For immediate release

NEWS RELEASE

CICT gains foothold in Australia with accretive acquisition of two Grade A office buildings in Sydney

- ***Start of an active portfolio reconstitution plan as acquisition recycles the capital unlocked from CICT's divestment of One George Street into higher-yielding assets***
- ***Positions CICT for growth opportunities and tap on the reopening of Sydney***

Singapore, 3 December 2021 – CapitaLand Integrated Commercial Trust Management Limited (CICTML or Manager), the manager of CapitaLand Integrated Commercial Trust (CICT or Trust), is pleased to announce that CICT has entered into a unit sale agreement with CLA Real Estate Holdings Pte. Ltd.[1] (CLA) to acquire the units in two trusts that hold 66 Goulburn Street and 100 Arthur Street, two Grade A office buildings in the central business districts (CBD) of Sydney, Australia. This marks CICT's first inroad into Australia, its second overseas developed market after Germany.

The estimated aggregate purchase consideration is A$330.7 million (S$330.7 million[2]), which is based on the adjusted net asset value of the trusts, taking into account the aggregate agreed property value of A$672.0 million (S$672.0 million), other adjustments[3] and other assets, and less the total amount of liabilities of the two trusts (including the external bank loans taken out by the two trusts). The respective agreed property value is negotiated on a willing buyer willing seller basis, in line with the two independent valuations[4] commissioned separately by the Trustee of CICT and the Manager of CICT. CICT's total acquisition outlay[5] is about A$381.0 million (S$381.0 million), subject to completion adjustments. The acquisition is expected to be completed in 1Q 2022.

[1] CLA is a controlling shareholder of CapitaLand Investment Limited, which wholly owns CICTML. Hence, this transaction is an interested party transaction.

[2] Conversion of AUD to SGD based on Bloomberg exchange rate of A$1.00 to S$1.00 as at 8 November 2021. Unless otherwise stated, all Australian dollar amounts in this news release have been translated into Singapore dollars based on this exchange rate.

[3] Including the tenant incentives in respect of 66 Goulburn Street and 100 Arthur Street, which CLA (the Vendor) is responsible for and A$7.0 million rental guarantee for 100 Arthur Street. Such amounts will be adjusted in CICT's favour as part of the final completion adjustments for the purchase consideration.

[4] As at 15 November 2021, Jones Lang LaSalle Advisory Services Pty Limited (JLL) – appointed by the Trustee of CICT – has valued the two properties at A$672.0 million, while CBRE Valuations Pty Limited (CBRE) – appointed by CICTML – has valued the two properties at A$672.0 million. Both sets of valuation included the tenant incentives in respect of 66 Goulburn Street and the A$7.0 million rental guarantee and the tenant incentives in respect of 100 Arthur Street. Without the rental guarantee sum, 100 Arthur Street is valued at A$365.0 million instead of A$372.0 million by both appraisers.

[5] Total acquisition outlay of A$381.0 million comprises purchase consideration of A$330.7 million, other expenses of A$43.6 million, and acquisition fees of A$6.7 million payable in the form of Units.

On a pro forma annualised 1H 2021 distribution per unit (DPU) basis, assuming that CICT owns the two Sydney assets since 1 January 2021, the pro forma DPU accretion[6] is expected to be 3.1%. CICT's pro forma adjusted net asset value per unit[7] would be uplifted by 2.6% to S$2.07.

Located in Sydney CBD, 66 Goulburn Street is a 24-storey Grade A office building with ancillary retail space, and a basement car park. The building's energy-saving features include double-glazed windows and an intelligent lighting control system. With a central lift core, the building offers efficient and column free floor plate which ranges from 937 square metres to 975 square metres.

100 Arthur Street is a 23-storey Grade A office building with ancillary retail space sited in North Sydney CBD. It underwent a major refurbishment at a total cost of approximately A$17 million from 2019 to 2021 to enhance its lobby, entrance foyer, vacant floors and equipment upgrades. To improve the well-being of occupants, the building's end-of-trip facilities that encourage green mobility were also revamped.

Both properties are located within easy access of public transport and amenities. They have achieved sustainability ratings under the National Australian Built Environment Rating System (NABERS)[8], with 66 Goulburn Street rated 5.5-Star NABERS Energy and 4.5-Star NABERS Water, and 100 Arthur Street rated 4-Star NABERS Energy and 4.5-Star NABERS Water.

