



For Immediate Release

NEWS RELEASE

**CCT to augment portfolio income with proposed acquisition
of remaining 60.0% interest in CapitaGreen**
*Continued strengthening of CCT's foothold in Singapore's
Central Business District*

Singapore, 23 May 2016 – CapitaLand Commercial Trust Management Limited (CCTML), the Manager of CapitaLand Commercial Trust (CCT or the Trust), is pleased to announce its proposed acquisition of 60.0% of the units in MSO Trust for a total acquisition outlay of approximately S\$393 million. MSO Trust is a special purpose sub-trust which holds CapitaGreen, a Grade A office tower. Currently, MSO Trust is jointly owned by CapitaLand Group (50.0% interest), CCT (40.0% interest) and Mitsubishi Estate Asia Pte Ltd (MEA) (10.0% interest). Subject to the necessary approval from its unitholders, CCT intends to exercise a call option to acquire CapitaLand's and MEA's entire interest in MSO Trust. Upon the completion of the proposed acquisition, CCT will own 100.0% of CapitaGreen through MSO Trust.

Located on the site of the former Market Street Car Park, in the heart of Singapore's Central Business District (CBD) near the Raffles Place and Telok Ayer Mass Rapid Transit stations, CapitaGreen is a new Grade A premium office tower with net lettable area (NLA) of approximately 703,000 square feet (sq ft). The tower was developed at a total cost of S\$1.3 billion¹, below the budget of S\$1.4 billion, and completed four months earlier than the typical duration required for a building of such scale. Designed by Pritzker Prize winner Toyo Ito, CapitaGreen's environmentally sustainable and inclusive design has garnered it numerous local and international awards, including the accolade of Best Tall Building in Asia and Australasia conferred by the Council of Tall Buildings & Urban Habitat.

As at 31 March 2016, CapitaGreen's committed occupancy was 92.8% with a well-spread lease expiry profile. The property has no leases expiring prior to 2018 which avoids the period of large, new supply in the office market. Given its excellent location, modern Grade A specifications and unique architectural design, the building has attracted tenants comprising multi-national corporations across different industry sectors including insurance, technology, energy and commodities, as well as banking and financial services.

¹ Total development cost included a differential premium and other land related costs of S\$651.5 million paid to the government authorities.

The total acquisition outlay for 60.0% of MSO Trust is approximately S\$393 million. This comprises the estimated purchase consideration of S\$183.4 million², share of MSO Trust's existing unitholders' loans and accrued interest of S\$198.5 million and other acquisition-related expenses. The total acquisition outlay is expected to be funded through borrowings from committed bank facilities. CCT's aggregate leverage as at 31 March 2016 was 30.1% which took into account CCT's 40.0% share of MSO Trust's total borrowings of S\$890.0 million. Following the acquisition, CCT's pro forma aggregate leverage could rise to 37.7%, after taking into account the total acquisition outlay of approximately S\$393 million and assumption of 60.0% interest in MSO Trust's borrowings, the latter of which will be S\$534.0 million on the completion date of the proposed acquisition. The higher pro forma aggregate leverage would be significantly below the regulatory limit of 45% and also aligned with the Trust's capital management strategy to keep aggregate leverage below 40%.

Mr Soo Kok Leng, Chairman of the Manager, said, "CapitaGreen has become a truly iconic "green" landmark in Singapore's CBD with its signature design illuminating the city skyline. Its excellent location, premium finishing and vibrant tenant community will further strengthen CCT's foothold in Singapore's CBD. The proposed acquisition will also complete the value creation cycle resulting from the redevelopment of Market Street Car Park which started in 2011, and is testament to the successful execution of our portfolio reconstitution strategy. CCT's ownership of CapitaGreen will increase from 40.0% to 100.0% post-acquisition, which is projected to generate higher returns for CCT's unitholders and augment the quality of the Trust's portfolio."

Ms Lynette Leong, Chief Executive Officer of the Manager, said "We expect the proposed acquisition to be accretive to the Trust's distribution per unit (DPU). On a pro forma basis³, CCT's 1Q 2016 DPU would have risen by 1.4% to 2.22 cents from the reported 2.19 cents with the proposed acquisition. Additionally, CapitaGreen's contribution to the Trust's portfolio net property income would have increased from 6% as at 31 March 2016 to approximately 14%³, enhancing the Trust's portfolio resilience, diversity and quality. The value of CCT's investment properties is expected to increase from S\$7.5 billion as at 31 December 2015 to about S\$8.4 billion⁴, and CCT's portfolio NLA including its proportionate joint venture interests, from 3.2 million sq ft to 3.6 million sq ft after the proposed acquisition. Given CapitaGreen's strong attributes, there is potential upside to income contribution to CCT with the continued leasing up of the remaining office space."

Key conditions for Acquisition and Valuation

As CapitaLand is a controlling unitholder of CCT, the proposed acquisition of 50.0% units in MSO Trust held by CapitaLand is considered as an interested person/party transaction (IPT) under the Listing Manual of Singapore Exchange Securities Trading Limited (SGX) and the Property Funds Appendix of the Code of Collective Investment Schemes. As such, the

² The purchase consideration is derived from 60.0% of MSO Trust's adjusted net asset value of S\$305.6 million after taking into account the agreed market value of CapitaGreen of S\$1,600.5 million (equivalent to S\$2,276 per sq ft of NLA), and other liabilities.

³ Based on the assumption that the proposed acquisition of 60.0% interest in CapitaGreen was completed on 1 January 2016 and CCT held and operated the property through to 31 March 2016.

