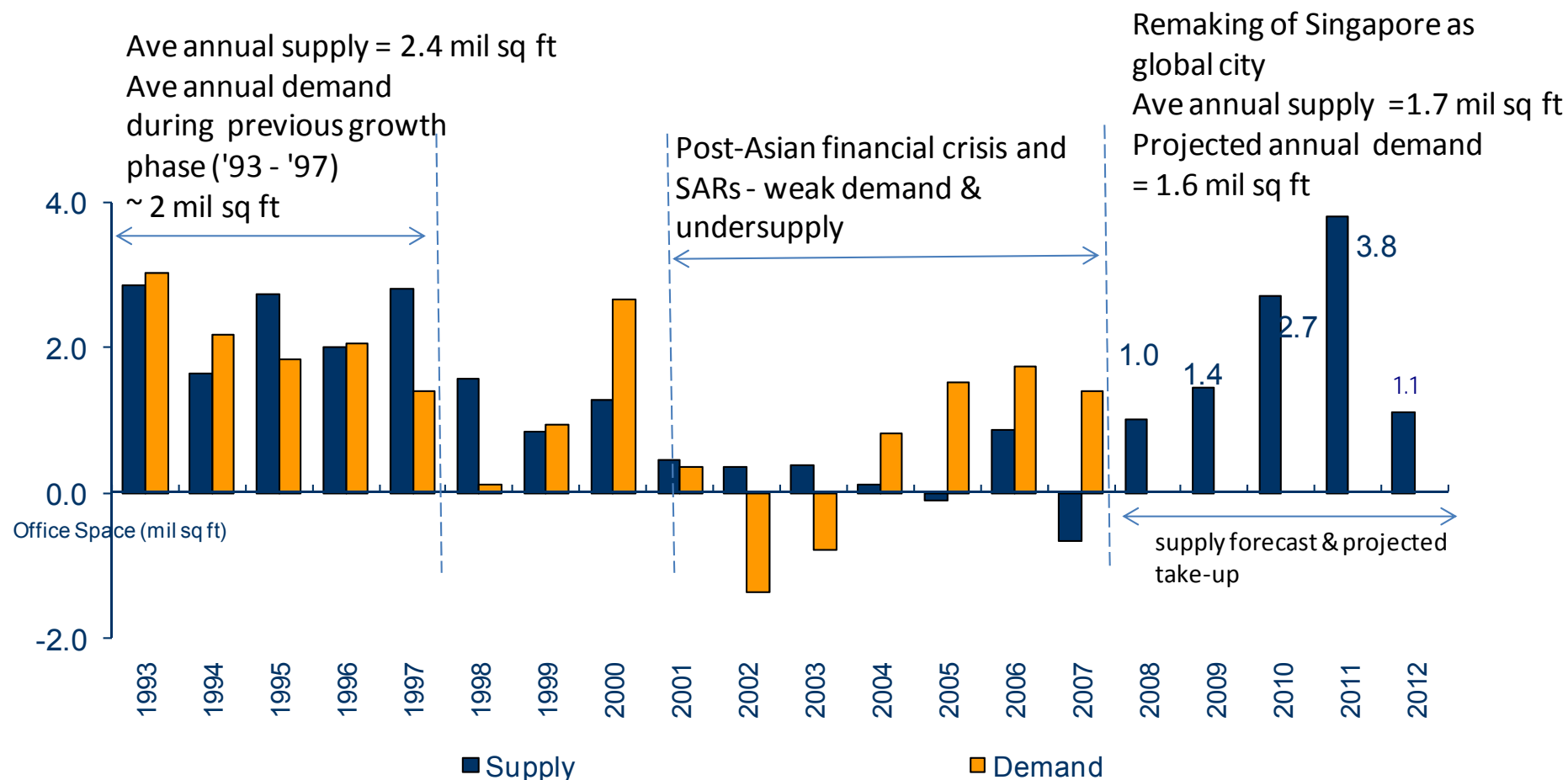


# Healthy Office Market Fundamentals



# Healthy Office Absorption Expected

## Singapore private office space (Central Area) – demand and supply



Source: URA, CBRE & CapitaLand Research (Jan 2008)

Note: Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'



# Firm Lease Commitments for MBFC 3 years ahead of bldg completion

## Key Financial Institutions in Marina Bay Financial Centre

Company	NFA (sqft)	Phase	Comments
Standard Chartered	508,298	1	85% or 24 floors in Tower 1
Natixis	65,000	1	3 floors in Tower 1
Wellington Inv Mgt	21,000	1	1 floor in Tower 1
Amex	50,000	1	2 floors in Tower 2
Barclays	100,000	1	4 floors in Tower 2
Pictet	25,000	1	Occupy Tower 2
Icap	35,000	1	Occupy Tower 2
<b>Phase 1</b>	<b>804,298 (50% of MBFC Phase 1 NFA)</b>		
DBS	700,000	2	22 floors in Tower 3
<b>Phase 2</b>	<b>700,000 (54% of MBFC Phase 2 NFA)</b>		
<b>TOTAL</b>	<b>1,504,298</b>		

Sources: MBFC; BNP Paribas estimates



## Next Step



## Next Step

- ▣ “Interested Party Transaction”
  - Subject to unitholders’ approval at an EGM
  
- ▣ Manager will carry out:
  - Due diligence
  - Independent valuation
  - Appointment of Independent Financial Adviser





# Secured Committed Funding for 100% of Purchase Price

- ▣ Fully underwritten committed funding from banks obtained to fund acquisition
- ▣ **No placement of new CCT units**
- ▣ **No rights issue**



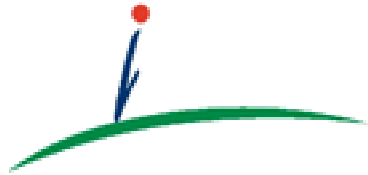
## Even with 100% Debt Funding, Gearing is 40%

- ▣ CCT's strong balance sheet
  - *Asset size = S\$5.3 billion as at 31 Dec 2007*
  
- ▣ CCT's low gearing
  - *Current gearing = 26.9%*



# Timeline

Event	Date
Signed call option agreement	26 Mar 2008
Despatch of circulars to unitholders	May/Jun 2008
<b>Extraordinary General Meeting</b>	<b>Before 30 Jun 2008</b>
Completion of Acquisition	Before 31 July 2008



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