Ms Teo Swee Lian, Chairman of CICTML, said: "Despite the evolving pandemic situation, this is an opportune time for CICT to enter Australia, given its attractive office market underpinned by healthy economic fundamentals in the medium to long term, and expected recovery as the country emerges from COVID-19 restrictions. In particular, Sydney is witnessing major development and rejuvenation initiatives in line with its government-backed ambition to become a leading innovation and technology hub in the region. The acquisition will allow CICT to gain a foothold in Australia, one of Asia Pacific's largest developed markets, and open CICT to more opportunities to drive growth. We are also pleased to be investing in Sydney, which is striving to become a climate leader under its Sustainable Sydney 2030 community plan. The addition of the NABERS-rated properties complements CICT's 100% green rated portfolio and supports the Trust's sustainability commitment."

Mr Tony Tan, CEO of CICTML, said: "The acquisition is part of our continual efforts to reconstitute and optimise CICT's portfolio for sustainable returns and growth. It enables the recycling of capital from the divestment of our 50.0% interest in One George Street, at an exit yield of 3.17% per annum, into two higher-yielding office assets in Australia, at a combined

[6] For illustrative purposes, the DPU before the acquisition is based on the annualised DPU of CICT for 1H 2021 and assuming the divestment of 50.0% interest in One George Street (the Divestment) had been completed on 1 January 2021. The DPU post-acquisition is based on the following assumptions: Loan-to-value of approximately 50% for the acquisition and the balance of the purchase consideration to be funded from the net sales proceeds from the Divestment. This resulted in a pro forma DPU of 10.54 cents or 3.1% accretion.

[7] As at 30 June 2021 and assuming the Divestment and the acquisition were completed as at 30 June 2021.

[8] NABERS is a national rating system that measures the environmental performance of Australian buildings. It measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment. A 6 Star rating demonstrates market-leading performance, while a 1 Star rating indicates considerable scope for improvement.

implied net property income yield of 5.2%[9] per annum. The two assets are complementary to CICT's portfolio, and will enhance our portfolio resilience with further geographical and income diversification. Riding on the post-lockdown recovery of Australia's economy, we expect to ramp up occupancy and drive rental growth of the two assets through proactive lease management."

"Post-acquisition, CICT's overall portfolio property value will increase to S$22.4 billion[10] by approximately 3% and our overseas portfolio exposure will increase to about 7% from 4% by portfolio property value. This is in line with our strategy to remain predominantly focused in Singapore, with up to 20% of portfolio property value in overseas developed markets. We will continue to leverage our sponsor's overseas investment and asset management platform and network to build scale in the developed markets where CICT has established footprint. At the same time, we will continue to pursue organic growth and inorganic opportunities from our sponsor and third parties in Singapore."

CICT's Singapore portfolio sees signs of strengthening operating metrics

CICT's malls in Singapore saw higher shoppers' traffic week-on-week comparing the last two weeks of November as dine-in and social gatherings were allowed for up to five people from 22 November 2021. The downtown malls saw marginally higher shoppers' traffic compared to the suburban malls. For the month of November 2021, shoppers' traffic to CICT's malls was 5% above October 2021.

As at 2 December 2021, Asia Square Tower 2, CICT's office building in Marina Bay has increased its committed occupancy rate to 94.3% from 82.8% as at 30 September 2021 after backfilling some spaces vacated in April 2021. CapitaSpring at Raffles Place also increased its committed occupancy to 88.3% from 83.1% as at 30 September 2021. The additional tenants are from the real estate services and energy & commodities sectors.

The resilience of CICT's portfolio could be seen in the improving shoppers' traffic at CICT's malls and strengthening committed occupancy at CICT's office buildings. The Manager will continue with its active portfolio reconstitution plan to generate sustainable income and higher distribution.

Prudent capital management

The acquisition is expected to be partially funded with Australian-dollar-denominated bank loans to achieve natural hedging. The net distributions from the two trusts holding the assets are also expected to be hedged. Post-acquisition, CICT's pro forma aggregate leverage is expected to be approximately 41%.

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[9] The Implied NPI is based on the annualised 1H 2021 NPI of the properties and taking into account the following assumptions: (a) the acquisition of the two trusts were completed on 1 January 2021 and held and operated to 30 June 2021; (b) including tenants' incentives for 66 Goulburn Street and 100 Arthur Street for 1H 2021 borne by the Vendor, as well as the rental guarantee for 100 Arthur Street; (c) the tenants and committed tenants of 100 Arthur Street as at 30 September 2021 were in place on 1 January 2021. Without the rental guarantee for 100 Arthur Street, the combined NPI yield would be 4.2%.

[10] Enlarged portfolio property value includes existing portfolio value and the two Australian assets which are based on valuation as at 15 November 2021. The existing portfolio property value is based on valuation as at 31 December 2020 and assuming One George Street had been divested.

