

CIRCULAR DATED 19 AUGUST 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

CIRCULAR TO UNITHOLDERS IN RELATION TO:

THE PROPOSED ACQUISITION OF A 94.9% INTEREST IN MAIN AIRPORT CENTER LOCATED IN FRANKFURT, GERMANY

Independent Financial Adviser to the Independent Directors
and the Audit Committee of the Manager, and to the Trustee
ERNST & YOUNG CORPORATE FINANCE PTE LTD



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IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Event	Date and Time
Last date and time for lodgement of Proxy Forms	Wednesday, 4 September 2019 at 10.30 a.m.
Date and time of Extraordinary General Meeting (“ EGM ”)	Friday, 6 September 2019 at 10.30 a.m.
Place of EGM	Raffles City Convention Centre Canning Ballroom, Level 4 2 Stamford Road, Singapore 178882

CAPITALAND COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 6 February 2004 (as amended) (the “**Trust Deed**”))

MANAGED BY CAPITALAND COMMERCIAL TRUST MANAGEMENT LIMITED

Overview

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 30 to 34 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

Transaction Overview – 2nd Acquisition in Frankfurt, Germany

- ▶ Opportunity to acquire a 94.9%⁽¹⁾ interest in Main Airport Center, a high quality, multi-tenanted office building located within the Frankfurt airport office submarket
- ▶ Agreed Property Value of €265.0 million; 94.9% interest translates to €251.5 million (~\$387.1 million)⁽²⁾
- ▶ DPU accretive transaction funded by a combination of debt and equity
- ▶ The proposed Acquisition is subject to CapitaLand Commercial Trust (“CCT”) Unitholders’ approval



32
tenants



1,510
carpark lots



~60,200 sqm⁽³⁾
NLA



~90%⁽⁴⁾
committed occupancy



Freehold
tenure



4.7 years
weighted average
lease expiry (by NLA)



4.0%
NPI yield⁽⁵⁾



Main Airport Center

Close proximity to Frankfurt city centre



20 mins by car
▶ via A3 / A5 motorways



11 mins by train
▶ intercity express (“ICE”) high speed trains offer 204 domestic and regional connections



15 mins by S-Bahn commuter railway
▶ 3 stops to Frankfurt city centre (Frankfurt central station)



Notes:

- (1) Main Airport Center is currently owned by CLI MAC and CLI CP (the “Vendors”). CCT will acquire a 94.9% stake from the Vendors and CLI MAC will retain the remaining 5.1% post completion of the proposed Acquisition.
- (2) Based on exchange rate of €1.00 = \$1.539 as at 28 June 2019.
- (3) Comprising approximately 53,900 sqm office space and approximately 6,300 sqm ancillary space.
- (4) Committed occupancy as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.
- (5) Based on Agreed Property Value of €265.0 million, 1H 2019 annualised adjusted NPI of €10.6 million and committed occupancy of approximately 90%.

Rationale for and benefits of the Acquisition

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

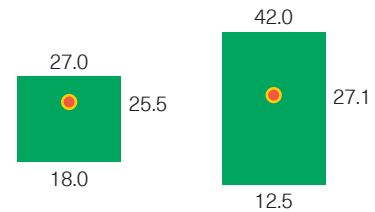
1

Deepens CCT's strategic presence in the attractive Frankfurt office market

Frankfurt ranks as the largest financial centre in Germany and continental Europe with an attractive property market underpinned by strong fundamentals. Given that Frankfurt office market has limited new supply of office space from 2019 to 2020, with approximately 65% of the total new supply already committed, rental and capital value growth is expected⁽¹⁾.

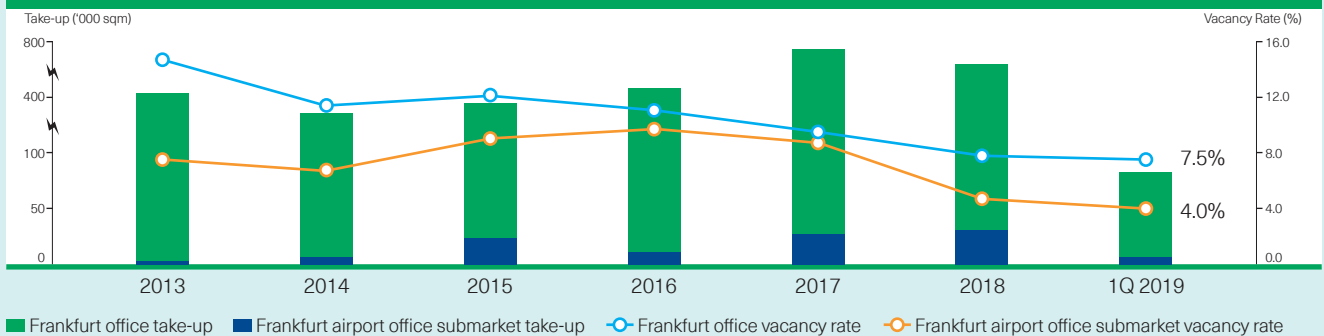
Frankfurt airport office submarket is a thriving business cluster with excellent supporting amenities and transportation network infrastructure. Frankfurt airport office submarket's vacancy rate has reached a 10-year low and is currently at 4.0% as compared to the overall Frankfurt office vacancy rate of 7.5%. The rental rates in the Frankfurt airport office submarket are competitive to that of Frankfurt's CBD.

Rental range by submarket⁽²⁾ (€ / square metre / month)



● Weighted average

Frankfurt office market⁽²⁾



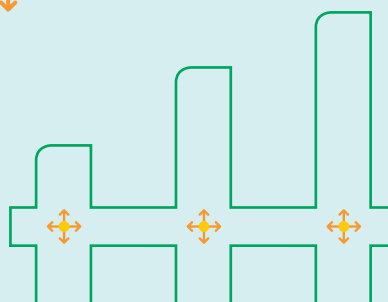
2

High quality freehold asset that complements CCT's existing portfolio



Main lobby

- ▶ Double volume 4.3 metres high lobby
- ▶ Metal and glass façade with heat and noise protective glazing



Typical office floor plan⁽³⁾

- ▶ Flexible floor plate sizes (from ~490 to ~2,300 square metres) cater to different tenants' requirements
- ▶ 2.9 metres raised floor-to-ceiling height and well designed floor plates which allow natural light to permeate the building
- ▶ Three separate lift lobbies offer exclusive access and privacy



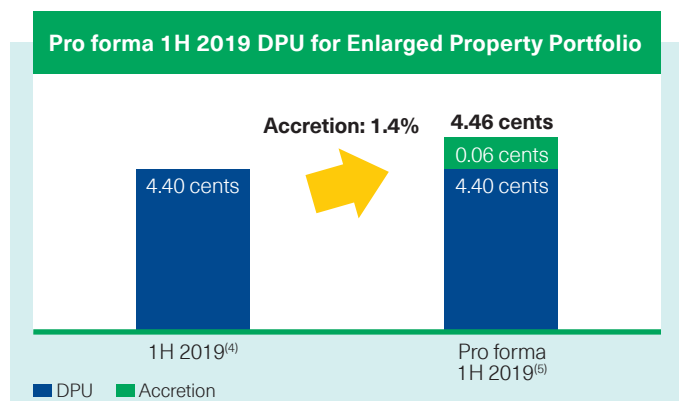
Notes:

- (1) Source: CBRE valuation report dated 30 June 2019.
- (2) Source: CBRE Research, 1Q 2019.
- (3) Floor plan not drawn to scale.

3

Transaction expected to be DPU accretive to Unitholders

The Acquisition is DPU accretive to Unitholders by 1.4% based on pro forma 1H 2019 DPU.

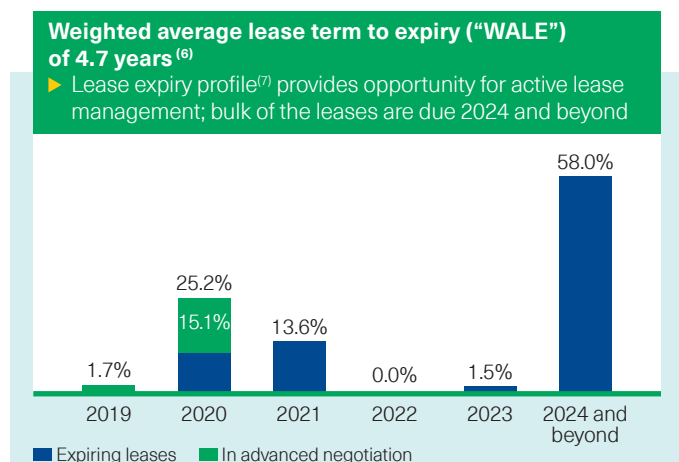


4

Enhances resilience, diversity and quality of CCT's portfolio

(i) Strong tenant base with potential upside from further increase in occupancy rate

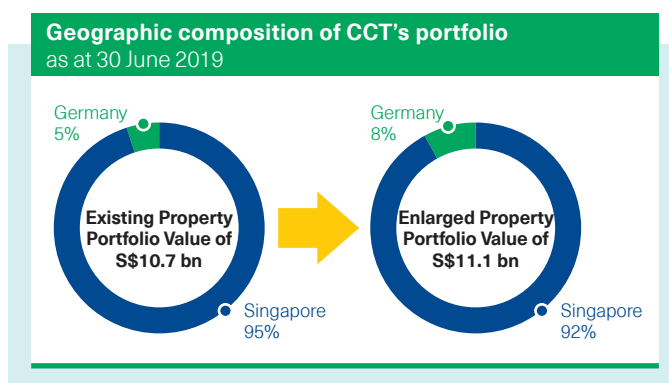
The Property has a diversified tenant base comprising 32 high quality and reputable companies from various industries. The Property is anchored by blue-chip tenants, with the top three comprising IQVIA Commercial GmbH & Co OHG, Dell GmbH and Miles & More, contributing 47.2% of the gross rental income of the Property.



The Property has a committed occupancy of approximately 90% as at 30 June 2019. The Manager believes that there is potential to increase the occupancy rate through active leasing efforts which would allow CCT to benefit from further rental income upside when the Property is fully leased.

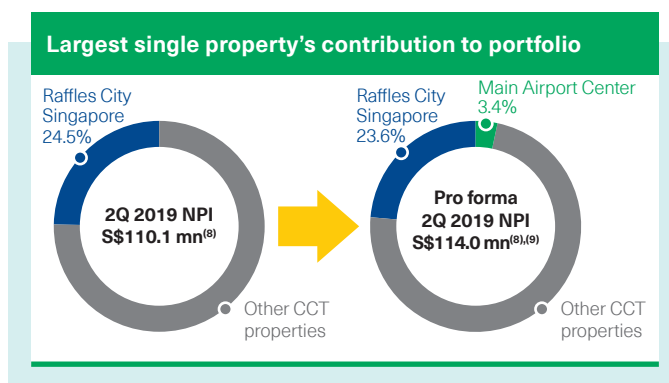
(ii) Increases portfolio property value and provides geographical diversification

Following completion of the Acquisition, CCT's portfolio property value will increase from S\$10.7 billion to S\$11.1 billion and the overseas exposure of the portfolio will increase from 5% to 8%.



(iii) Improves income diversification from any single property or tenant

The Acquisition is expected to benefit Unitholders by improving the diversification of CCT's NPI and tenant mix, thereby reducing the reliance of CCT's income stream on any single property or tenant. The Manager expects that the maximum contribution to CCT's NPI by any single property within CCT's property portfolio will be reduced from approximately 24.5% to 23.6%.



Notes:

(4) Based on CCT's financial statements as at 30 June 2019.

(5) Based on (i) funding of the Total Acquisition Outlay through the New Bank Loan at an indicative interest rate of 1.1% p.a. and net proceeds from the Private Placement and (ii) a total of 3,856,631,000 units in CCT ("Units") in issue after the Private Placement which includes an estimated 1.8 million new Units to be issued for the Acquisition Fee which is payable to the Manager in Units.

(6) WALE by NLA as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.

(7) Property lease expiry profile based on monthly gross rental income as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.

(8) Based on NPI from 1 April 2019 to 30 June 2019 including NPI from CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Gallileo, Frankfurt.

(9) Pro forma NPI ~S\$3.9 million contribution from 94.9% interest in Main Airport Center assuming CCT owns the property from 1 April 2019 to 30 June 2019 and after adjusting for expired leases and inclusion of newly committed leases.

Leverages sponsor's established platform

CapitaLand has a strong presence and platform in Europe, established since 2000. The Acquisition allows CCT to benefit from its sponsor's established platform in Europe.



8
countries



>900
staff strength



21
cities



>1mil sq ft
office NLA



>5 mil sq ft
logistics gross floor area in UK



>6,000 units
serviced residences

Data as at 17 July 2019

Unitholders' Approval to be sought for the proposed Acquisition of a 94.9% stake in Main Airport Center⁽¹⁰⁾

► CCT to acquire a 94.9% stake from Vendors. CapitaLand will continue to hold the remaining 5.1% indirectly through its wholly owned subsidiaries.



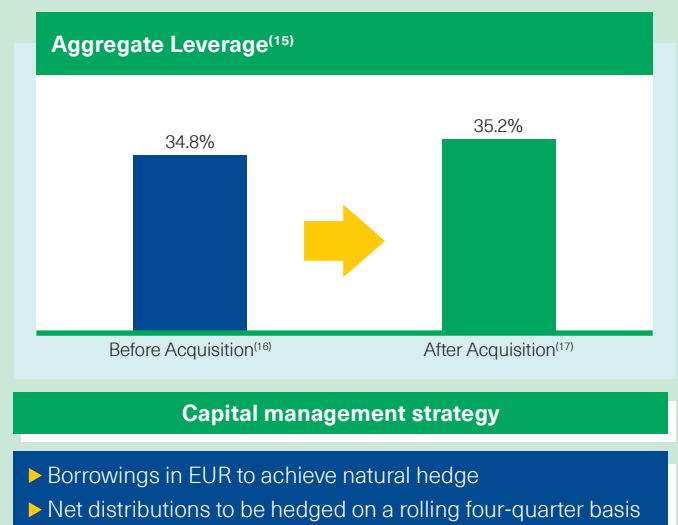
Funding of Cash Outlay

► Using proceeds from private placement⁽¹¹⁾ and New Bank Loan⁽¹²⁾

94.9% interest in Target Companies which hold the Property	S\$ million
Agreed Property Value ⁽¹³⁾	387.1
Less: Other adjustments ⁽¹⁴⁾	(0.9)
Add: Acquisition Fee (payable in Units)	3.8
Total Acquisition Outlay	390.0
Cash Outlay (Total Acquisition Outlay less Acquisition Fee)	386.1

Transaction expected to be DPU accretive to Unitholders

► Aggregate Leverage at 35.2% after Acquisition



Notes:

- (10) The proposed Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.
- (11) Private placement of 105,012,000 new CCT units at an issue price of S\$2.095 per new CCT unit as per announcements on 17 and 18 July 2019.
- (12) New Bank Loan to be entered into by the Target Companies.
- (13) Being 94.9% of the Agreed Property Value: €251.5 million (S\$387.1 million).
- (14) The net asset value of the Target Companies is based on the Agreed Property Value less the Loan Liabilities and subject to adjustments based on the net asset value of the Target Companies on Completion.
- (15) "Aggregate Leverage" means the ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property of the CCT Group (inclusive of proportionate share of deposited property of jointly controlled entities).
- (16) CCT Group's Aggregate Leverage as at 30 June 2019.
- (17) Based on CCT's Aggregate Leverage as at 30 June 2019 and taking into account the New Bank Loan and the Agreed Property Value.



Capital Tower



Asia Square Tower 2



CapitaGreen



Six Battery Road



21 Collyer Quay
(HSBC Building)



One George Street



Raffles City Singapore



CapitaSpring
(under development)



Gallileo,
Frankfurt, Germany

About CCT

CapitaLand Commercial Trust was the first and is the largest commercial real estate investment trust listed on Singapore Exchange Securities Trading Limited by market capitalisation.

CCT aims to own and invest in quality, income producing commercial real estate and real estate-related assets, to secure stable earnings and ensure sustainable returns to unitholders of CCT. CCT remains predominantly focused in Singapore and the Manager has guided that CCT will look to invest in key gateway cities in other developed markets over time. CCT's overseas exposure is currently in Germany and accounts for 5.0% of its portfolio property value.