⁴ Comprised CCT's existing portfolio valuation as at 31 December 2015 and CapitaGreen's agreed market valuation as at 6 April 2016.

acquisition of CapitaLand's interest in MSO Trust is subject to the approval of CCT's unitholders at an extraordinary general meeting to be held at an appropriate time, during which CapitaLand has to abstain from voting.

According to the Property Funds Appendix, in the case of an IPT, two independent valuations of the property must be obtained, with one of the valuers commissioned independently by the trustee of CCT. CBRE – an independent property valuer appointed by CCTML, and Knight Frank – an independent property valuer appointed by the trustee of CCT, have valued CapitaGreen at S\$1,599.0 million (S\$2,274 psf) and S\$1,602.0 million (S\$2,278 psf) respectively as at 6 April 2016. These values take into account CapitaGreen's remaining 57-year leasehold land tenure. The agreed market value of CapitaGreen is S\$1,600.5 million (S\$2,276 psf), which is the average of the two independent valuations.

The exercise of the call option by CCT for the 60.0% interest in CapitaGreen is also conditional on a market valuation which must be equal to or above the hurdle price. The hurdle price is S\$1,585.8 million based on actual costs incurred since commencement of the development in 2011 less net income received and compounded at 6.3% p.a. Total development cost was reported to be S\$1.3 billion upon completion, and CCT, CapitaLand, and MEA have agreed that the market value of CapitaGreen was above the hurdle price as at 6 April 2016. Accordingly, CCT has 150 days from the aforesaid date to obtain approval from its unitholders in order to exercise the call option.

Summary of CapitaGreen

Location	138 Market Street, Singapore 048946
Description	<p>CapitaGreen is a 40-storey Grade A office tower which occupies the site of the former Market Street Car Park. Standing at 242 metres, CapitaGreen offers approximately 703,000 sq ft of premium Grade A office space from levels 3 to 36, ancillary retail units on levels 1 and 2, a fitness centre on levels 38 and 39 and a restaurant on level 40.</p> <p>Located in Raffles Place, the heart of Singapore's CBD, the property offers ease of accessibility to transportation and amenities. It is within walking distance to the Raffles Place and Telok Ayer MRT stations and also in close proximity to the extended downtown at Marina Bay. Businesses located here will benefit from its strategic location.</p> <p>Designed by Pritzker Prize winner Toyo Ito, founder of Toyo Ito & Associates, Architects, CapitaGreen was conceptualised and designed from the beginning with the objective of reducing the environmental footprint through innovation.</p> <p>An integrated and holistic design approach was implemented to ensure that the building is environmentally friendly. It promotes indoor environmental quality and building performance through energy and water efficiencies, thereby creating a healthier and more productive workplace for the occupiers.</p> <p>In addition to the sky forest on level 40, there are sky terraces on levels 5, 14 and 26, connecting tenants to nature. Water-saving techniques such as rainwater harvesting is used to irrigate the plants.</p> <p>Aimed at minimising solar heat gain, CapitaGreen's double-skin façade consists of a combination of energy efficient, high performance glass and extensive vertical greenery. Air-conditioning for the office floors is provided via innovative technology which takes in fresh cool natural air from the crown of CapitaGreen, providing tenants with better indoor air quality. The building's high floor-to-ceiling height of 3.2 metres allows for natural lighting to permeate the building.</p> <p>CapitaGreen's environmentally sustainable and inclusive design has garnered it several local and international awards, namely:</p> <ul style="list-style-type: none"> • BCA Universal Design Mark Platinum - Building and Construction Authority, Singapore (May 2016) • Best Office & Business Development Bronze Award - MIPIM Asia Awards (Nov 2015) • Building Information Modelling Platinum Award (Project Category) - Building and Construction Authority, Singapore (Oct 2015) • Best Tall Building Award for the Asia and Australasia Region 2015 - Council on Tall Buildings and Urban Habitat (June 2015) • BCA Green Mark Platinum – Building and Construction Authority, Singapore (May 2012)

Site Area (sq ft)	58,971
Gross Floor Area (sq ft)	882,681
Net Lettable Area (sq ft)	703,122
Committed Occupancy	92.8% (as at 31 March 2016)
Number of Storeys	40
Number of Tenants	37 (as at 31 March 2016)
Number of Car Park Lots	180
Land Tenure	Leasehold for balance term of 57 years expiring on 31 March 2073
Gross Revenue	S\$17.1 million (1Q 2016)
Net Property Income	S\$12.6 million (1Q 2016)

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

CapitaLand Commercial Trust is Singapore's first and largest commercial REIT with a market capitalisation of approximately S\$4.1 billion. CCT aims to own and invest in real estate and real estate-related assets which are income producing and predominantly used, for commercial purposes. The total value of CCT's deposited properties is S\$7.7 billion as at 31 March 2016 comprising a portfolio of 10 prime commercial properties in Singapore. The properties in Singapore are Capital Tower, Six Battery Road, One George Street, Raffles City (60.0% interest through RCS Trust), CapitaGreen (40.0% interest through MSO Trust), HSBC Building, Twenty Anson, Bugis Village, Wilkie Edge and Golden Shoe Car Park.

CCT has been a constituent of FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices derived from the globally recognised FTSE Global Equity Index Series. FTSE4Good is designed to track the performance of companies meeting international corporate responsibility standards and forms the basis for over 70 different funds and investment products.

CCT is managed by an external manager, CapitaLand Commercial Trust Management Limited, which is an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

Issued by CapitaLand Commercial Trust Management Limited
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The value of 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 Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CCT is not necessarily indicative of the future performance of CCT.