Sponsor's established platform in Australia

CICT would be able to leverage on its sponsor, CapitaLand Investment Limited (CLI), for its investment and portfolio management capabilities. CLI has been in the Australian market since 2015. Through its sponsored business space and industrial real estate investment trust Ascendas Reit, CLI currently owns and manages 37 logistics and suburban office assets with around 790,000 square metres of area located in the key cities of Sydney, Melbourne, Brisbane and Perth. CLI also has a strong network of more than 12,700 units across over 140 serviced residences and hotels in Australia through its wholly owned lodging business unit The Ascott Limited and its hospitality trust Ascott Residence Trust.

Please refer to the **Annex** for more information on 66 Goulburn Street and 100 Arthur Street.

About CapitaLand Integrated Commercial Trust (www.cict.com.sg)
CapitaLand Integrated Commercial Trust (CICT) is the first and largest real estate investment trust (REIT) listed on Singapore Exchange Securities Trading Limited (SGX-ST) with a market capitalisation of S$13.4 billion as at 2 December 2021. It debuted on SGX-ST as CapitaLand Mall Trust in July 2002 and was renamed CICT in November 2020 following the merger with CapitaLand Commercial Trust.

CICT owns and invests in quality income-producing assets primarily used for commercial (including retail and/or office) purpose, located predominantly in Singapore. As the largest proxy for Singapore commercial real estate, CICT's portfolio comprises 22 properties in Singapore and two in Frankfurt, Germany, with a total property value of S$22.3 billion as at 31 December 2020.

CICT is managed by CapitaLand Integrated Commercial Trust Management Limited, a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)
Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 September 2021, CLI had about S$120.8 billion of real estate assets under management, and about S$84.3 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 30 private funds across the Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging and new economy sectors such as business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm of the CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

As part of the CapitaLand Group, CLI places sustainability at the core of what it does. As a responsible real estate company, CLI 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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Annex – Property Information

Property	**66 Goulburn Street** 
Address	Civic Tower, 66 Goulburn Street, Sydney, New South Wales
Property Description	A 24-storey Grade A office building with ancillary retail space and a basement car park, located at the southern edge of the Midtown Precinct of Sydney CBD
Tenure	Leasehold expiring 16 Aug 2116 (95 years remaining)
Year of completion	2004
Site Area	3,129 sq m (~33,680 sq ft)
NLA	Office: 22,630 sq m (~243,587 sq ft) Retail: 257 sq m (~2,766 sq ft) Total: 22,887 sq m (~246,354 sq ft)
Carpark lots/Green lots	53
No of tenants	25
Weighted average lease expiry [11]	2.7 years
Committed Occupancy	95.3%
NPI yield [12]	5.4%
Green Ratings	• 5.5-Star NABERS Energy • 4.5-Star NABERS Water

[11] Based on committed monthly gross rental income as at 30 September 2021.
[12] Based on annualised 1H 2021 NPI including tenant incentives borne by the Vendor.

Property	100 Arthur Street 
Address	100 Arthur Street, North Sydney, New South Wales
Property Description	A 23-storey Grade A office building with ancillary retail located in the eastern quadrant of North Sydney CBD
Tenure	Freehold
Year of completion	2007
Last refurbishment	2019 to 2021 at a total cost of approximately A$17 million
Site Area	2,090 sq m (~22,497 sq ft)
NLA	27,082 sq m (~291,508 sq ft)
Carpark lots/Green lots	140
No of tenants	16
Weighted average lease expiry [13]	4.0 years
Committed Occupancy	62.3%[14]
Implied NPI yield [15]	5.1%
Green Ratings	• 4-Star NABERS Energy • 4.5-Star NABERS Water

[13] Based on committed monthly gross rental income as at 30 September 2021.
[14] Lower occupancy due to refurbishment works carried out from 2019 to 2021, after the departure of two anchor tenants occupying approximately 64% of building's NLA by early 2020, as well as COVID-19 disruption and lockdown periods. Leasing of the remaining vacant space is ongoing.
[15] The Implied NPI is based on the annualised 1H 2021 NPI of the property and taking into account the following assumptions: (a) the acquisition was completed on 1 January 2021 and held and operated to 30 June 2021; (b) including tenants incentives borne by the vendor, as well as the A$7.0 million rental guarantee; (c) the tenants and committed tenants as at 30 September 2021 were in place on 1 January 2021. Without the rental guarantee, the implied NPI yield would be 3.2%.

Important Notice

This news release may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs and property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of CapitaLand Integrated Commercial Trust Management Limited, as manager of CapitaLand Integrated Commercial Trust (“CICT”, and the manager of CICT, the “Manager”) regarding future events. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this news release. Neither the Manager nor any of its respective affiliates, advisers or representatives undertakes any obligation to update publicly or revise any forward-looking statements, and none of them shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this news release or its contents or otherwise arising in connection with this news release.

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