CCT's existing property portfolio

- 1 Capital Tower
- 2 Asia Square Tower 2
- 3 CapitaGreen
- 4 Six Battery Road
- 5 21 Collyer Quay (HSBC Building)
- 6 One George Street (50.0% interest)
- 7 Raffles City Singapore (60.0% interest)
- 8 CapitaSpring, a property under development (45.0% interest)
- 9 Gallileo, Frankfurt (94.9% interest)

Enlarged Portfolio Details

	Main Airport Center	Existing Property Portfolio	Enlarged Property Portfolio
Net Lettable Area (sq ft)	0.6 million	4.6 million ⁽¹⁾	5.2 million⁽¹⁾
Property Value	S\$387.1 million ⁽²⁾ (€251.5 million)	S\$10,690.1 million ⁽³⁾	S\$11,077.2 million⁽³⁾

Notes:

(1) Excludes CapitaSpring, which is currently under development and targeted to complete in 1H 2021.

(2) Based on exchange rate of €1.00 = S\$1.539 as at 28 June 2019 and CCT's 94.9% interest.

(3) Including CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street, 45.0% interest in CapitaSpring and 94.9% interest in Gallileo, Frankfurt. Gallileo's property value is based on exchange rate of €1.00 = S\$1.533 as at 30 June 2019.

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CORPORATE INFORMATION

Directors of CapitaLand Commercial Trust Management Limited (the manager of CCT) (the “Manager”)	:	Mr Soo Kok Leng (Chairman & Non-Executive Independent Director) Mr Chee Tien Jin Kevin (Chief Executive Officer & Executive Non-Independent Director) Mr Lam Yi Young (Non-Executive Independent Director) Ms Tan Soon Neo Jessica (Non-Executive Independent Director) Mrs Quek Bin Hwee (Non-Executive Independent Director) Mr Ng Wai King (Non-Executive Independent Director) Mr Lee Chee Koon (Non-Executive Non-Independent Director) Mr Lim Cho Pin Andrew Geoffrey (Non-Executive Non-Independent Director)
Registered Office of the Manager	:	168 Robinson Road #30-01 Capital Tower Singapore 068912
Trustee of CCT (the “Trustee”)	:	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #13-02 HSBC Building Singapore 049320
Legal Adviser to the Manager for the Acquisition (as defined herein) and as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser for the Trustee as to Singapore Law	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors and the Audit Committee of the Manager, and the Trustee (the “IFA”)	:	Ernst & Young Corporate Finance Pte Ltd One Raffles Quay North Tower, Level 18 Singapore 048583

Independent Valuers

: CBRE GmbH
(appointed by the Manager)
Bockenheimer Landstrasse 24
60323 Frankfurt

C&W (U.K.) LLP – German Branch
(appointed by the Trustee)
Rathenauplatz 1 60313
Frankfurt am Main

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OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 30 to 34 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

Overview

CapitaLand Commercial Trust (“**CCT**”) was the first and is the largest commercial real estate investment trust (“**REIT**”) listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) by market capitalisation.

CCT aims to own and invest in quality, income producing commercial real estate and real estate-related assets, to secure stable earnings and ensure sustainable returns to unitholders of CCT (“**Unitholders**”). CCT remains predominantly focused in Singapore and the Manager has guided that CCT will look to invest in key gateway cities in other developed markets over time. CCT’s overseas exposure is currently in Germany and accounts for 5.0% of its portfolio property value.

As at 13 August 2019, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), CCT has a market capitalisation of approximately S\$7.9 billion¹. CCT’s portfolio comprises nine quality office and commercial buildings, eight of which are well located in Singapore’s central area, and one prominently located in Frankfurt’s banking district.

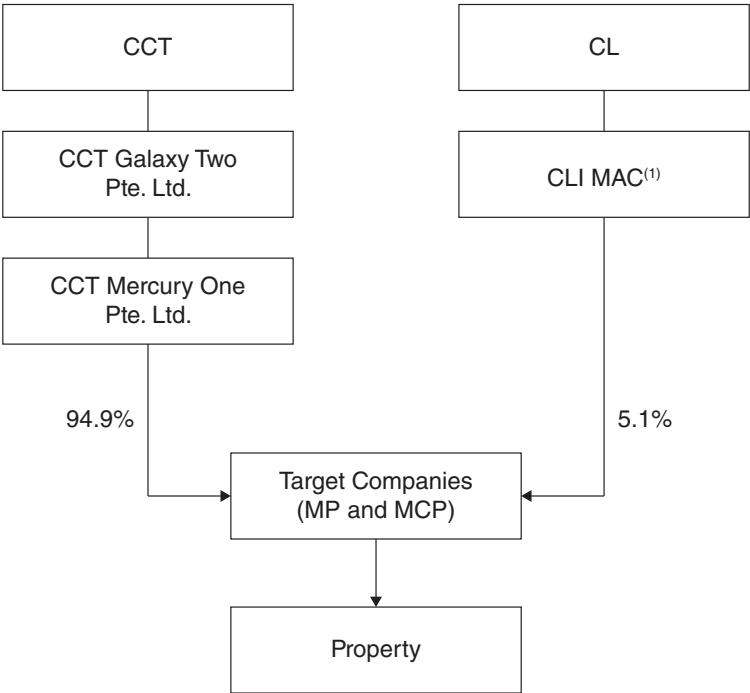
CCT’s existing property portfolio comprises (i) Capital Tower, (ii) Asia Square Tower 2, (iii) CapitaGreen, (iv) Six Battery Road, (v) 21 Collyer Quay (HSBC Building), (vi) a 50.0% interest in One George Street, (vii) a 60.0% interest in Raffles City Singapore, (viii) a 45.0% interest in CapitaSpring, a property under development, and (ix) a 94.9% interest in Gallileo, Frankfurt (collectively, the “**Existing Property Portfolio**”).

On 16 July 2019², CCT, through its wholly owned subsidiary, CCT Mercury One Pte. Ltd. (“**CCT SPV**”), entered into a conditional share purchase agreement (“**Share Purchase Agreement**”) with CLI MAC (Netherlands) B.V. (“**CLI MAC**”) and CLI CP (Netherlands) B.V. (“**CLI CP**”, and together with CLI MAC, the “**Vendors**”) to acquire a 94.9% interest in Main Airport Center (the “**Property**”) through the acquisition of shares in MAC Property Company B.V. (“**MP**”) and MAC Car Park Company B.V. (“**MCP**”, together with MP, the “**Target Companies**”) (the “**Acquisition**”). The Property is held by the Target Companies.

¹ Based on the closing Unit price of S\$2.06 as at the Latest Practicable Date.

² The Share Purchase Agreement was entered into on 16 July 2019 after close of business in the Netherlands.

CLI MAC will retain the remaining 5.1% of the shares in each of the Target Companies following the completion of the Acquisition (“**Completion**”, and the date of Completion, the “**Completion Date**”). The chart below sets out the holding structure of the Property following Completion.



Note:

(1) CLI MAC is held indirectly by CL through its wholly owned subsidiaries.

As CLI MAC is a wholly owned subsidiary of CapitaLand Limited (“**CL**”) and CL holds 50% of CLI CP, the Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) as well as an “interested party transaction” under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”).

For the purposes of this Circular, the term “**Enlarged Property Portfolio**” comprises the Existing Property Portfolio and the proposed Acquisition.

The property information contained in this Circular concerning the Existing Property Portfolio and the Enlarged Property Portfolio is as at 30 June 2019 unless otherwise stated.

Summary of Approval Sought

The Manager seeks approval from Unitholders for the proposed acquisition of a 94.9% interest in the Property through the acquisition of shares in the Target Companies.

Description of the Property

The Property is a freehold multi-tenanted office building comprising 11 storeys and two basement levels located in the vicinity of Frankfurt airport, Germany. The Property was completed in 2004 and has a total net lettable area (“**NLA**”) of approximately 60,200 sqm comprising high-specification office space of approximately 53,900 sqm, ancillary space of approximately 6,300 sqm and 1,510 car park lots. The committed occupancy of the Property was approximately 90%³ as at 30 June 2019.

3 Committed occupancy as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.

The Property is well designed such that all parts of the building have direct views of the neighbouring Frankfurt airport, the adjacent Stadtwald forest or the Frankfurt skyline.

Located approximately 800 metres north of Frankfurt airport terminal 2 and forming part of the Frankfurt airport office submarket, the Property is well served by comprehensive transportation infrastructure. Frankfurt's city centre is a 20-minute drive via motorways A5 and A3, a 15-minute journey via commuter railway ("**S-Bahn**") or an 11-minute journey by the intercity express ("**ICE**"). A new S-Bahn station "Gateway Gardens" located approximately 500 metres from the Property is scheduled to open by the fourth quarter of 2019. This new station creates a more convenient connection from the Property to Frankfurt's city centre.

(See **Appendix A** of this Circular for further details.)

Frankfurt Airport Office Submarket

Frankfurt airport office submarket, with nearly 81,000 employees in around 450 companies⁴, is a thriving business cluster with excellent supporting amenities and transportation network infrastructure.

The attractiveness of the submarket lies in its proximity to Frankfurt airport, Germany's largest air traffic hub that handled 69.5 million passengers in 2018⁴. Due to its global connectivity, multinational firms choose to be located near Frankfurt airport for easy access to and from the region.

Frankfurt airport office submarket has a highly developed domestic and international transportation network via air, rail (long-distance, intercity express and commuter rail network (S-Bahn)) and road. The S-Bahn provides a significantly faster commute (15-minute) to the Frankfurt city centre as compared to other major airports in Europe (including London Heathrow and Paris Charles de Gaulle). The short distance to the Frankfurt city centre and the proximity to the airport infrastructure and amenities makes the Frankfurt airport office submarket an attractive option for office occupiers. The A3 motorway running through the airport precinct is a major axis between the Dutch border and the cities in the Rhine-Ruhr region to the northwest and the Austrian border in the south of Germany. It links to all major motorways in the surroundings of Frankfurt, including the A5, which runs from the Swiss border in the south along the French border and connects cities such as Basel and Freiburg.

Purchase Consideration and Valuation

The purchase consideration for the Acquisition (the "**Purchase Consideration**") payable to the Vendors is €133.4 million (or approximately S\$205.3 million⁵), being 94.9% of the aggregate adjusted net asset value ("**NAV**") of the Target Companies (based on the balance sheet of the Target Companies as at 31 March 2019). The aggregate adjusted NAV of the Target Companies (on a 100% basis) is estimated at €140.6 million (or approximately S\$216.4 million) based on the following:

- (i) the agreed value of the Property of €265.0 million (or approximately S\$407.8 million) (the "**Agreed Property Value**"); less
- (ii) shareholders' loans of €17.5 million⁶ (or approximately S\$26.9 million) owed⁶ by the Target Companies to the Vendors (the "**Shareholders' Loans**"), the existing bank loan of an aggregate amount of approximately €104.6 million⁷ (or approximately S\$161.0 million) owed by the Target Companies to a financial institution (the "**Existing Bank Loan**", and together with the Shareholders' Loans, the "**Loan Liabilities**") and net liabilities of €2.3 million (or approximately S\$3.5 million).

4 Source: CBRE's valuation report as at 30 June 2019.

5 The Euro amounts in this Circular have been translated to Singapore Dollars based on an exchange rate of €1.00 to S\$1.539 as at 28 June 2019.

6 Based on the outstanding amount of the Shareholders' Loans as at 31 March 2019.

7 Based on the outstanding amount of the Existing Bank Loan as at 31 March 2019.

The final Purchase Consideration payable to the Vendors on Completion shall be subject to adjustments based on the NAV of the Target Companies as at the Completion Date.

The Manager has commissioned an independent property valuer, CBRE GmbH ("**CBRE**"), and the Trustee has commissioned another independent property valuer, C&W (U.K.) LLP – German Branch ("**Cushman**", and together with CBRE, the "**Independent Valuers**"), to value the Property. The valuation of the Property as at 30 June 2019 is €265.0 million (94.9% of which is €251.5 million) and €267.3 million (94.9% of which is €253.7 million) as stated by CBRE and Cushman in their respective valuation reports. The method used by the Independent Valuers is the discounted cash flow method. The Agreed Property Value is arrived at following negotiations on a willing-buyer and willing-seller basis taking into account the independent valuations of the Property.

(See paragraph 2.2 of the Letter to Unitholders for further details.)

Total Acquisition Outlay

The total acquisition outlay (the "**Total Acquisition Outlay**") is estimated to be €253.4 million (or approximately S\$390.0 million) comprising:

- (i) the Purchase Consideration of €133.4 million (or approximately S\$205.3 million);
- (ii) 94.9% of a new bank loan to be drawn down by the Target Companies amounting to €115.9 million (or approximately S\$178.4 million) (the "**New Bank Loan**")⁸ to repay and discharge part of the Loan Liabilities of €122.1 million (or approximately S\$188.0 million). For the avoidance of doubt, the Loan Liabilities will be fully repaid on Completion;
- (iii) an acquisition fee of €2.5 million (or approximately S\$3.8 million) (the "**Acquisition Fee**") payable in Units to the Manager; and
- (iv) transaction-related expenses of €1.6 million (or approximately S\$2.5 million) incurred or to be incurred by CCT.

As the Acquisition Fee is payable in Units, the total cash outlay required for the Acquisition (the "**Cash Outlay**") shall comprise the Total Acquisition Outlay less the Acquisition Fee. The Cash Outlay is estimated to be €250.9 million (or approximately S\$386.1 million).

Method of Financing

The Manager intends to finance the Cash Outlay with part of the gross proceeds from the private placement of 105,012,000 new Units at an issue price of S\$2.095 per new Unit, details of which were announced on 17 and 18 July 2019 (the "**Private Placement**"), as well as the New Bank Loan.

⁸ The total value of the New Bank Loan (on a 100% basis) is €122.1 million (or approximately S\$188.0 million).

The table below sets out the changes to the Aggregate Leverage (as defined herein) of CCT Group based on the above method of financing:

	CCT Group's Aggregate Leverage
Before the Acquisition ⁽¹⁾	34.8%
After the Acquisition ⁽²⁾	35.2%

Notes:

(1) CCT's Group's Aggregate Leverage as at 30 June 2019.

(2) Based on CCT Group's Aggregate Leverage as at 30 June 2019 and taking into account the New Bank Loan and the Agreed Property Value.

Structure of the Acquisition

As at the date of this Circular, 100.0% of the issued shares of the Target Companies are held by the Vendors. CLI MAC currently holds 89.8% of the shares in each of the Target Companies and will divest 84.7% of the shares in each of the Target Companies to CCT SPV upon Completion. CLI CP currently holds 10.2% of the shares in each of the Target Companies which will be entirely divested to CCT SPV upon Completion. Following Completion, CCT SPV will hold an aggregate of 94.9% of the shares in each of the Target Companies and CLI MAC will retain the remaining 5.1%.

Pursuant to the Acquisition, the Trustee, CCT SPV and CLI MAC will enter into a shareholders' agreement (the "**SHA**") in relation to the Target Companies on Completion.

(See paragraph 2.2 of the Letter to Unitholders for further details and Appendix E for the relationship between the interested persons and CCT.)

Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, CL, through its wholly owned subsidiaries, E-Pavilion Pte Ltd ("**E-Pavilion**"), SBR Private Limited ("**SBR**") and CapitaLand Commercial Trust Management Limited ("**CCTML**"), holds an aggregate interest in 1,130,628,333 Units, which is equivalent to approximately 29.33% of the total number of Units in issue⁹, and is therefore regarded as a "controlling unitholder" of CCT under both the Listing Manual and the Property Funds Appendix. In addition, as CCTML is a wholly owned subsidiary of CL, CL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

CLI MAC is a wholly owned subsidiary of CL, and CL holds 50% of CLI CP. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendors are (for the purpose of the Listing Manual) "interested persons" and (for the purpose of the Property Funds Appendix) "interested parties" of CCT.

Therefore, the Acquisition (including the entry into the SHA) will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

⁹ Based on the total number of 3,855,334,662 Units in issue as at the Latest Practicable Date.

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Acquisition.

(See paragraph 4.2.3 of the Letter to Unitholders for further details.)

Rationale for and Benefits of the Acquisition

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

- Deepens CCT's strategic presence in the attractive Frankfurt office market
- High quality freehold asset that complements CCT's existing portfolio
- Transaction is expected to be distribution per unit ("**DPU**") accretive to Unitholders
- Enhances resilience, diversity and quality of CCT's portfolio
 - Strong tenant base with potential upside from further increase in occupancy rate
 - Increases portfolio property value and provides geographical diversification
 - Improves income diversification from any single property or tenant
 - Reinforces diversity of tenant business mix
- Leverages sponsor's established platform

(See paragraph 3 of the Letter to Unitholders for further details.)

