



CAPITALAND COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 6 February 2004 (as amended))

ANNOUNCEMENT

DIVESTMENT OF TWENTY ANSON

1. INTRODUCTION

1.1 Divestment of Twenty Anson

CapitaLand Commercial Trust Management Limited, as manager of CapitaLand Commercial Trust ("**CCT**", and the manager of CCT, the "**Manager**"), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CCT (the "**Trustee**"), has entered into a sale and purchase agreement (the "**SPA**") relating to the sale of the property currently known as Twenty Anson (the "**Sale**"), located at 20 Anson Road Singapore 079912 ("**Twenty Anson**"), with an unrelated third party (the "**Purchaser**").

1.2 Information on the Property

Completed in 2009, Twenty Anson is a 20-storey prime office building in Tanjong Pagar, a sub-market of Singapore's Central Business District. Easily accessible to the Tanjong Pagar MRT station and major expressways, this Green Mark Platinum certified development features a modern facade, column-free floor plates, a sky garden and a café. The latest independent valuation of Twenty Anson commissioned by the Manager and the Trustee was S\$433.0 million as appraised by Knight Frank Pte Ltd as at 31 December 2017. The methods used by the independent valuer were based on direct capitalisation and discounted cash flow analysis.

2. PRINCIPAL TERMS OF THE SALE

2.1 Sale and Purchase

Pursuant to the SPA, CCT will sell Twenty Anson for a sale consideration of S\$516.0 million (the "**Sale Consideration**"). Completion of the Sale is expected to take place in 3Q 2018.

2.2 Sale Consideration and Valuation

The Sale Consideration was arrived at through a bidding process conducted by an appointed property consultant. The Purchaser shall pay a deposit of 15.0% of the Sale Consideration ("**Deposit**") following signing of the SPA, in accordance with the terms and

conditions of the SPA, and will pay the balance of the Sale Consideration to CCT on completion of the Sale.

The Sale Consideration of S\$516.0 million is S\$83.0 million over the valuation of Twenty Anson of S\$433.0 million as at 31 December 2017.

2.3 Principal Terms of the SPA

The SPA contains customary provisions relating to the Sale, including representations and warranties and pre-completion covenants regarding the operation of the business, limitations of the Vendor's liabilities and other commercial terms.

The salient terms of the SPA include, amongst others, the following:

- (i) there being no material damage relating to Twenty Anson;
 - (ii) there being no compulsory acquisition or notice of compulsory acquisition or intended compulsory acquisition relating to Twenty Anson; and
 - (iii) the Purchaser not receiving a reply to legal requisitions from the relevant authorities which materially adversely affects Twenty Anson,
- prior to completion of the Sale.

3. RATIONALE FOR THE SALE

The divestment of Twenty Anson is in line with CCT's proactive strategy to reconstitute CCT's portfolio and optimise returns for its unitholders ("**Unitholders**"). This transaction will unlock value and enhance CCT's financial flexibility.

4. USE OF SALE PROCEEDS AND FINANCIAL EFFECTS

4.1 Net proceeds

After taking into account the divestment fee of S\$2.6 million to be paid to the Manager and other divestment related expenses, the net proceeds from the Sale would be approximately S\$512.5 million.

4.2 Use of Sale Proceeds

The Manager's intention is to use the net sale proceeds to repay debt and/or to fund growth opportunities.

4.3 Pro Forma Financial Effects

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on the net asset value ("**NAV**") per unit in CCT ("**Unit**") and the distribution per Unit ("**DPU**") of CCT presented below were prepared based on the audited financial statements of CCT for the financial year ended 31 December 2017.

4.3.1 Pro Forma NAV Effect of the Sale

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on the NAV per Unit as at 31 December 2017, as if the Sale was completed on 31 December 2017, are as follows:

	Effects of the Sale	
	Before the Sale	After the Sale
NAV per Unit (S\$)	1.74	1.76 ⁽¹⁾

Note:

(1) Assuming that the net sales proceeds were used to repay existing borrowings.

4.3.2 Pro Forma DPU Effect of the Sale

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on CCT's DPU for the financial year ended 31 December 2017, as if CCT had completed the Sale on 1 January 2017, are as follows:

	Effects of the Sale	
	Before the Sale	After the Sale
DPU (cents)	8.66	8.66 ⁽¹⁾

Note:

(1) Assuming that the net sales proceeds were used to repay existing borrowings at an interest rate of 2.7 per cent per annum (CCT's first quarter 2018 weighted average cost of borrowings).

5. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement and based on information available to the Manager as at the date of this announcement, save for the unitholding interests in CCT held by certain directors of the Manager and the controlling Unitholders, none of the directors of the Manager or the controlling Unitholders has an interest, direct or indirect, in the Sale.

6. OTHER INFORMATION

6.1 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Sale or any other transactions contemplated in relation to the Sale.

6.2 Disclosure under Rule 1010(13) of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by CCT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(a), 1006(b), and 1006(c) of the Listing Manual:

- (i) the NAV of the assets to be disposed of, compared with CCT's NAV;

- (ii) the net profits attributable to the assets disposed of, compared with CCT's net profits; and
- (iii) the aggregate value of the consideration received, compared with CCT's capitalisation.

The relative figures for the Sale using the applicable bases of comparison described above are set out in the table below:

	Sale (S\$ million)	CCT Group (S\$ million)	Percentage
<u>Rule 1006(a)</u> NAV of assets disposed compared to CCT's NAV ⁽¹⁾	79.5	6,369.2	1.2
<u>Rule 1006(b)</u> Net profits attributable to the assets disposed compared to CCT's net profits ⁽¹⁾	2.1	77.0	2.7
<u>Rule 1006(c)</u> Aggregate value of consideration to be received compared with CCT's market capitalisation ⁽²⁾	516.0	6,162.0	8.4

Notes:

- (1) CCT's first quarter 2018 unaudited financial results announced on 24 April 2018.
- (2) Market capitalisation computed based on CCT's volume weighted average price of S\$1.6464 on 28 June 2018, being the market day immediately prior to the date of the SPA.

Where any of the relative figures computed on the bases set out above is 20.0% or more, the transaction is classified as a major transaction under Rule 1014 of the Listing Manual which would be subject to the approval of Unitholders, unless such transaction is in the ordinary course of CCT's business.

CapitaLand Commercial Trust Management Limited
(Registration number: 200309059W)
As manager of CapitaLand Commercial Trust

Lee Ju Lin, Audrey
Company Secretary

29 June 2018

IMPORTANT NOTICE

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 their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

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

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. 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, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 Manager's current view on future events