

# LETTER TO UNITHOLDERS



Dear Unitholders,

CapitaCommercial Trust's focus on managing its core business drivers has delivered another strong performance in 2008. Our sterling results are underpinned by our portfolio of quality commercial properties, professional management and a far-sighted approach to capital management.

## **SINGAPORE ECONOMY WILL EMERGE WITH STRENGTH**

2008 was an eventful and challenging year for businesses as a result of a worldwide economic slowdown. The Singapore economy entered into a technical recession in the second half of the year and as a result, full year growth for 2008 was only 1.1% compared with 7.8% in 2007. The Singapore Government expects the economy to contract by 2% to 5% in 2009, and has announced a set of expansionary budget measures to stimulate it and enhance the country's capabilities and competitiveness in the long term. Singapore is expected to emerge with strength when the global economy recovers.

## **SOLID PROPERTY PORTFOLIO, STABLE DISTRIBUTION TO UNITHOLDERS**

2008 saw the Trust overcoming challenging market conditions to deliver a full-year distribution per unit of 11.00 cents, an increase of 26.4% over the 8.70 cents paid out in 2007. Investors who have been with CapitaCommercial Trust since its inception (May 2004) will have reaped a total return of 27.3%.

In July 2008, the Trust acquired a three year-old Grade A office building, One George Street, to strengthen its portfolio of prime office buildings in Singapore's Central Business District. In addition, the Trust also completed its acquisition of Wilkie Edge, a mixed-use development, in December 2008. These assets increased the Trust's total asset size to S\$6.9 billion, surpassing our set target of S\$6.0 billion by year 2009 and positions CapitaCommercial Trust as Singapore's largest listed commercial REIT by asset size.

## **LONG-TERM RELATIONSHIPS**

The Trust focuses on building mutually beneficial, enduring relationships with our tenants and having a well-planned lease renewal cycle, including actively engaging tenants to renew their leases in

advance of the leases' expiry. Pre-emptive lease management raises the tenant retention rate and provides sustainable cash flow for the Trust. Portfolio occupancy levels have been consistently above market norms, at 97% in January 2009. We expect to maintain our occupancy at these healthy levels via proactive leasing, and by conscientiously maintaining our portfolio's quality. As at end-2008, 79% of the Trust's forecast gross rental income for financial year 2009 has been locked in with committed leases. While we expect market rents to soften in the near term, our average office passing rent stands at a modest S\$7.44 per square foot per month, giving us significant leeway for upward rental movements (considering fourth quarter 2008 average monthly market rent of Grade A office was S\$15.00 per square foot and S\$12.90 per square foot for prime office in Singapore according to January 2009 industry statistics).

## **ANTICIPATING CAPITAL REQUIREMENTS**

Also contributing to the Trust's stability is prudent and proactive capital management, that is, sourcing ahead for the most cost-effective capital in anticipation of future capital requirements. We successfully raised S\$1.4 billion of borrowings in mid-2008 when a climate of uncertainty had already pervaded global capital markets. Our capital sources come from various debt instruments, such as medium-term notes, convertible bonds and secured bank loans.

In January 2009, CCT successfully secured refinancing for S\$580.0 million of borrowings in commercial mortgage-backed securities (due in March 2009) via a secured three-year term loan. Despite the tough credit market conditions, four banks supported us for the refinancing within projected costs. We believe that the banks' willingness to lend to the Trust with security over just one asset, Capital Tower, affirms their confidence in our management, the quality and value of our portfolio and our blue-chip tenant base. CCT will have eight unencumbered properties worth S\$2.7 billion after the refinancing, which provide financial flexibility for CCT to manage its capital and balance sheet.

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## PRUDENT PATHWAYS TO SUSTAINABLE GROWTH

We have aborted the proposed redevelopment of Market Street Car Park in view of the project's significant size, taking into account the uncertain market outlook, tight credit conditions and high redevelopment cost. On acquisitions, we seek to be more cautious in the near to medium-term given the current uncertain economic climate.

CCT expects challenging times ahead. The focus continues to be on intensive tenant retention, deliberate cost containment, proactive capital management and vigilant risk management. Despite the tough environment, CCT expects to be able to deliver its 2009 forecast distribution per unit of 12.34 cents.

## RECOGNITION

Two of the Trust's properties gained distinguished awards in 2008: One George Street, with its outstanding environmentally-friendly features, won the SIA-NParks Skyrise Greenery Award conferred by the Singapore Institute of Architects and the National Parks; Six Battery Road, another landmark property in Raffles Place, won the Green Mark Gold Award conferred by the Building and Construction Authority of Singapore.

The strong service attitude of our people, CapitaLand Commercial Management Pte Ltd, garnered the Singapore Service Class certification from Spring Singapore.

## ACKNOWLEDGEMENTS

We wish to thank Mr Stewart Fraser Ewen OAM, who relinquished his position on the Board of Directors on 31 October 2008, for his invaluable contributions over the years. We also welcome Non-Executive Director, Mr Lui Chong Chee, and Independent Non-Executive Director and member of the Audit Committee, Dato' Mohammed Bin Haji Che Hussein, who joined us on 1 July 2008 and 1 January 2009 respectively.

Last but not the least, we would like to extend our warm thanks and heartfelt appreciation to our staff for their hard work and dedication, and to our tenants, business partners and unitholders for their unwavering trust and faithful support over many years.