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event	Date and Time
Last date and time for lodgement of Proxy Forms	: Wednesday, 4 September 2019 at 10.30 a.m.
Date and time of the EGM	: Friday, 6 September 2019 at 10.30 a.m.

If approval for the Acquisition is obtained at the EGM:

Expected date for Completion	: Fourth quarter of 2019
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(Constituted in the Republic of Singapore
pursuant to a trust deed dated 6 February 2004 (as amended))

Directors of the Manager

Mr Soo Kok Leng
(Chairman & Non-Executive Independent Director)
Mr Chee Tien Jin Kevin
(Chief Executive Officer & Executive Non-Independent Director)
Mr Lam Yi Young
(Non-Executive Independent Director)
Ms Tan Soon Neo Jessica
(Non-Executive Independent Director)
Mrs Quek Bin Hwee
(Non-Executive Independent Director)
Mr Ng Wai King
(Non-Executive Independent Director)
Mr Lee Chee Koon
(Non-Executive Non-Independent Director)
Mr Lim Cho Pin Andrew Geoffrey
(Non-Executive Non-Independent Director)

Registered Office

168 Robinson Road
#30-01 Capital Tower
Singapore 068912

19 August 2019

To: Unitholders of CCT

Dear Sir/Madam

1 SUMMARY OF APPROVAL SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of an Ordinary Resolution¹⁰ for the proposed Acquisition.

2 THE PROPOSED ACQUISITION

2.1 Description of the Property

The Property is a freehold multi-tenanted office building comprising 11 storeys and two basement levels located in the vicinity of Frankfurt airport, Germany. The Property was completed in 2004 and has a total net lettable area (“**NLA**”) of approximately 60,200 sqm comprising high-specification office space of approximately 53,900 sqm, ancillary space of approximately 6,300 sqm and 1,510 car park lots. The committed occupancy of the Property was approximately 90% as at 30 June 2019.

The Property is well designed such that all parts of the building have direct views of the neighbouring Frankfurt airport, the adjacent Stadtwald forest or the Frankfurt skyline.

¹⁰ “**Ordinary Resolution**” means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed (as defined herein).

Located approximately 800 metres north of Frankfurt airport terminal 2 and forming part of the Frankfurt airport office submarket, the Property is well served by comprehensive transportation infrastructure. Frankfurt's city centre is a 20-minute drive via motorways A5 and A3, a 15-minute journey via commuter railway ("**S-Bahn**") or an 11-minute journey by the intercity express ("**ICE**"). A new S-Bahn station "Gateway Gardens" located approximately 500 metres from the Property is scheduled to open by the fourth quarter of 2019. This new station creates a more convenient connection from the Property to Frankfurt's city centre.

(See **Appendix A** of this Circular for further details.)

Frankfurt Airport Office Submarket

Frankfurt airport office submarket, with nearly 81,000 employees in around 450 companies¹¹, is a thriving business cluster with excellent supporting amenities and transportation network infrastructure.

The attractiveness of the submarket lies in its proximity to Frankfurt airport, Germany's largest air traffic hub that handled 69.5 million passengers in 2018¹¹. Due to its global connectivity, multinational firms choose to be located near Frankfurt airport for easy access to and from the region.

Frankfurt airport office submarket has a highly developed domestic and international transportation network via air, rail (long-distance, intercity express and commuter rail network (S-Bahn)) and road. The S-Bahn provides a significantly faster commute (15-minute) to the Frankfurt city centre as compared to other major airports in Europe (including London Heathrow and Paris Charles de Gaulle). The short distance to the Frankfurt city centre and the proximity to the airport infrastructure and amenities makes the Frankfurt airport office submarket an attractive option for office occupiers. The A3 motorway running through the airport precinct is a major axis between the Dutch border and the cities in the Rhine-Ruhr region to the northwest and the Austrian border in the south of Germany. It links to all major motorways in the surroundings of Frankfurt, including the A5, which runs from the Swiss border in the south along the French border and connects cities such as Basel and Freiburg.

2.2 Structure of the Acquisition and the Independent Valuations

On 16 July 2019¹², CCT, through its wholly owned subsidiary, CCT SPV, entered into a Share Purchase Agreement with the Vendors to acquire a 94.9% interest in the Property through the acquisition of shares in the Target Companies.

As at the date of this Circular, 100.0% of the issued shares of the Target Companies are held by the Vendors. CLI MAC currently holds 89.8% of the shares in each of the Target Companies and will divest 84.7% of the shares in each of the Target Companies to CCT SPV upon Completion. CLI CP currently holds 10.2% of the shares in each of the Target Companies which will be entirely divested to CCT SPV upon Completion. Following Completion, CCT SPV will hold an aggregate of 94.9% of the shares in each of the Target Companies and CLI MAC will retain the remaining 5.1%.

Pursuant to the Acquisition, the Trustee, CCT SPV and CLI MAC will enter into a SHA in relation to the Target Companies on Completion.

11 Source: CBRE's valuation report as at 30 June 2019.

12 The Share Purchase Agreement was entered into on 16 July 2019 after close of business in the Netherlands.

The Purchase Consideration is €133.4 million (or approximately S\$205.3 million.) This is derived from 94.9% of the aggregate adjusted NAV of the Target Companies (based on the balance sheet of the Target Companies as at 31 March 2019).

The aggregate adjusted NAV of the Target Companies (on a 100% basis) is estimated at €140.6 million (or approximately S\$216.4 million) based on the following:

- (i) the Agreed Property Value of €265.0 million (or approximately S\$407.8 million); less
- (ii) Shareholders' Loans of €17.5 million (or approximately S\$26.9 million), the Existing Bank Loan of €104.6 million (or approximately S\$161.0 million) and net liabilities of €2.3 million (or approximately S\$3.5 million).

The final Purchase Consideration payable to the Vendors on Completion shall be subject to adjustments based on the NAV of the Target Companies as at the Completion Date.

The Manager has commissioned an independent property valuer, CBRE, and the Trustee has commissioned another independent property valuer, Cushman, to value the Property. The valuation of the Property as at 30 June 2019 is €265.0 million (94.9% of which is €251.5 million) and €267.3 million (94.9% of which is €253.7 million) as stated by CBRE and Cushman in their respective valuation reports. The method used by the Independent Valuers is the discounted cash flow method. The Agreed Property Value is arrived at following negotiations on a willing-buyer and willing-seller basis taking into account the independent valuations of the Property.

2.3 Certain Terms and Conditions of the Share Purchase Agreement

The Share Purchase Agreement contains customary provisions relating to the Acquisition, including representations and warranties, indemnities and pre-completion covenants regarding the operation of the business of the Target Companies and other commercial terms.

Completion shall take place after the conditions precedent in the Share Purchase Agreement have been fulfilled or waived. The conditions precedent include, among others:

- (i) the Acquisition having been approved by the Unitholders at the EGM; and
- (ii) the Existing Bank Loan having been repaid and the relevant collaterals granted in connection with such loan having been released.

2.4 Total Acquisition Outlay

The Total Acquisition Outlay is estimated to be €253.4 million (or approximately S\$390.0 million) comprising:

- (i) the Purchase Consideration;
- (ii) the New Bank Loan;
- (iii) the Acquisition Fee; and
- (iv) transaction-related expenses of €1.6 million (or approximately S\$2.5 million) incurred or to be incurred by CCT.

As the Acquisition Fee is payable in Units, the Cash Outlay shall comprise the Total Acquisition Outlay less the Acquisition Fee. The Cash Outlay is estimated to be €250.9 million (or approximately S\$386.1 million).

2.5 Method of Financing

The Manager intends to finance the Cash Outlay with part of the gross proceeds from the Private Placement as well as the New Bank Loan.

The table below sets out the changes to the Aggregate Leverage of CCT Group based on the above method of financing:

	CCT Group's Aggregate Leverage
Before the Acquisition ⁽¹⁾	34.8%
After the Acquisition ⁽²⁾	35.2%

Notes:

(1) CCT's Group's Aggregate Leverage as at 30 June 2019.

(2) Based on CCT Group's Aggregate Leverage as at 30 June 2019 and taking into account the New Bank Loan and the Agreed Property Value.

2.6 Shareholders' Agreement

Following Completion, CCT SPV and CLI MAC will hold 94.9% and 5.1% interest respectively in each of the Target Companies. In connection thereto, the Trustee, CCT SPV and CLI MAC will enter into the SHA in relation to the Target Companies on Completion.

Under the terms of the SHA, the board of each of the Target Companies shall comprise five Directors, four of whom to be appointed by CCT SPV and one of whom to be appointed by CLI MAC.

The SHA contains the following reserved matters in relation to key operational and management issues affecting the Target Companies, which shall require the unanimous approval of all the shareholders:

- (i) amendment of the SHA, memorandum and articles of association or other constitutive documents of each respective Target Company;
- (ii) issue of securities by each respective Target Company;
- (iii) cessation or change of the business of each respective Target Company;
- (iv) any change to the equity capital structure of each respective Target Company;
- (v) winding up or dissolution of each respective Target Company;
- (vi) creation of security over the assets of each respective Target Company;
- (vii) transfer or disposal of the Property; and
- (viii) incurring of any third party borrowings by each respective Target Company.

In the event that CCT SPV's shareholding in any of the Target Companies falls to 50% or less, the parties shall enter into an amendment agreement to the SHA and all necessary documents to effect such changes to the list of reserved matters as is necessary to ensure compliance with the relevant laws, regulations and guidelines, including but not limited to the Property Funds Appendix.

Under the SHA, in the event of any proposed direct or indirect sale, transfer or disposal of the shares in the Target Companies by CCT to a third party, CCT SPV has a drag-along right (which allows CCT SPV to drag along CLI MAC to sell its stake to the third party at the same price) and CLI MAC has a tag-along right (which allows CLI MAC to tag along and sell its stake to the third party at the same price).

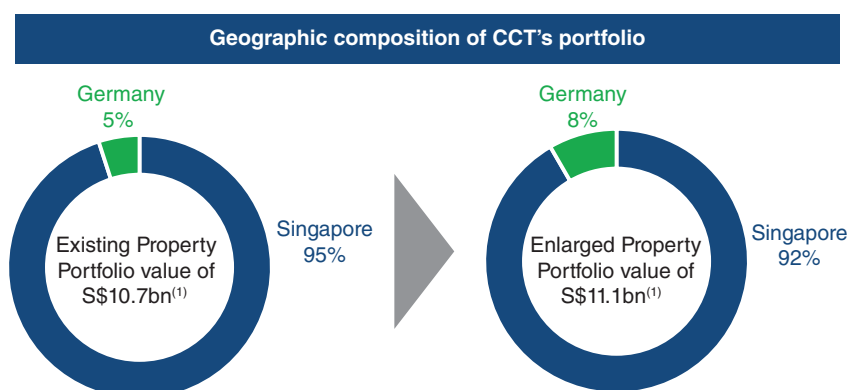
By approving the Acquisition, Unitholders will also be deemed to have approved the entry into the SHA.

3 RATIONALE FOR AND BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

3.1 Deepens CCT's strategic presence in the attractive Frankfurt office market

The Property will be CCT's second acquisition in Frankfurt, Germany following the purchase of Gallileo in 2018, increasing CCT's geographical exposure in Germany from 5% of the value of the Existing Property Portfolio to 8% of the value of the Enlarged Property Portfolio. Frankfurt ranks as the largest financial centre in Germany and continental Europe with an attractive property market underpinned by strong fundamentals. Given that Frankfurt office market has limited new supply of office space from 2019 to 2020, with approximately 65% of the total new supply already committed, rental and capital value growth is expected¹³.



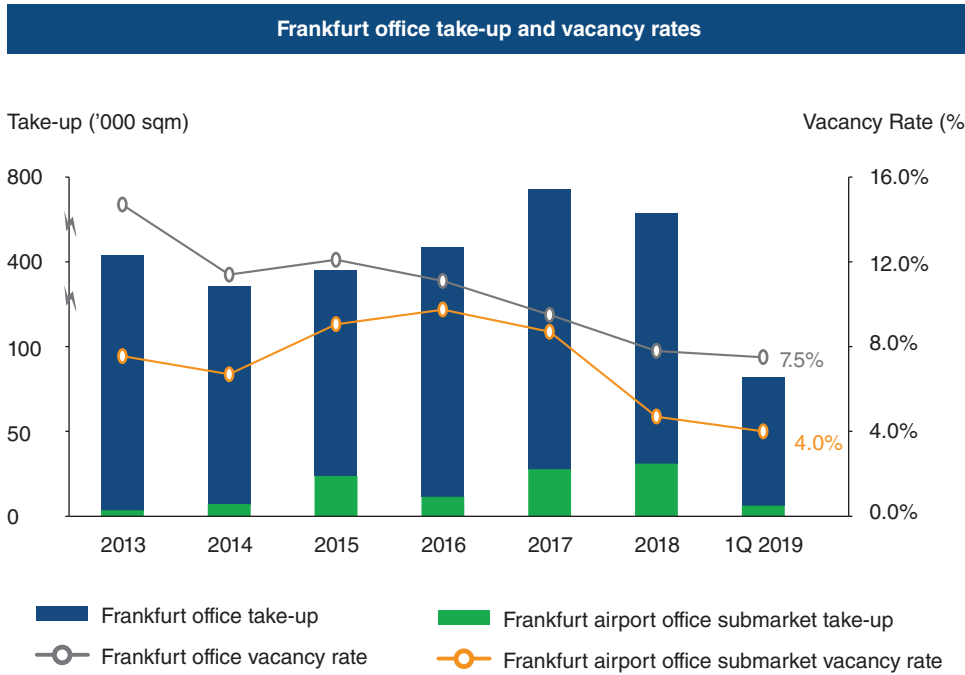
Note:

(1) As at 30 June 2019

The Property is located in the vicinity of Frankfurt airport and is in close proximity to transport networks, amenities, and a 20-minute drive from Frankfurt's city centre. With its competitive strengths, the Manager believes the Acquisition will strengthen CCT's presence in Germany.

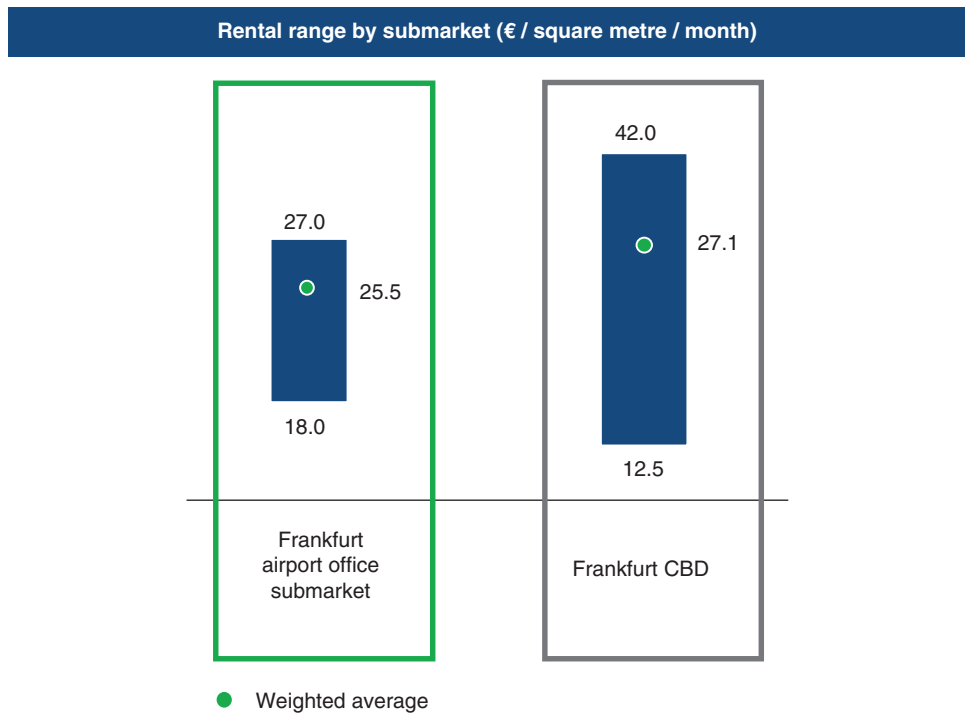
13 Source: CBRE valuation report dated 30 June 2019.

Frankfurt airport office submarket is a thriving business cluster with excellent supporting amenities and transportation network infrastructure. Frankfurt airport office submarket's vacancy rate has reached a 10-year low and is currently at 4.0% as compared to the overall Frankfurt office vacancy rate of 7.5%.



Source: CBRE Research, 1Q 2019

The rental rates in the Frankfurt airport office submarket are competitive to that of Frankfurt's central business district ("CBD").



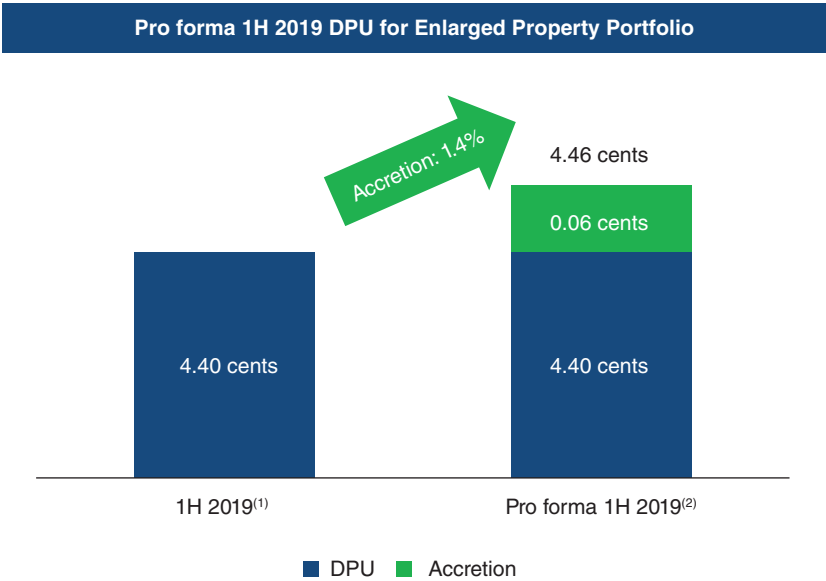
Source: CBRE Research, 1Q 2019

3.2 High quality freehold asset that complements CCT’s existing portfolio

The Property is a freehold, modern, high quality fitted-out office building. The double volume lobby with a height of 4.3 metres provides a grand entrance. Each office floor has a raised floor-to-ceiling height of 2.9 metres and well designed floor plates which allow natural light to permeate the building. Other features of the Property include its metal and glass façade with heat and noise protective glazing, flexible floor plates (from approximately 490 to 2,300 square metres) that caters to the requirements of different tenants, as well as three separate lift lobbies which offer exclusive access and privacy.

3.3 Transaction is expected to be DPU accretive to Unitholders

Unitholders are expected to benefit from a higher DPU as a result of the Acquisition. The Acquisition is DPU accretive to unitholders by 1.5% based on pro forma FY 2018 DPU and 1.4% based on pro forma 1H 2019 DPU. Please refer to paragraph 4 for further details.



Notes:

- (1) Based on CCT’s financial statements as at 30 June 2019.
- (2) Based on (i) funding of the Total Acquisition Outlay through the New Bank Loan at an indicative interest rate of 1.1% p.a. and net proceeds from the Private Placement and (ii) a total of 3,856,631,000 Units in issue after the Private Placement which includes an estimated 1.8 million new Units to be issued for the Acquisition Fee which is payable to the Manager in Units.

The Property’s FY 2018 net property income (“NPI”)¹⁴ yield was 4.2% based on the Agreed Property Value and committed occupancy of 94.8%. The Property’s adjusted annualised NPI yield for 1H 2019 was 4.0%, based on the Agreed Property Value and committed occupancy of approximately 90% as at 30 June 2019.

¹⁴ Computed based on unaudited financial information provided by the Vendors.

3.4 Enhances resilience, diversity and quality of CCT’s portfolio

3.4.1 Strong tenant base with potential upside from further increase in occupancy rate

The Property has a diversified tenant base comprising 32 high quality and reputable companies from various industries. The Property is anchored by blue-chip tenants, with the top three comprising IQVIA Commercial GmbH & Co OHG, Dell GmbH and Miles & More, contributing 47.2% of the gross rental income of the Property. The weighted average lease expiry (“WALE”) of the Property (by NLA) as at 30 June 2019 is 4.7 years.

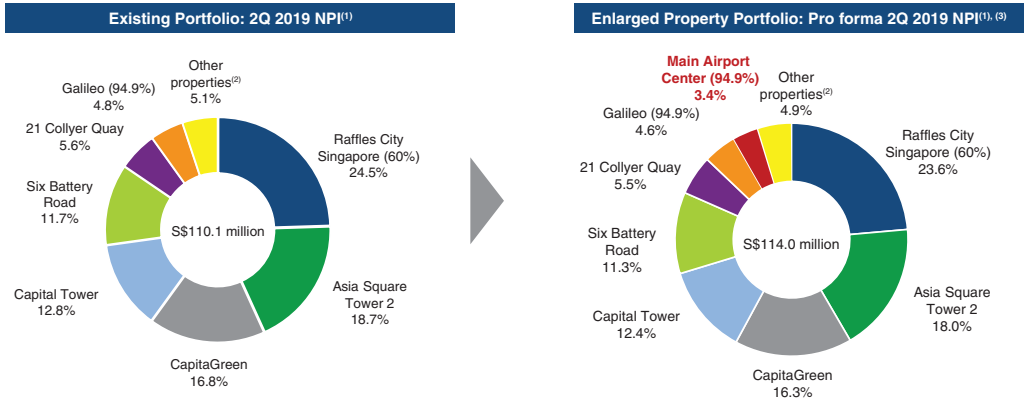
The Property has a committed occupancy of approximately 90% as at 30 June 2019. The Manager believes that there is potential to increase the occupancy rate through active leasing efforts which would allow CCT to benefit from further rental income upside when the Property is fully leased.

3.4.2 Increases portfolio property value and provides geographical diversification

Following completion of the Acquisition, CCT’s portfolio property value will increase from S\$10.7 billion to S\$11.1 billion and the overseas exposure of the portfolio will increase from 5% to 8%.

3.4.3 Improves income diversification from any single property or tenant

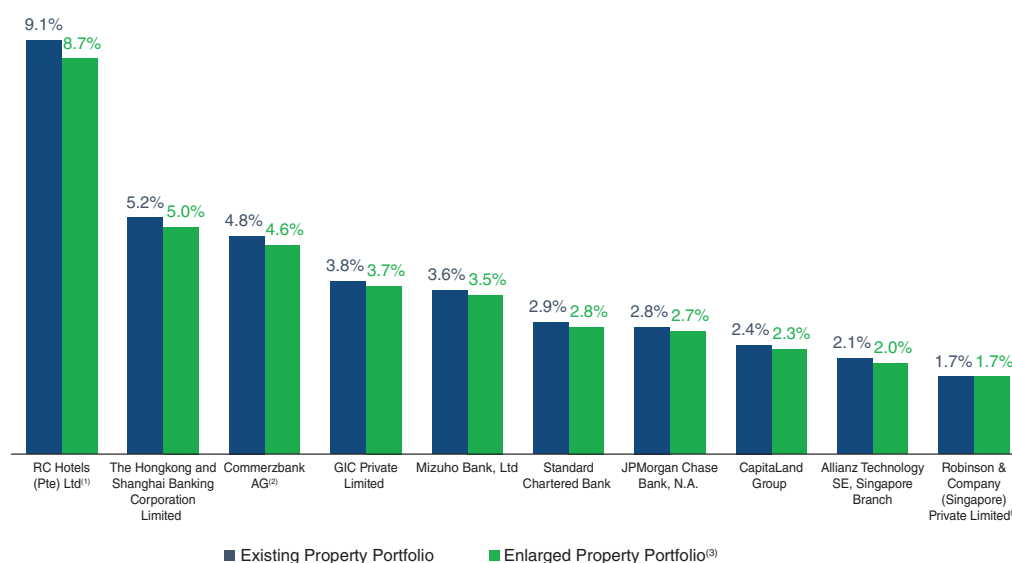
The Acquisition is expected to benefit Unitholders by improving the diversification of CCT’s NPI and tenant mix, thereby reducing the reliance of CCT’s income stream on any single property or tenant. The Manager expects that the maximum contribution to CCT’s NPI by any single property within CCT’s property portfolio will be reduced from approximately 24.5% to 23.6%.



Notes:

- (1) Based on NPI from 1 April 2019 to 30 June 2019 including NPI from CCT’s 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Gallileo, Frankfurt.
- (2) 50.0% interest in One George Street and Bugis Village.
- (3) Pro forma NPI of approximately S\$3.9 million contribution from 94.9% interest in the Property assuming CCT owns the Property from 1 April 2019 to 30 June 2019 and after adjusting for expired leases and inclusion of newly committed leases.

The reliance on monthly gross rental income contribution from CCT's top 10 tenants as at 30 June 2019 (excluding retail turnover rent) would be lowered from 38.4% to 37.0% on a pro forma basis. The pro forma income contribution from CCT's largest tenant, RC Hotels (Pte) Ltd, would be 8.7% instead of 9.1%.



Notes:

- (1) Based on CCT's 60.0% interest in Raffles City Singapore.
- (2) Based on CCT's 94.9% interest in Gallileo, Frankfurt.
- (3) After adjusting for expired leases and inclusion of newly committed leases for Main Airport Center.

3.4.4 Reinforces diversity of tenant business mix

With the Acquisition, the diversity of CCT's tenant business mix would be reinforced. The Manager believes that this will further enhance the overall resilience of CCT's portfolio amidst the current uncertain global environment.

3.5 Leverages sponsor's established platform

CL has a strong presence and platform in Europe, established since 2000. The Acquisition allows CCT to benefit from its sponsor's established platform in Europe.

4 DETAILS AND FINANCIAL INFORMATION OF THE ACQUISITION

4.1 Pro Forma Financial Effects of the Acquisition

The pro forma financial effects of the Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of the CCT Group for the financial year ended 31 December 2018 (the "**CCT Group 2018 Audited Financial Statements**") as well as the audited financial statements of the Target Companies for the financial year ended 31 December 2018, taking into account the Agreed Property Value and gross proceeds of S\$220.0 million from the Private Placement, and assuming:

- approximately 1.8 million new Units¹⁵ are issued for the Acquisition Fee¹⁶ payable to the Manager; and
- indicative interest rate of 1.1% per annum for Euro-denominated bank borrowings taken to fund the Acquisition.

¹⁵ Based on an illustrative Unit price of S\$2.095.

¹⁶ As the Acquisition will constitute an "interested party transaction" under the Property Funds Appendix issued by the MAS, the Acquisition Fee shall be in the form of Units and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

4.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

On the bases and assumptions set out above, the pro forma financial effects of the Acquisition on CCT's DPU for the financial year ended 31 December 2018, as if the Acquisition was completed on 1 January 2018 and CCT held and operated the Target Companies through to 31 December 2018 are as follows:

	Before the Acquisition	After the Acquisition ⁽²⁾
Net Income (S\$'000)	331,347	339,086
Distributable Income (S\$'000)	321,731	335,808
Issued Units ('000)	3,744,429 ⁽¹⁾	3,851,288 ⁽³⁾
DPU (cents)	8.70	8.83
DPU Accretion (%)	–	1.5

Notes:

- (1) Number of Units issued as at 31 December 2018.
- (2) Based on committed occupancy of 94.8% as at 31 December 2018.
- (3) The total number of Units in issue at the end of the period includes 105,012,000 new Units issued in connection with the Private Placement to partially finance the Acquisition and an estimated 1.8 million new Units to be issued for the Acquisition Fee which is payable to the Manager in Units.

FOR ILLUSTRATIVE PURPOSES ONLY:

On the bases and assumptions set out above, the pro forma financial effects of the Acquisition on CCT's DPU for the financial period ended 30 June 2019, as if the Acquisition was completed on 1 January 2019 and CCT held and operated the Target Companies through to 30 June 2019 are as follows:

	Before the Acquisition	After the Acquisition ⁽²⁾
Net Income (S\$'000)	165,675	169,888
Distributable Income (S\$'000)	165,282	172,107
Issued Units ('000)	3,749,772 ⁽¹⁾	3,856,631 ⁽³⁾
DPU (cents)	4.40	4.46
DPU Accretion (%)	–	1.4

Notes:

- (1) Number of Units issued as at 30 June 2019.
- (2) Based on committed occupancy of approximately 90% as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.
- (3) The total number of Units in issue at the end of the period includes 105,012,000 new Units issued in connection with the Private Placement to partially finance the Acquisition and an estimated 1.8 million new Units to be issued for the Acquisition Fee which is payable to the Manager in Units.

4.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on CCT Group's NAV per Unit as at 31 December 2018, as if the Acquisition was completed on 31 December 2018 are as follows:

	Before the Acquisition	After the Acquisition
NAV (S\$'000)	6,909,161	7,136,900
Issued Units ('000)	3,744,429 ⁽¹⁾	3,851,288 ⁽³⁾
Adjusted NAV per Unit ⁽²⁾ (S\$)	1.80	1.80

Notes:

- (1) Number of Units issued as at 31 December 2018.
- (2) Excludes 2H 2018 distributable income to Unitholders.
- (3) The total number of Units in issue at the end of the period includes 105,012,000 new Units issued in connection with the Private Placement to partially finance the Acquisition and an estimated 1.8 million new Units to be issued for the Acquisition Fee which is payable to the Manager in Units.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on CCT Group's NAV per Unit as at 30 June 2019, as if the Acquisition was completed on 30 June 2019 are as follows:

	Before the Acquisition	After the Acquisition
NAV (S\$'000)	6,966,134	7,190,570
Issued Units ('000)	3,749,772 ⁽¹⁾	3,856,631 ⁽³⁾
Adjusted NAV per Unit ⁽²⁾ (S\$)	1.81	1.81

Notes:

- (1) Number of Units issued as at 30 June 2019.
- (2) Excludes 1H 2019 distributable income to Unitholders.
- (3) The total number of Units in issue at the end of the period includes 105,012,000 new Units issued in connection with the Private Placement to partially finance the Acquisition and an estimated 1.8 million new Units to be issued for the Acquisition Fee which is payable to the Manager in Units.

4.1.3 Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma capitalisation of CCT Group as at 31 December 2018, as if the Acquisition was completed on 31 December 2018, is as follows:

	Before the Acquisition (S\$'000)	After the Acquisition (S\$'000)
Short-term borrowings		
Unsecured borrowings	148,300	148,300
Long-term borrowings		
Unsecured borrowings	2,780,816	2,763,824
Secured borrowings	966,972	1,162,364
Total borrowings⁽¹⁾	3,896,088	4,074,488
Unitholders' funds⁽²⁾	6,892,018	7,108,724
Total Capitalisation	10,788,106	11,183,212

Notes:

(1) Refers to gross borrowings of CCT Group including CCT's proportionate share of joint ventures' borrowings.

(2) Does not include minority interest.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma capitalisation of CCT Group as at 30 June 2019, as if the Acquisition was completed on 30 June 2019, is as follows:

	Before the Acquisition (S\$'000)	After the Acquisition (S\$'000)
Short-term borrowings		
Unsecured borrowings	148,300	148,300
Long-term borrowings		
Unsecured borrowings	2,786,516	2,769,524
Secured borrowings	991,722	1,187,114
Total borrowings⁽¹⁾	3,926,538	4,104,938
Unitholders' funds⁽²⁾	6,948,992	7,162,394
Total Capitalisation	10,875,530	11,267,332

Notes:

(1) Refers to gross borrowings of CCT Group including CCT's proportionate share of joint ventures' borrowings.

(2) Does not include minority interest.

4.2 Requirement for Unitholders' Approval

4.2.1 Discloseable Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by CCT. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

A transaction by CCT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (i) the NAV of the assets to be disposed of, compared with the CCT Group's NAV (this basis is not applicable to an acquisition of assets);
- (ii) the net profits attributable to the assets acquired, compared with the CCT Group's net profits;
- (iii) the aggregate value of the consideration given, compared with the CCT Group's market capitalisation; and
- (iv) the number of Units issued by CCT as consideration for an acquisition, compared with the number of Units previously in issue.

4.2.2 Relative Figures Computed on the Bases set out in Rule 1006

The relative figures for the Acquisition using the applicable bases of comparison described in sub-paragraph 4.2.1 above are set out in the table below.