**Richard E. Hale**  
Chairman



**Lynette Leong Chin Yee**  
Chief Executive Officer

26 February 2009

# 给单位持有人的 信函



尊敬的单位持有人：

嘉康信托将重点放在管理核心业务，在2008年又再一次取得杰出业绩。这优秀的成果有赖于我们优质的商业房产，专业房产管理和有远见的资本管理。

# 给单位持有人的信函

## 新加坡经济将再显实力

2008年由于全球经济增长放缓，企业可谓遭逢了多事之秋且富挑战性的一年。新加坡的经济从2008年下半年开始进入了技术性衰退，与2007年的7.8%相比2008年的全年增长只有1.1%。新加坡政府预计2009年的经济将萎缩2%至5%，并已宣布了一系列扩张性的预算措施来振兴经济，并加强新加坡长远的竞争能力。当全球经济开始复苏，新加坡预计将再显其实力。

## 出色的房产组合，稳定的单位分配

2008年本信托克服了富挑战的市场环境，提供每单位11分的全年分配，比2007年支付的8.70分增长了26.4%。自嘉康信托成立（2004年5月）以来就追随的投资者，将获得27.3%的总回报率。

2008年7月，本信托获得了位于乔治街1号，一座具三年楼龄的A级办公楼，以加强其在新加坡中央商业区，优质办公楼的投资组合。此外在2008年12月，本信托也完成收购威吉里多用途大厦。这些资产使信托的总资产增加至69亿新元，超过了我们2009年的既定目标60亿新元，并按资产规模值将嘉康信托定位为新加坡最大的上市商业地产信托。

## 长久关系

本信托的重点是与我们的租户建立持久的互利合作关系，及有计划周详的更新租约周期，包括在租约届满前，就积极地与租户商议提前更新租

约。这种主动租赁管理策略增加了租户保留率，并提供可持续的现金流动。

本信托的投资组合占用率一直高于市场指标，2009年1月达到97%。我们希望通过积极主动的租赁管理，将我们的占用情况维持在这健康水平，并谨慎地维护我们房产组合的素质。截至2008年底，本信托预测2009财政年的租金收入，约79%的已被锁定为租约合同。虽然我们预计市场租金在短期内会回软，但由于我们办公室租金平均处于适度的每个月每平方英尺新元7.44，所以估计我们的租金还有上涨空间（根据2009年1月的工业统计，2008年第四季度，新加坡A级办公楼每月平均的市场租金是每平方英尺新元15，优质的办公楼则为每平方英尺是新元12.90）。

## 预计资本要求

审慎和积极主动的资本管理有助于本信托的稳定性，即在预计未来的资本需求时，预先寻觅最具成本效益的资本。在2008年年中，当不确定的气氛弥漫全球资本市场，我们已成功地提出了14亿新元的借款。这些资金源自多种债务证券，如中期票据，可转换债券和有抵押银行贷款。

2009年1月，嘉康信托通过一项为期三年的有抵押贷款，顺利地于在2009年3月到期的商业房产抵押证券取得58万新元的再融资。尽管信贷市场环境困难，仍有四家银行支持我们的再融资，而且利息费用亦在预计之内。我们相信银行愿意贷款给本信托，及只要求资金大厦作抵押，证实他们对我们的管理，房产组合的品质和价值，及

对我们的蓝筹租户有信心。在再融资之后，嘉康信托将拥有八项价值相当于27亿新元的无抵押地产，为嘉康信托提供灵活性的资本和资产负债表之财务管理。

## 可持续发展的审慎途径

我们已经取消重新发展马吉街停车场的计划，鉴于该项目规模庞大，同时考虑到市场前景不明朗，紧缩的信贷条件和重建费用高等因素。至于收购计划，鉴于目前不确定的经济环境，我们在短至中期会更加谨慎。鉴于不利的经济气候，嘉康信托预计将面对不少挑战。重点仍然是集中保留租户，成本控制，有前瞻性的资本管理和保持警惕的风险管理。尽管环境困难，嘉康信托预计仍能够履行其2009年预测每单位12.34分的分配。

## 认可

2008年两个信托地产获得了杰出奖：杰出的环保特点，使乔治街1号赢得了由新加坡建筑师学会及国家公园局，授予的新加坡建筑师学会-国家公园之屋顶绿化奖；在莱佛士坊的另一地标产业，百得利路6号，则赢得由新加坡建设局颁发的绿色标签金奖。

我们员工优质的服务态度，使嘉德商业管理有限公司，获得了由Spring新加坡颁发的新加坡服务类证书。

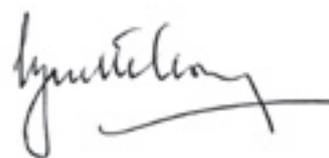
## 鸣谢

我们要借此感谢在2008年10月31日，卸下了董事会职务的斯图尔特·菲沙埃文先生这几年来的宝贵贡献。我们也欢迎分别在2008年7月1日和2009年1月1日，出任非执行董事的雷崇志先生与独立非执行董事和审计委员会成员拿督默罕默德·彬哈吉切侯赛因先生。

最后，我们对职员的努力和贡献，致以热烈和衷心的感谢，还有我们的租户、商业伙伴和单位持有人，对管理层坚定不移的信任和多年来的忠实支持。



理查德西尔  
主席



梁静仪  
总裁

2009年2月26日