Comparison of	Acquisition	CCT Group	Relative figure (%)
Net profits (S\$ million)	4.5 ⁽¹⁾	165.7 ⁽²⁾	3.0
Consideration against market capitalisation (S\$ million)	205.3 ⁽³⁾	8,072.9 ⁽⁴⁾	2.5

Notes:

- (1) The figure is based on the unaudited results of the Target Companies for the 6-month period ended 30 June 2019.
- (2) The figure is based on the unaudited results of the CCT Group for the 6-month period ended 30 June 2019.
- (3) The figure represents the estimated Purchase Consideration. The actual Purchase Consideration for the Acquisition will be determined in the manner as set out in paragraph 2.2 above. Taking into account the New Bank Loan of S\$178.4 million, the relative figure would be 4.8%.
- (4) The figure is based on the weighted average traded price of S\$2.1526 per Unit on the SGX-ST as at 15 July 2019 (Singapore Time), being the market day immediately preceding the date of the Share Purchase Agreement¹⁷.

¹⁷ The Share Purchase Agreement was entered into on 16 July 2019 after close of business in the Netherlands.

Where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the transaction is classified as a discloseable transaction. The Listing Manual requires that CCT must immediately make an announcement in relation to discloseable transactions pursuant to the requirements of the Listing Manual and no approval of Unitholders is required. Nonetheless, as the Acquisition constitutes an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under the Property Funds Appendix which value crosses the relevant thresholds under the Listing Manual and the Property Funds Appendix, the Acquisition will still be subject to the specific approval of Unitholders.

4.2.3 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where CCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the CCT Group’s latest audited NTA (as defined herein), Unitholders’ approval is required in respect of the transaction. Based on the CCT Group 2018 Audited Financial Statements, the NTA of the CCT Group was S\$6,909.2 million as at 31 December 2018. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by CCT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$345.5 million, such a transaction would be subject to Unitholders’ approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders’ approval for an interested party transaction by CCT whose value exceeds 5.0% of CCT Group’s latest audited NAV. Based on the CCT Group 2018 Audited Financial Statements, the NAV of the CCT Group was S\$6,909.2 million as at 31 December 2018. Accordingly, if the value of a transaction which is proposed to be entered into by CCT with an interested party is equal to or greater than S\$345.5 million, such a transaction would be subject to Unitholders’ approval.

Based on the CCT Group 2018 Audited Financial Statements, the value of the Acquisition (including entry into the SHA), being approximately S\$383.7 million¹⁸, is 5.6% of the NTA of the CCT Group as at 31 December 2018 and 5.6% of the NAV of the CCT Group as at 31 December 2018. Accordingly, the value of the Acquisition exceeds the said thresholds.

As at the Latest Practicable Date, CL holds through its wholly owned subsidiaries, E-Pavilion, SBR and CCTML, an aggregate interest in 1,130,628,333 Units, which is equivalent to approximately 29.33% of the total number of Units in issue¹⁹, and is therefore regarded as a “controlling unitholder” of CCT under both the Listing Manual and the Property Funds Appendix. In addition, as CCTML is a wholly owned subsidiary of CL, CL is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

18 Comprising the Purchase Consideration of €133.4 million (or approximately S\$205.3 million) and the New Bank Loan, being €115.9 million (or approximately S\$178.4 million). The final Purchase Consideration is subject to closing adjustments based on the NAV of the Target Companies as at the Completion Date.

19 Based on the total number of 3,855,334,662 Units in issue as at the Latest Practicable Date.

CLI MAC is a wholly owned subsidiary of CL, and CL holds 50% of CLI CP. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendors are (for the purpose of the Listing Manual) “interested persons” and (for the purpose of the Property Funds Appendix) “interested parties” of CCT.

Therefore, the Acquisition (including entry into the SHA) constitutes an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

As at the Latest Practicable Date, CCT has entered into several interested person transactions with CL and its subsidiaries and associates during the course of the current financial year (“**Existing Interested Person Transactions**”) amounting to S\$118.9 million. Details of the Existing Interested Person Transactions may be found in **Appendix D** of this Circular.

4.3 Advice of the Independent Financial Adviser

The Manager has appointed Ernst & Young Corporate Finance Pte Ltd as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the audit committee of the Manager (the “**Audit Committee**”) and the Trustee in relation to the Acquisition (including the entry into the SHA). A copy of the letter from the IFA to the Independent Directors, the Audit Committee and the Trustee (the “**IFA Letter**”), containing its advice in full, is set out in **Appendix C** of this Circular and Unitholders are advised to read the IFA Letter carefully. Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Acquisition (including the entry into the SHA) is on normal commercial terms and is not prejudicial to the interests of CCT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors and the Audit Committee can recommend that Unitholders vote in favour of the resolution in connection with the Acquisition to be proposed at the EGM.

4.4 Interests of Directors and Substantial Unitholders

Mr Chee Tien Jin Kevin is the Chief Executive Officer and an Executive Non-Independent Director of the Manager. Mr Lee Chee Koon and Mr Lim Cho Pin Andrew Geoffrey are Non-Executive Non-Independent Directors of the Manager. Mr Lee Chee Koon is concurrently the Group Chief Executive Officer and Executive Director of CL. Mr Lim Cho Pin Andrew Geoffrey is concurrently the Group Chief Financial Officer of CL.

As at the Latest Practicable Date, certain directors of the Manager hold, direct or indirect, interest in the Units and/or ordinary shares of CL (“**CL Shares**”), collectively amounting to an aggregate of 220,842 Units and 992,646 CL Shares.

Based on the Register of Directors' Unitholdings maintained by the Manager, the interests of the Directors in the Units as at the Latest Practicable Date are set out below:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units Held	%(1)	Contingent Awards of Units ⁽²⁾ under the Manager's	
	No. of Units	%(1)	No. of Units	%(1)			Performance Unit Plan	Restricted Unit Plan
Soo Kok Leng	77,409	0.002	–	–	77,409	0.002	–	–
Chee Tien Jin Kevin	114,348	0.003	–	–	114,348	0.003	0 to 184,904 ⁽⁴⁾	23,052 ^{(5), (7)} 43,216 ^{(6), (7)}
Lam Yi Young	–	–	–	–	–	–	–	–
Tan Soon Neo Jessica	13,632	NM ⁽³⁾	–	–	13,632	NM ⁽³⁾	–	–
Quek Bin Hwee (Mrs)	9,787	NM ⁽³⁾	–	–	9,787	NM ⁽³⁾	–	–
Ng Wai King	5,666	NM ⁽³⁾	–	–	5,666	NM ⁽³⁾	–	–
Lee Chee Koon	–	–	–	–	–	–	–	–
Lim Cho Pin Andrew Geoffrey	–	–	–	–	–	–	–	–

Notes:

- (1) The percentage is based on 3,855,334,662 Units in issue as at the Latest Practicable Date.
- (2) This refers to the number of Units which are the subject of contingent awards granted but not released under the Manager's Performance Unit Plan ("PUP") and Restricted Unit Plan ("RUP"). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP.
- (3) Not meaningful.
- (4) The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for PUP and RUP.
- (5) Being the unvested final one-third of the RUP 2017 Award.
- (6) Being the unvested two-thirds of the RUP 2018 Award.
- (7) On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of RUP, will also be released.

The table below sets out the interest in CL Shares which are held by the Directors.

Name of Directors	Direct Interest		Deemed Interest		Total No. of Shares Held	%(1)	Contingent Awards of CL Shares ⁽²⁾ under CL's	
	No. of CL Shares	%(1)	No. of CL Shares	%(1)			Performance Share Plan	Restricted Share Plan
Soo Kok Leng	–	–	–	–	–	–	–	–
Chee Tien Jin Kevin	102,130	NM ⁽³⁾	–	–	102,130	NM ⁽³⁾	–	–
Lam Yi Young	35,000	NM ⁽³⁾	–	–	35,000	NM ⁽³⁾	–	–
Tan Soon Neo Jessica	–	–	–	–	–	–	–	–
Quek Bin Hwee (Mrs)	–	–	–	–	–	–	–	–
Ng Wai King	8,000	NM ⁽³⁾	–	–	8,000	NM ⁽³⁾	–	–
Lee Chee Koon	714,371	0.014	–	–	714,371	0.014	0 to 680,180 ⁽⁴⁾	47,926 ^{(5), (7)} 142,437 ^{(6), (7)}
Lim Cho Pin Andrew Geoffrey	133,145	NM ⁽³⁾	–	–	133,145	NM ⁽³⁾	0 to 541,834 ⁽⁴⁾	41,646 ^{(5), (7)} 99,706 ^{(6), (7)}

Notes:

- (1) The percentage is based on 5,037,494,396 shares (excluding treasury shares) in issue as at the Latest Practicable Date.
- (2) This refers to the number of Shares which are the subject of contingent awards granted but not released under CL's Performance Share Plan ("PSP") and Restricted Share Plan ("RSP"). The final number of Shares that will be released could range from 0% to a maximum of 200% of the baseline award under the PSP and from 0% to a maximum of 150% of the baseline award under the RSP.
- (3) Not meaningful.
- (4) The final number of Shares to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for PSP and RSP.
- (5) Being the unvested final one-third of the RSP 2017 Award.
- (6) Being the unvested two-thirds of the RSP 2018 Award.
- (7) On the final vesting, an additional number of Shares of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of RSP, will also be released.

Based on the information available to the Manager, the Substantial Unitholders of CCT and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders ⁽¹⁾	Direct Interest		Deemed Interest		Total No. of Units Held	%(²)
	No. of Units	%(²)	No. of Units	%(²)		
THPL ^{(3), (4)}	–	–	1,163,547,058	30.18	1,163,547,058	30.18
Tembusu Capital Pte. Ltd. ⁽⁴⁾	–	–	1,130,628,333	29.33	1,130,628,333	29.33
Bartley Investments Pte. Ltd. ⁽⁴⁾	–	–	1,130,628,333	29.33	1,130,628,333	29.33
Mawson Peak Holdings Pte. Ltd. ⁽⁴⁾	–	–	1,130,628,333	29.33	1,130,628,333	29.33
Glenville Investments Pte. Ltd. ⁽⁴⁾	–	–	1,130,628,333	29.33	1,130,628,333	29.33
TJ Holdings (III) Pte. Ltd. ⁽⁴⁾	–	–	1,130,628,333	29.33	1,130,628,333	29.33
CLA Real Estate Holdings Pte. Ltd. ^{(4), (5)}	–	–	1,130,628,333	29.33	1,130,628,333	29.33
CL ^{(4), (6)}	–	–	1,130,628,333	29.33	1,130,628,333	29.33
CLS ⁽⁷⁾	–	–	962,516,676	24.97	962,516,676	24.97
SBR	746,646,934	19.37	–	–	746,646,934	19.37
COI ⁽⁸⁾	–	–	746,646,934	19.37	746,646,934	19.37
E-Pavilion	215,869,742	5.60	–	–	215,869,742	5.60
CIPL ⁽⁹⁾	–	–	215,869,742	5.60	215,869,742	5.60

Notes:

- (1) “**Substantial Unitholder**” means a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue.
- (2) The percentage is based on the 3,855,334,662 Units in issue as at the Latest Practicable Date.
- (3) THPL is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies (including but not limited to CLA Real Estate Holdings Pte. Ltd. (“**CLA**”)) have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.
- (4) THPL holds 100% of the equity interest in Tembusu Capital Pte. Ltd. (“**Tembusu**”), which holds 100% of the equity interest in Bartley Investments Pte. Ltd. (“**Bartley**”), which holds 100% of the equity interest in Mawson Peak Holdings Pte. Ltd. (“**Mawson**”), which holds 100% of the equity interest in Glenville Investments Pte. Ltd. (“**Glenville**”), which holds 100% of the equity interest in TJ Holdings (III) Pte. Ltd. (“**TJ Holdings (III)**”), which holds 100% of the equity interest in CLA. CLA holds approximately 50.48% of the issued shares in CL.

Each of Tembusu, Bartley, Mawson, Glenville and TJ Holdings (III) is deemed to have an interest in the unitholdings in which CLA is deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.
- (5) CLA is deemed to have an interest in the unitholdings that CL is deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.
- (6) CL is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries namely SBR, E-Pavilion and CCTML. CCTML holds 168,111,657 Units.
- (7) CLS is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries, namely SBR and E-Pavilion.
- (8) COI is deemed to have an interest in the unitholding of its direct wholly owned subsidiary, namely SBR.
- (9) CIPL is deemed to have an interest in the unitholding of its direct wholly owned subsidiary namely, E-Pavilion.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Acquisition.

4.5 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition. It should be noted that separate from the Acquisition, directors of the Manager may be appointed or replaced in line with the normal board renewal process.

5 RECOMMENDATION

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix C** of this Circular) and the rationale for the Acquisition as set out in paragraph 3 above, the Audit Committee (excluding Mr Lim Cho Pin Andrew Geoffrey who has abstained as he is concurrently a senior executive of CL) is of the view that the Acquisition (including the entry into the SHA) is on normal commercial terms and would not be prejudicial to the interests of CCT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote in favour of the resolution to approve the Acquisition (including the entry into the SHA).

6 EXTRAORDINARY GENERAL MEETING

The EGM will be held on Friday, 6 September 2019 at 10.30 a.m. at Raffles City Convention Centre, Canning Ballroom, Level 4, 2 Stamford Road, Singapore 178882, for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of EGM, which is set out on pages F-1 to F-2 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution. Approval by way of an Ordinary Resolution is required in respect of the Acquisition.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 48 hours before the time fixed for the EGM.

7 ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, CL, through E-Pavilion, SBR and CCTML, has a deemed interest in 1,130,628,333 Units, which comprises approximately 29.33% of the total number of Units in issue²⁰. Given that the Target Companies will be acquired from CLI MAC, a wholly owned subsidiary of CL, and CLI CP, an entity in which CL holds a 50.0% interest, CL and its associates will abstain from voting on the resolution relating to the Acquisition.

In the interest of good corporate governance, Mr Lee Chee Koon and Mr Lim Cho Pin Andrew Geoffrey will also abstain from voting at the EGM.

²⁰ Based on the total number of 3,855,334,662 Units in issue as at the Latest Practicable Date.

8 ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of CCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, no later than Wednesday, 4 September 2019 at 10.30 a.m., being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of the resolution must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolution. If a Unitholder (being an independent Unitholder) wishes to appoint Mr Lee Chee Koon, Mr Lim Cho Pin Andrew Geoffrey, or Mr Chee Tien Jin Kevin as his/her proxy/proxies for the EGM, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of the resolution.

9 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, CCT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10 CONSENTS

Each of the IFA (being Ernst & Young Corporate Finance Pte Ltd) and the Independent Valuers (being CBRE and Cushman) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the valuation certificates and all references thereto, in the form and context in which they are included in this Circular.

11 DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager²¹ at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Share Purchase Agreement;
- (ii) the IFA Letter;
- (iii) the independent valuation report on the Property issued by CBRE;
- (iv) the independent valuation report on the Property issued by Cushman;
- (v) the CCT Group 2018 Audited Financial Statements; and
- (vi) the written consents of each of the IFA and the Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as CCT is in existence.

Yours faithfully

CapitaLand Commercial Trust Management Limited
(Registration No. 200309059W)
(as manager of CapitaLand Commercial Trust)

Soo Kok Leng
Chairman and Non-Executive Independent Director

²¹ Prior appointment with the Manager is required. Please contact CCT Investor Relations team (telephone: +65 6713 2888).

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of CCT in Singapore or any other jurisdictions.

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.

Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. 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 indicative of the future performance of CCT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Circular 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.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

%	:	Per centum or percentage
1H 2019	:	The 6-month period ended 30 June 2019
Acquisition	:	The acquisition of the Property by way of acquiring 94.9% of the shares in the Target Companies
Acquisition Fee	:	The acquisition fee of 1.0% of the acquisition price which the Manager will be entitled to receive from CCT upon Completion pursuant to Clause 15.2 of the Trust Deed
Aggregate Leverage	:	The ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property of the CCT Group (inclusive of proportionate share of deposited property of jointly controlled entities)
Agreed Property Value	:	The agreed value of the Property at €265.0 million
Audit Committee	:	The audit committee of the Manager
Cash Outlay	:	The total cash outlay required for the Acquisition (based on CCT's 94.9% interest in the Target Companies)
CBD	:	Central Business District
CBRE	:	CBRE GmbH
CCMPL	:	CapitaLand Commercial Management Pte Ltd
CCT	:	CapitaLand Commercial Trust
CCT Group	:	CCT and its subsidiaries
CCT Group 2018 Audited Financial Statements	:	The audited financial statements of the CCT Group for the financial year ended 31 December 2018
CCT SPV	:	CCT Mercury One Pte. Ltd.
CCTML	:	CapitaLand Commercial Trust Management Limited
CDP	:	The Central Depository (Pte) Limited
CIPL	:	CapitaLand Investments Pte Ltd
CL or CapitaLand	:	CapitaLand Limited

CL Shares	:	Shares representing an undivided interest in CL
CLI CP	:	CLI CP (Netherlands) B.V.
CLI MAC	:	CLI MAC (Netherlands) B.V.
CLS	:	CapitaLand Singapore Limited
Circular	:	This circular to Unitholders dated 19 August 2019
COI	:	CapitaLand (Office) Investments Pte Ltd
Completion	:	The completion of the Acquisition
Completion Date	:	The date of completion of the Acquisition
Controlling Unitholder	:	A person who holds directly or indirectly 15.0% or more of the nominal amount of all voting units in CCT
Cushman	:	C&W (U.K.) LLP – German Branch
Deposited Property	:	The total assets of the CCT Group, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed
DPU	:	Distribution per Unit
€	:	Euro
E-Pavilion	:	E-Pavilion Pte. Ltd.
EGM	:	The extraordinary general meeting of Unitholders to be held on Friday, 6 September 2019 at 10.30 a.m. at Raffles City Convention Centre, Canning Ballroom, Level 4, 2 Stamford Road, Singapore 178882, to approve the matters set out in the Notice of Extraordinary General Meeting on pages F-1 to F-2 of this Circular
Enlarged Property Portfolio	:	The Enlarged Property Portfolio of properties held by CCT, consisting of the Existing Property Portfolio and the 94.9% interest in the Property
Existing Bank Loan	:	The existing bank loan in the aggregate amount of €104.6 million (or approximately S\$161.0 million) owed by the Target Companies to a certain financial institution
Existing Interested Person Transactions	:	The interested person transactions entered into between (i) CCT and (ii) CL and its subsidiaries and associates, during the course of the current financial year up to the Latest Practicable Date

Existing Property Portfolio	:	The portfolio of properties currently held by CCT, comprising (i) Capital Tower, (ii) Asia Square Tower 2, (iii) CapitaGreen, (iv) Six Battery Road, (v) 21 Collyer Quay (HSBC Building), (vi) a 50.0% interest in One George Street, (vii) a 60.0% interest in Raffles City Singapore, (viii) a 45.0% interest in CapitaSpring, a property under development, and (ix) a 94.9% interest in Gallileo, Frankfurt
FY 2018	:	The financial year ended 31 December 2018
IFA	:	Ernst & Young Corporate Finance Pte Ltd
IFA Letter	:	The letter from the IFA to the Independent Directors, the Audit Committee of the Manager, and the Trustee containing its advice as set out in Appendix C of this Circular
Independent Directors	:	The independent directors of the Manager comprising Soo Kok Leng, Lam Yi Young, Tan Soon Neo Jessica, Quek Bin Hwee (Mrs) and Ng Wai King
Independent Valuers	:	C&W (U.K.) LLP – German Branch (as appointed by the Trustee) and CBRE GmbH (as appointed by the Manager)
Latest Practicable Date	:	13 August 2019, being the latest practicable date prior to the printing of this Circular
Listing Manual	:	The Listing Manual of the SGX-ST
Loan Liabilities	:	The aggregate amount of Shareholders' Loans and Existing Bank Loan
Manager	:	CapitaLand Commercial Trust Management Limited, in its capacity as manager of CCT
MAS	:	Monetary Authority of Singapore
Master PMA	:	Master property management agreement entered into between CCMPPL, the Trustee and the Manager in respect of Asia Square Tower 2, Capital Tower, Six Battery Road, 21 Collyer Quay and Bugis Village
MCP	:	MAC Car Park Company B.V.
MP	:	MAC Property Company B.V.
MSO Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, as trustee of MSO Trust
NAV	:	Net asset value

New Bank Loan	:	94.9% of a new bank loan to be entered into by the Target Companies amounting to €115.9 million (or approximately S\$178.4 million)
NLA	:	Net lettable area
NPI	:	Net property income
NPI Yield	:	Net property income yield
NTA	:	Net tangible asset value
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Private Placement	:	The private placement of 105,012,000 new Units at an issue price of S\$2.095 per new Unit, details of which were announced on 17 and 18 July 2019
Property	:	Main Airport Center
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
Purchase Consideration	:	The purchase consideration of approximately €133.4 million (or approximately S\$205.3 million) for the Acquisition, based on 94.9% of the aggregate adjusted NAV of the Target Companies as at 31 March 2019, which is subject to adjustments to the Target Companies' NAV as at the Completion Date
REIT	:	Real estate investment trust
S\$ and cents	:	Singapore dollars and cents
SBR	:	SBR Private Limited
SGX-ST	:	Singapore Exchange Securities Trading Limited
SHA	:	The shareholders' agreement to be entered into between the Trustee, CCT SPV and CLI MAC in relation to the Target Companies
Share Purchase Agreement	:	The conditional Share Purchase Agreement for the acquisition of 94.9% of the shares in the Target Companies, entered into between CCT SPV and the Vendors, and dated 16 July 2019

Shareholders' Loans	:	The existing shareholders' loans in the aggregate amount of €17.5 million (or approximately S\$26.9 million) owed by the Target Companies to the Vendors
sqm	:	Square metre
Target Companies	:	MAC Property Company B.V. and MAC Car Park Company B.V.
THPL	:	Temasek Holdings (Private) Limited
Total Acquisition Outlay	:	The total outlay of the Acquisition to CCT including the Acquisition Fee and other transaction-related expenses
Trust Deed	:	The trust deed dated 6 February 2004 constituting CCT, as supplemented, amended and restated from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CCT
Unit	:	A unit representing an undivided interest in CCT
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term " Unitholder " shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
Vendors	:	CLI MAC (Netherlands) B.V. and CLI CP (Netherlands) B.V.

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

DETAILS OF MAIN AIRPORT CENTER, THE EXISTING PROPERTY PORTFOLIO AND THE ENLARGED PROPERTY PORTFOLIO

1. MAIN AIRPORT CENTER

1.1 Description of Main Airport Center

Main Airport Center is a freehold multi-tenanted office comprising 11 storeys and two basement levels located in the vicinity of the Frankfurt airport, Germany. The Property was completed in 2004 and has a total net lettable area (“**NLA**”) of approximately 60,200 sqm comprising high-specification office space of approximately 53,900 sqm, ancillary space of approximately 6,300 sqm and 1,510 car park lots. The committed occupancy of the Property was approximately 90%¹ as at 30 June 2019.

The Property is well designed such that all parts of the building have direct views of either the neighbouring Frankfurt airport, the adjacent Stadtwald forest or the Frankfurt skyline.

Located approximately 800 metres north of Frankfurt airport terminal 2 and forming part of the Frankfurt airport office submarket, Main Airport Center is well served by a comprehensive transportation infrastructure. Frankfurt’s city centre is a 20-minute drive via motorways A5 and A3 or a 15-minute journey via commuter railway (“**S-Bahn**”) and an 11-minute journey by the intercity express (“**ICE**”). A new S-Bahn station “Gateway Gardens” located approximately 500 metres from Main Airport Center is scheduled to open by the fourth quarter of 2019. This new station creates a more convenient connection from Main Airport Center to Frankfurt’s city centre.

Main Airport Center’s annualised 1H 2019 Net Property Income (“**NPI**”) is €10.6 million (S\$16.4 million). The table below sets out a summary of selected information on Main Airport Center as at 30 June 2019 (on a 100% basis) (unless otherwise indicated).

NLA	Approximately 60,200 sqm ⁽¹⁾
Committed occupancy	~90% ⁽²⁾
Number of leases	32
Car park lots	1,510
Land tenure	Freehold
Independent valuation as at 30 June 2019	€265.0 million (by CBRE): S\$407.8 million €267.3 million (by Cushman): S\$411.4 million
Agreed Property Value	€265.0 million (approximately S\$407.8 million)
FY 2018 NPI	€11.1 million (approximately S\$17.1 million)
Annualised 1H 2019⁽³⁾ NPI	€10.6 million (approximately S\$16.4 million)
NPI Yield on Agreed Property Value	4.2% (based on FY 2018 and a committed occupancy of 94.8%) ⁽⁴⁾ 4.0% (adjusted annualised NPI for 1H 2019, based on a committed occupancy of approximately 90%)

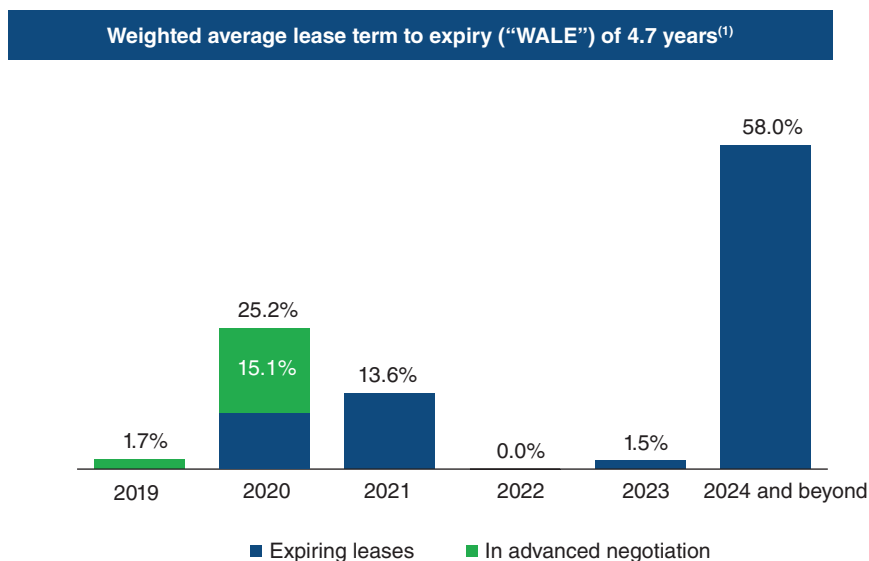
Notes:

- (1) Comprising approximately 53,900 sqm office space and approximately 6,300 sqm ancillary space.
- (2) Committed occupancy as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.
- (3) “**1H 2019**” refers to the 6-month period ended 30 June 2019.
- (4) Gross yield of 5.3% (Based on FY2018 and a committed occupancy of 94.8%).

¹ Committed occupancy as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.

1.2 Lease Expiry Profile for Main Airport Center

The chart below illustrates the committed lease expiry profile for Main Airport Center by percentage of monthly gross rental income as at 30 June 2019.

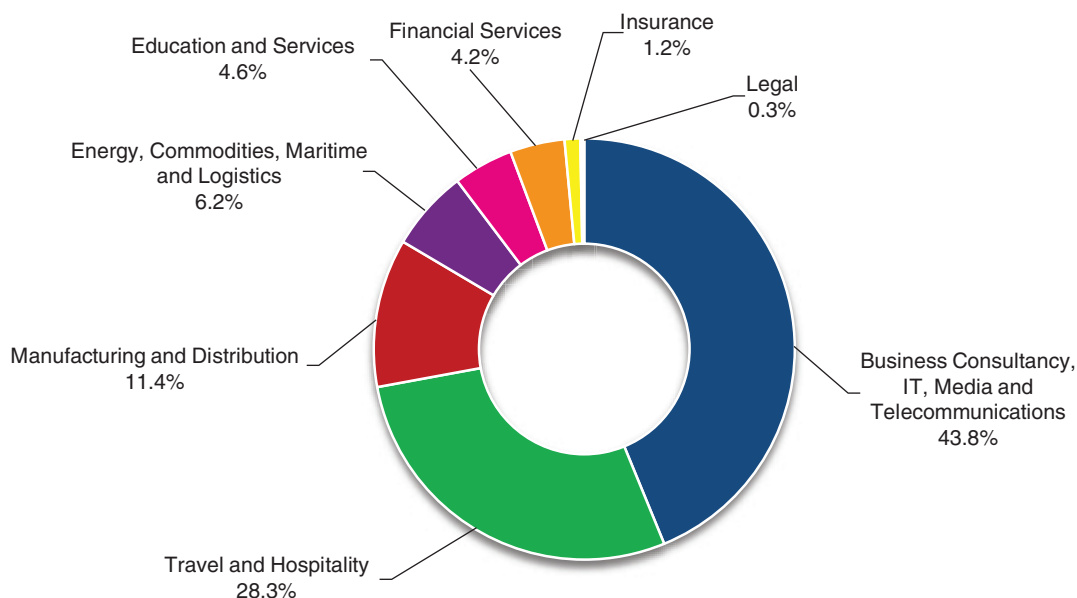


Note:

(1) Property lease expiry profile based on monthly gross rental income as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.

1.3 Trade Sector Analysis for Main Airport Center

The chart below provides a breakdown by the different trade sectors represented in Main Airport Center as a percentage of monthly gross rental income (based on gross rental income for the month of June 2019)⁽¹⁾.



Note:

(1) Based on committed monthly gross rental income as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.

1.4 Top Three Tenants of Main Airport Center

The table below sets out the top three tenants of Main Airport Center by monthly gross rental income (based on gross rental income for the month of June 2019).

No.	Tenant	Key Highlights	% of Gross Rental Income
1	IQVIA Commercial GmbH & Co. OHG	Country office of a Fortune 500 company providing integrated healthcare services (Business Consultancy, IT, Media and Telecommunications)	16.6
2	Dell GmbH	Regional corporate headquarters (Business Consultancy, IT, Media and Telecommunications)	16.2
3	Miles & More	Corporate office of Europe's leading frequent flyer and awards programme (Travel and Hospitality)	14.4
Top Three Tenants			47.2
Other Tenants			52.8
Total			100.0

2. EXISTING PROPERTY PORTFOLIO

The table below sets out selected information about the Existing Property Portfolio as at 30 June 2019, unless otherwise indicated.

	Capital Tower	Asia Square Tower 2	CapitaGreen	Six Battery Road	One George Street ⁽¹⁾	Raffles City Singapore ⁽²⁾	21 Collyer Quay (HSBC Building)	CapitaSpring ⁽³⁾	Gallileo ⁽⁵⁾
NLA (sqm)	68,208	72,296	65,130	45,864	41,406	75,138	18,624	60,111 ⁽⁴⁾	40,522
Number of Tenants	27	65	48	97	51	254	1	N.A.	7
Number of Car Park Lots	415	266	184	191	178	1,051	55	350	43
Title/ Leasehold Estate Expiry	Leasehold tenure of 99 years with effect from 1 January 1996	Leasehold tenure of 99 years with effect from 3 March 2008 (land lot only)	Leasehold tenure of 99 years with effect from 1 April 1974	Leasehold tenure of 999 years with effect from 20 April 1826	Leasehold tenure of 99 years with effect from 22 January 2003	Leasehold tenure of 99 years with effect from 16 July 1979	Leasehold tenure of 99 years with effect from 19 December 1850	Leasehold tenure of 99 years with effect from 1 February 1982	Freehold
Market Valuation, (S\$ million)	1,390.0	2,182.0	1,643.0	1,435.0	1,141.0	3,340.0	462.2	1,062.0	553.8 ⁽⁵⁾
Committed Occupancy	99.7%	95.8%	100.0%	97.2%	97.6%	99.5%	100.0%	N.A.	100.0%

Notes:

- (1) Information shown is in relation to One George Street as a whole and not CCT's 50.0% interest in One George Street.
- (2) Information shown is in relation to Raffles City Singapore as a whole and not CCT's 60.0% interest in Raffles City Singapore.
- (3) Information shown is in relation to CapitaSpring as a whole and not CCT's 45.0% interest in CapitaSpring.
- (4) Upon completion of the building, the net lettable area of CapitaSpring is expected to be approximately 60,111 sqm.
- (5) Information shown is in relation to Gallileo, Frankfurt as a whole and not CCT's 94.9% interest in Gallileo, Frankfurt. The conversion rate used for the 30 June 2019 valuation was €1.00 to S\$1.533.

3. ENLARGED PROPERTY PORTFOLIO

The table below sets out the valuation of the Enlarged Property Portfolio as at 30 June 2019 (unless otherwise indicated).

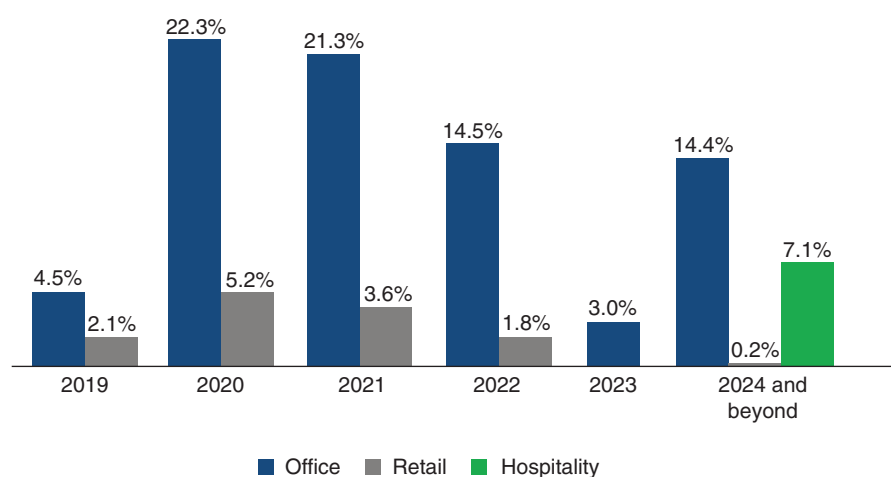
	Main Airport Center ⁽¹⁾	Existing Property Portfolio	Enlarged Property Portfolio
Valuation, as at 30 June 2019 (S\$ million)	387.1	10,690.1 ⁽²⁾	11,077.2

Notes:

- (1) Based on 94.9% of the Agreed Property Value and using an exchange rate of €1.00 to S\$1.539 as at 28 June 2019.
- (2) Including CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street, 45.0% interest in CapitaSpring and 94.9% interest in Gallileo, Frankfurt. Gallileo's valuation is based on an exchange rate of €1.00 = S\$1.533 as at 30 June 2019.

3.1 Lease Expiry Profile for the Enlarged Property Portfolio

The chart below illustrates the committed lease expiry profile of the Enlarged Property Portfolio by percentage of monthly gross rental income as at 30 June 2019 (excluding retail turnover rent).



3.2 Trade Sector Analysis for the Enlarged Property Portfolio

The chart below provides a breakdown by the different trade sectors represented in the Enlarged Property Portfolio as a percentage of monthly gross rental income (based on gross rental income for the month of June 2019 and excluding retail turnover rent).

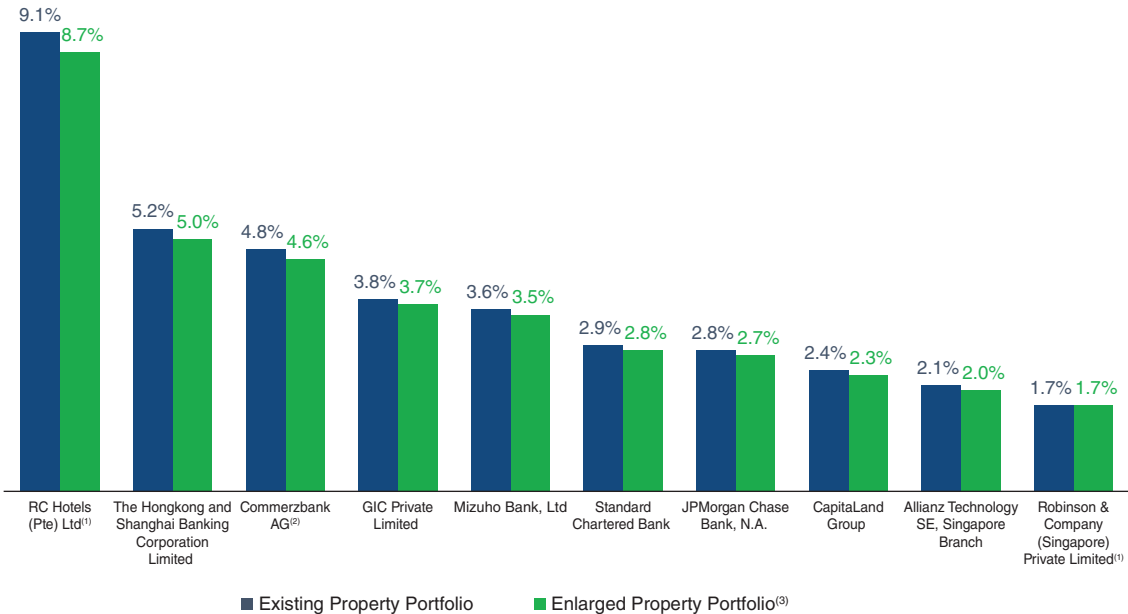
	% of Gross Rental Income ⁽¹⁾	
	Enlarged Property Portfolio ⁽¹⁾	Existing Property Portfolio ⁽²⁾
Banking	23.5	24.4
Financial Services	11.2	11.4
Travel and Hospitality	9.8	9.1
Business Consultancy, IT, Media and Telecommunications	9.0	7.7
Energy, Commodities, Maritime and Logistics	8.9	9.0
Retail Products and Services	7.5	7.8
Real Estate and Property Services	7.2	7.5
Insurance	6.6	6.8
Food and Beverage	5.4	5.6
Manufacturing and Distribution	4.0	3.7
Legal	2.9	3.0
Education and Services	2.2	2.1
Government	1.8	1.9
Total	100.0	100.0

Notes:

- (1) Based on committed monthly gross rental income as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases, including CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street, 94.9% interest in Gallileo, Frankfurt and 94.9% interest in the Property.
- (2) Based on committed monthly gross rental income of tenants as at 30 June 2019, including CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Gallileo, Frankfurt.

3.3 Top Ten Tenants of the Enlarged Property Portfolio

The table below sets out the top ten tenants of the Enlarged Property Portfolio (based on gross rental income for the month of June 2019 and excluding retail turnover rent).



Notes:

- (1) Based on CCT’s 60.0% interest in Raffles City Singapore.
- (2) Based on CCT’s 94.9% interest in Gallileo, Frankfurt.
- (3) After adjusting for expired leases and inclusion of newly committed leases for Main Airport Center.

VALUATION CERTIFICATES

VALUATION CERTIFICATE



CBRE GmbH

Bockenheimer Landstraße 24
60323 Frankfurt am Main
Germany

Switchboard +49 (0) 69 17007770

Address of Property	Unterschweinstiege 2-14, 60549 Frankfurt am Main, Germany
Valuation Prepared for	CapitaLand Commercial Trust Management Limited as Manager of CapitaLand Commercial Trust 168 Robinson Road #30-01 Capital Tower, Singapore 068912
Purpose of Valuation	For proposed acquisition purpose.
Date of Valuation	30 June 2019
Basis of Valuation	<p>The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 which incorporate the International Valuation Standards (“the Red Book”)</p> <p>The valuation has been prepared on the basis of “Market Value” which is defined as:</p> <p>“The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion</p>
Tenure	The subject property is freehold equivalent.
Brief Description	<p>The subject property “Main Airport Center” is a freehold office building comprising of 11 storeys above ground and 2 basement levels, erected in 2004.</p> <p>To the south of the office complex there is a nine-storey car park at approximately 20 metres. In some areas the car park bridges the petrol station on the ground floor and the delivery area. The eastern area of the multi-storey car park has a two-storey basement.</p> <p>Overall, as at the date of valuation the subject property has a total</p>



contracted lettable area of approximately 60,238 sq m (including 4,140 sq m petrol station area) and 1,510 parking spaces.

Site area 25,368 sq m

Floor areas	Contracted lettable area	60,238 sq m
	Lettable area based on gif measurement	60,812 sq m
	Parking units	1,510 parking spaces

Condition Generally good.

Capital Expenditure Based on the TDD by JLL, dated 6 July 2019, the capex are as follows:

Group	Immediate [EUR]	Mid-term [EUR]	Long-term [EUR]
MAC office building	112,100	3,138,800	5,622,700
MAC Car park	54,280	87,320	354,000

As for the long-term costs, we assume that they will be covered by our allowance for ongoing maintenance.

Tenancy Brief As at the valuation date the property has an occupation rate of approx. 95.5%. The average remaining lease term is 4.1 years.

Income Overview	MAC Office building	EUR PER ANNUM
	Gross Current Income	8,185,311
Net Current Income	7,963,657	
Gross Market Income	11,215,800	
Net Market Income	10,520,766	
	MAC Car Parking	EUR PER ANNUM
Gross Current Income	1,918,809	
Net Current Income	1,129,782	
Gross Market Income	3,220,152	
Net Market Income	3,031,249	

Methods of Valuation Discounted Cash Flow, Term and Reversion

Key Assumptions	Discount Rate	5.19%
	Capitalisation Rate	4.55%
	Equivalent Yield	4.19%
	Reversionary Yield	4.54%

Market Value Main Airport Center Office building (rounded)
216,100,000 EUR
exclusive of VAT & transaction costs

MAC Car Park (rounded)
48,900,000 EUR
exclusive of VAT & transaction costs

Combined Market Value (rounded) – MAC & MAC Car Park
265,000,000 EUR
exclusive of VAT & transaction costs.

Yours faithfully



ppa. Tobias Jermis

MRICS, CIS HYPZERT (F)

Director

Team Leader - Valuation Advisory Services

Germany

For and on behalf of

CBRE GmbH

Yours faithfully



Simon Ritsch

FRICS, CIS HYPZERT (F)

Managing Director

Head of Valuation Advisory Services

Germany

For and on behalf of

CBRE GmbH

Legal Notice

Please note that this Valuation Certificate can only be read in connection with the Valuation Report of the subject property, dated 17 July 2019.

If you are neither the Client, an Addressee nor a Relying Party then you are viewing this Report on a non-reliance basis and for informational purposes only. You may not rely on the Report for any purpose whatsoever and CBRE shall not be liable for any loss or damage you may suffer (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this Report. CBRE gives no undertaking to provide any additional information or correct any inaccuracies in the Report.

VALUATION CERTIFICATE

PROPERTY NAME	MAIN AIRPORT CENTER (MAC)											
Address of Property	Unterschweinstiege 2-14 60549 Frankfurt/Main, Germany											
Client	HSBC Institutional Trust Services (Singapore) Limited as Trustee of Capitaland Commercial Trust 21 Collyer Quay #13-02 HSBC Building Singapore 049320											
Purpose of Valuation	For acquisition purpose											
Basis of Valuation	<p>The value of the property has been assessed in accordance with the Market Value definition relevant to international property valuations.</p> <p>The definition of Market Value (MV) is that settled by the International Valuation Standards Committee (IVSC International Valuation Standards (IVS) 2017) as well as the Royal Institution of Chartered Surveyors, London (RICS Valuation – Global Standards, July 2017). Accordingly, the Market Value is:</p> <p><i>“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”</i></p>											
Methods of Valuation	Discounted Cash Flow Method (DCF)											
Property Type	Office + Parking											
Completion Date	2004											
Condition & State of Repair	Good											
Site area	25,368 m ²											
Lettable Areas	<table> <tr> <td>Office</td> <td>53,823 m²</td> </tr> <tr> <td>Gas station</td> <td>4,140 m²</td> </tr> <tr> <td>Gastronomy</td> <td>525 m²</td> </tr> <tr> <td><u>Storage/Production</u></td> <td><u>1,753 m²</u></td> </tr> <tr> <td>Total</td> <td>60,241 m²</td> </tr> </table> <p>Please note that the tenant SK, who will move into new office space as of November 2019, will rent a lettable area reduced by 7 m² due to re-measurement. The NLA will be revised down to 60,238 m² after 30th June 2019 (based on the rent roll of May 2019).</p>		Office	53,823 m ²	Gas station	4,140 m ²	Gastronomy	525 m ²	<u>Storage/Production</u>	<u>1,753 m²</u>	Total	60,241 m ²
Office	53,823 m ²											
Gas station	4,140 m ²											
Gastronomy	525 m ²											
<u>Storage/Production</u>	<u>1,753 m²</u>											
Total	60,241 m ²											
Parking Units	<table> <tr> <td>Parking Internal</td> <td>1,510 Units</td> </tr> <tr> <td><u>Parking External</u></td> <td><u>2 Units</u></td> </tr> <tr> <td>Total</td> <td>1,512 Units</td> </tr> </table> <p>Please note that the rent roll dated May 2019 shows lease contracts for parking lots in the amount of</p>		Parking Internal	1,510 Units	<u>Parking External</u>	<u>2 Units</u>	Total	1,512 Units				
Parking Internal	1,510 Units											
<u>Parking External</u>	<u>2 Units</u>											
Total	1,512 Units											

	1,512. To the contrary the physical number of parking lots amounts to 1,510 as represented by the vendor.
Brief description of Property	The subject property comprises an office building "Main Airport Center (MAC)" in proximity to the Frankfurt Airport with 11 storeys above ground and two underground floors. Approximately 54,000 m ² lettable office space including a conference centre (capacity up to approx. 200 persons), a restaurant facility (approx. 300 seats) and a parking garage with 1,510 parking spaces, located at Unterschweinstiege 2-14, 60549 Frankfurt/Main, Germany. Please note, that re-measurements of the office space are taking place. One of the main tenants is the well-known airline "Lufthansa". The vast majority of the lettable area accommodates office space. The Top Five Tenants are Quintilesims, Dell GmbH, Miles&More (frequent flyer program of Lufthansa), Deutsche Lufthansa AG and Beam Suntory Deutschland GmbH.
Legal Description	The land registry extracts provided to us contain no easements or restrictions which we would consider unusual for a commercial property of this nature.
Tenure	Freehold
Master Plan Zoning:	According to written information received from the City of Frankfurt am Main there is no detailed development plan relating to the subject property. There is a land use plan (dated 2010, planned status dated 31.12.2018), which stipulates a special building area (SO). Land use decisions would be made in accordance with § 34 of the Federal Building Code whereby the character and density of surrounding properties is determinant.
Occupancy	As at the date of valuation the occupation rate is approx. 96%.
Valuation Date	June 30, 2019
Capitalisation Rate	4.25 %
Discount Rate	3.50 %
Market Value	€ 267,300,000 (rounded)

This summary should be read in conjunction with the full report and appendices.

Frankfurt am Main, 18.07.2019

C&W (U.K.) LLP - German Branch
Chartered Surveyors



Dipl.-Ing. Martin Belik MRICS
International Partner



i.A. Jan Pettera MRICS HypZert (F)
Associate

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INDEPENDENT FINANCIAL ADVISER'S LETTER

ERNST & YOUNG CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
 (Company Registration Number: 199702967E)
 One Raffles Quay
 North Tower, Level 18
 Singapore 048583

19 August 2019

**The Independent Directors and the Audit Committee of
 CapitaLand Commercial Trust Management Limited
 (As Manager of CapitaLand Commercial Trust)**

168 Robinson Road
 #30-01 Capital Tower
 Singapore 068912

**HSBC Institutional Trust Services (Singapore) Limited
 (As Trustee of CapitaLand Commercial Trust)**

21 Collyer Quay
 #13-02 HSBC Building
 Singapore 049320

Dear Sirs:

**THE PROPOSED ACQUISITION OF A 94.9% INTEREST IN MAIN AIRPORT CENTER LOCATED
 IN FRANKFURT, GERMANY**

1 INTRODUCTION

On 16 July 2019¹, CapitaLand Commercial Trust (“**CCT**”), through its wholly-owned subsidiary CCT Mercury One Pte. Ltd. (the “**CCT SPV**”), entered into a conditional share purchase agreement (the “**Share Purchase Agreement**”) with CLI MAC (Netherlands) B.V. (“**CLI MAC**”) and CLI CP (Netherlands) B.V. (“**CLI CP**”, and together with CLI MAC, the “**Vendors**”) to acquire a 94.9% interest in Main Airport Center (the “**Property**”) through the acquisition of shares in MAC Property Company B.V. (“**MP**”) and MAC Car Park Company B.V. (“**MCP**”) and together with MP, the “**Target Companies**”) (the “**Acquisition**”). The Property is held by the Target Companies.

CLI MAC will retain the remaining 5.1% of the shares in each of the Target Companies following the completion of the Acquisition (the “**Completion**”, and the date of Completion, the “**Completion Date**”).

The Property is a freehold multi-tenanted office building comprising 11 storeys and two basement levels located in the vicinity of Frankfurt airport, Germany. The Property was completed in 2004 and has a total net lettable area (“**NLA**”) of approximately 60,200 square metres (“**sqm**”), comprising high-specification office space of approximately 53,900 sqm, ancillary space of approximately 6,300 sqm and 1,510 car park lots. The committed occupancy of the Property was approximately 90.0%² as at 30 June 2019.

¹ The Share Purchase Agreement was entered into on 16 July 2019 after close of business in the Netherlands.

² Committed occupancy as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.

The purchase consideration for the Acquisition (the “**Purchase Consideration**”) payable to the Vendors is €133.4 million (approximately S\$205.3 million), being 94.9% of the aggregate adjusted net asset value (“**NAV**”) of the Target Companies (based on the balance sheet of the Target Companies as at 31 March 2019). The aggregate adjusted NAV of the Target Companies (on a 100.0% basis) is estimated at €140.6 million (S\$216.4 million) based on the following:

- (i) the agreed value of the Property of €265.0 million (S\$407.8 million) (the “**Agreed Property Value**”); less
- (ii) the shareholders’ loan of €17.5 million¹ (S\$26.9 million) owed by the Target Companies to the Vendors (the “**Shareholders’ Loans**”), the existing bank loan of an aggregate amount of approximately €104.6 million² (S\$161.0 million) owed by the Target Companies to a financial institution (the “**Existing Bank Loan**”, and together with the Shareholders’ Loans, the “**Loan Liabilities**”), and net liabilities of €2.3 million (S\$3.5 million).

The final Purchase Consideration payable to the Vendors on Completion shall be subject to adjustments based on the NAV of the Target Companies as at the Completion Date.

As at the Latest Practicable Date, CapitaLand Limited (“**CL**”), through its wholly owned subsidiaries, E-Pavilion Pte Ltd (“**E-Pavilion**”), SBR Private Limited (“**SBR**”) and CapitaLand Commercial Trust Management Limited (as manager of CCT) (the “**Manager**” or “**CCTML**”), holds an aggregate interest in 1,130,628,333 units in CCT (the “**Units**”), which is equivalent to approximately 29.33% of the total number of Units in issue³, and is therefore regarded as a “controlling unitholder” of CCT under both the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (the “**Listing Manual**”) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**MAS**” and Appendix 6, the “**Property Funds Appendix**”). In addition, as CCTML is a wholly-owned subsidiary of CL, CL is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

CLI MAC is a wholly-owned subsidiary of CL, and CL holds 50% of CLI CP. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendors are (for the purpose of the Listing Manual) “interested persons” and (for the purpose of the Property Funds Appendix) “interested parties” of CCT.

As such, the Acquisition (including the shareholders’ agreement to be entered into by the Trustee, CCT SPV, and CLI MAC in relation to the Target Companies on the Completion Date (the “**SHA**”)) will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, in respect of which the approval of the Unitholders is required.

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution for the Acquisition (including the entry into the SHA).

As at the Latest Practicable Date, CCT had entered into several interested person transactions with CL and its subsidiaries and associates (the “**CL Group**”) during the course

1 Based on the outstanding amount of the Shareholders’ Loans as at 31 March 2019.

2 Based on the outstanding amount of the Existing Bank Loan as at 31 March 2019.

3 Based on the total number of 3,855,334,662 Units in issue as at 13 August 2019, being the latest practicable date prior to the printing of the circular (the “**Circular**”) to the unitholders of CCT (the “**Unitholders**” and each, the “**Unitholder**”, and the date, the “**Latest Practicable Date**”).

of the current financial year (the “**Existing Interested Person Transactions**”). The Existing Interested Person Transactions, when aggregated, are also subject to Rule 906 of the Listing Manual.

To comply with the requirements of Chapter 9 of the Listing Manual, Ernst & Young Corporate Finance Pte Ltd (“**EYCF**”) has been appointed as the independent financial adviser (“**IFA**”) as required under Rule 921(4)(a) of the Listing Manual as well as to advise the board of directors of the Manager (the “**Directors**”) who are considered independent in relation to the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions (the “**Independent Directors**”), the audit committee of the Manager (the “**Audit Committee**”), and the HSBC Institutional Trust Services (Singapore) Limited (as trustee of CCT) (the “**Trustee**”) on whether the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of CCT and its minority Unitholders.

This letter sets out, *inter alia*, our evaluation of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions, and our advice thereon. It forms part of the Circular to be issued by the Manager which provides, *inter alia*, the details of the Acquisition, the SHA, and the Existing Interested Person Transactions and the recommendations of the Independent Directors and the Audit Committee in respect thereof.

Unless otherwise defined or the context otherwise requires, all terms in the Circular shall have the same meaning in this letter. Euro (“**€**”) amounts are converted to Singapore Dollars (“**S\$**”) based on the exchange rate of €1.00=S\$1.539 as at 28 June 2019, except where the exchange rate is expressly stated otherwise.

2 TERMS OF REFERENCE

EYCF has been appointed as required under Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit Committee and the Trustee in respect of whether the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of CCT and its minority Unitholders.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions, as well as information provided to us by CCT and the management of the Manager (the “**Management**”), as at the Latest Practicable Date. Accordingly, we assume no responsibility to update, revise or reaffirm our opinion as a result of any subsequent development after the Latest Practicable Date. Unitholders should take note of any announcement and/or event relevant to the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions which may be released by CCT and/or the Manager after the Latest Practicable Date.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions, nor were we involved in the deliberations leading up to the decisions by the Directors in connection with the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions. We have not conducted a comprehensive review of the business, operations or financial condition of CCT and its subsidiaries and associates (the “**CCT Group**”). It is not within our terms of reference to assess the rationale for, legal, strategic, commercial and financial merits and/or risks of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions, and to comment on such merits and/or risks of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions. We have only expressed our opinion on whether the Acquisition (including the entry into the SHA) and the Existing Interested Person

Transactions are on normal commercial terms and are not prejudicial to the interests of CCT and its minority Unitholders. The assessment of the legal, strategic, commercial and financial merits and/or risks of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions remains the sole responsibility of the Directors, although we may draw upon their views in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at the opinion set out in this letter.

It is also not within our terms of reference to compare the relative merits of the Acquisition (including the entry into the SHA) and/or each of the Existing Interested Person Transactions vis-à-vis any alternative transaction previously considered by CCT and/or the Manager (if any) or that CCT and/or the Manager may consider in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions, we have held discussions with the Directors and the Management. We have also examined and relied on information in respect of CCT collated by us, as well as information provided and representations and assurances made to us, both written and verbal, by the Directors, the Management and/or professional advisers of CCT and/or the Manager, including information contained in the Circular. We have not independently verified such information or any representation or assurance, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors (including those who may have delegated supervision of the Circular) and the Management have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to CCT, the Property, the Target Companies, the Acquisition, the SHA, and the Existing Interested Person Transactions has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about CCT, the Acquisition, the Property, the SHA, and the Existing Interested Person Transactions, and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of CCT, the Property, the Target Companies, and/or the relevant parties involved in the Existing Interested Person Transactions. We have also not made an independent evaluation or appraisal of the assets and liabilities of CCT, the Property, and/or the Target Companies. However, we have been furnished with the independent valuation reports of the independent property valuers, CBRE GmbH ("**CBRE**") and C&W (U.K.) LLP – German Branch ("**Cushman**", and together with CBRE, the "**Independent Valuers**"), commissioned by the Manager and the Trustee respectively, and issued by the Independent Valuers in connection with the assessed market value (the "**Market Value**") of the Property as at 30 June 2019 (the "**Valuation Reports**"). We are not experts and do not regard ourselves to be experts in the valuation of the Property, and we have taken into consideration the Valuation Reports prepared by the Independent Valuers.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Unitholder or any specific group of Unitholders. As each Unitholder would have different investment objectives and profiles, we would advise the Independent Directors and the

Audit Committee to recommend that any individual Unitholder or group of Unitholders who may require specific advice in relation to his or their Units should consult his or their stockbroker, bank manager, solicitor, accountant or other professional advisers.

We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Circular (other than in connection with this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than in connection with this letter).

This letter and our opinion, which is required under Rule 921(4)(a) of the Listing Manual as well as addressed for the use and benefit of the Independent Directors, the Audit Committee, and the Trustee in connection with and for the purpose of their consideration of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions, and the recommendations made by the Independent Directors and the Audit Committee to the minority Unitholders shall remain the sole responsibility of the Independent Directors and the Audit Committee.

Our opinion in relation to the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions should be considered in the context of the entirety of this letter and the Circular.

3 DETAILS OF THE ACQUISITION

The details of the Acquisition, including details of the Property and the SHA, are set out in Section 2 of the Letter to Unitholders and Appendix A of the Circular. We recommend that the Independent Directors and the Audit Committee advise the Unitholders to read carefully the details of the Property, the Acquisition, and the SHA which are contained in the Circular.

We set out below the salient information on the Property and the Acquisition (including the entry into the SHA).

3.1 Description of the Property

Certain key information on the Property are set out in the Overview section, Section 2.1 of the Letter to Unitholders, and Appendix A of the Circular. We present the following information in relation to the Property.

The Property is a freehold multi-tenanted office building comprising 11 storeys and two basement levels located in the vicinity of Frankfurt airport, Germany. The Property was completed in 2004 and has a total NLA of approximately 60,200 sqm, comprising high-specification office space of approximately 53,900 sqm, ancillary space of approximately 6,300 sqm, and 1,510 car park lots. The committed occupancy rate of the Property was approximately 90.0%¹ as at 30 June 2019.

The Property is well designed such that all parts of the building have direct views of the neighbouring Frankfurt airport, the adjacent Stadtwald forest or the Frankfurt skyline.

Located approximately 800 metres north of Frankfurt airport terminal 2 and forming part of the Frankfurt airport office submarket, the Property is well served by comprehensive transportation infrastructure. Frankfurt's city centre is a 20-minute drive via motorways A5 and A3, a 15-minute journey via commuter railway ("**S-Bahn**") or an 11-minute journey by the intercity express ("**ICE**"). A new S-Bahn station "Gateway Gardens" located

¹ Committed occupancy as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases.

approximately 500 metres from the Property is scheduled to open by the fourth quarter of 2019. This new station creates a more convenient connection from the Property to Frankfurt's city centre.

Frankfurt Airport Office Submarket

Frankfurt airport office submarket, with nearly 81,000 employees in around 450 companies¹, is a thriving business cluster with excellent supporting amenities and transportation network infrastructure.

The attractiveness of the submarket lies in its proximity to Frankfurt airport, Germany's largest air traffic hub that handled 69.5 million passengers in 2018¹. Due to its global connectivity, multinational firms choose to be located near Frankfurt airport for easy access to and from the region.

Frankfurt airport office submarket has a highly developed domestic and international transportation network via air, rail (long-distance, intercity express and commuter rail network (S-Bahn)) and road. The S-Bahn provides a significantly faster commute (15 minutes) to the Frankfurt city centre as compared to other major airports in Europe (including London Heathrow and Paris Charles de Gaulle). The short distance to the Frankfurt city centre and the proximity to the airport infrastructure and amenities makes the Frankfurt airport office submarket an attractive option for office occupiers. The A3 motorway running through the airport precinct is a major axis between the Dutch border and the cities in the Rhine-Ruhr region to the northwest and the Austrian border in the south of Germany. It links to all major motorways in the surroundings of Frankfurt, including the A5, which runs from the Swiss border in the south along the French border and connects cities such as Basel and Freiburg.

3.2 Structure of the Acquisition and the Independent Valuations

Certain key information on the Acquisition and the Independent Valuations are set out in Section 2.2 of the Letter to Unitholders of the Circular. We present the following in relation to the details of the Acquisition and the Independent Valuations.

On 16 July 2019, CCT, through its wholly-owned subsidiary, CCT SPV, entered into the Share Purchase Agreement with the Vendors to acquire a 94.9% interest in the Property through the acquisition of shares in the Target Companies.

As at the date of the Circular, 100.0% of the issued shares of the Target Companies are held by the Vendors. CLI MAC currently holds 89.8% of the shares in each of the Target Companies and will divest 84.7% of its shares in each of the Target Companies to the CCT SPV upon Completion. CLI CP currently holds 10.2% of the shares in each of the Target Companies, which will be entirely divested to CCT SPV upon Completion. Following the Completion, CCT SPV will hold an aggregate of 94.9% of the shares in each of the Target Companies and CLI MAC will retain the remaining 5.1%.

Pursuant to the Acquisition, the Trustee, CCT SPV, and CLI MAC will enter into the SHA in relation to the Target Companies on the Completion Date.

The Purchase Consideration is €133.4 million (approximately S\$205.3 million). This is derived from 94.9% of the aggregate adjusted NAV of the Target Companies (based on the balance sheet of the Target Companies as at 31 March 2019).

¹ Source: CBRE's valuation report as at 30 June 2019.

The aggregate adjusted NAV of the Target Companies (on a 100.0% basis) is estimated at €140.6 million (S\$216.4 million) based on the following:

- (i) the Agreed Property Value of €265.0 million (S\$407.8 million); less
- (ii) the Shareholders' Loan of €17.5 million (S\$26.9 million), the Existing Bank Loan of €104.6 million (S\$161.0 million) and net liabilities of €2.3 million (S\$3.5 million).

The final Purchase Consideration payable to the Vendors on Completion shall be subject to adjustments based on the NAV of the Target Companies as at the Completion Date.

The Manager and the Trustee have commissioned the Independent Valuers, CBRE and Cushman respectively, to value the Property. The valuations of the Property as at 30 June 2019 are €265.0 million (S\$407.8 million) (94.9% of which is €251.5 million (S\$387.0 million) and €267.3 million (S\$411.4 million) (94.9% of which is €253.7 million (S\$390.4 million) as stated by CBRE and Cushman in their respective Valuation Reports. The method used by the Independent Valuers is the discounted cash flow method. The Agreed Property Value is arrived at following negotiations on a willing-buyer and willing-seller basis taking into account the independent valuations of the Property.

3.3 Certain Terms and Conditions of the Share Purchase Agreement

Certain key information on the Agreement are set out in Section 2.3 of the Letter to Unitholders of the Circular, and have been extracted and set out in italics below.

“2.3 Certain Terms and Conditions of the Share Purchase Agreement

The Share Purchase Agreement contains customary provisions relating to the Acquisition, including representations and warranties, indemnities and pre-completion covenants regarding the operation of the business of the Target Companies and other commercial terms.

Completion shall take place after the conditions precedent in the Share Purchase Agreement have been fulfilled or waived. The conditions precedent include, among others:

- (i) the Acquisition having been approved by the Unitholders at the EGM; and*
- (ii) the Existing Bank Loan having been repaid and the relevant collaterals granted in connection with such loan having been released.”*

3.4 Total Acquisition Outlay

The details of the total outlay of the Acquisition to CCT including the acquisition fee for the Acquisition which the Manager will be entitled to receive from CCT upon Completion (the “**Acquisition Fee**”) and other transaction-related expenses (the “**Total Acquisition Outlay**”) are set out in Section 2.4 of the Letter to Unitholders of the Circular, and are presented below:

The Total Acquisition Outlay is estimated to be €253.4 million (S\$390.0 million) comprising:

- (i) the Purchase Consideration of €133.4 million or approximately S\$205.3 million;

- (ii) 94.9% of a new bank loan to be drawn down by the Target Companies amounting to €115.9 million (S\$178.4 million) (the “**New Bank Loan**”)¹, to repay and discharge part of the Loan Liabilities of €122.1 million (S\$188.0 million). For the avoidance of doubt, the Loan Liabilities will be fully repaid on Completion;
- (iii) an Acquisition Fee² of €2.5 million (S\$3.8 million) payable in Units to the Manager; and
- (iv) transaction-related expenses of €1.6 million (S\$2.5 million) incurred or to be incurred by CCT.

As the Acquisition Fee is payable in Units, the total cash outlay required for the Acquisition (the “**Cash Outlay**”) shall comprise the Total Acquisition Outlay less the Acquisition Fee. The Cash Outlay is estimated to be €250.9 million (S\$386.1 million).

3.5 Method of Financing

The details of the method of financing for the Acquisition are set out in Sections 2.5 of the Letter to Unitholders of the Circular, and are presented below:

The Manager intends to finance the Cash Outlay with part of the gross proceeds from the private placement of 105,012,000 new Units at an issue price of S\$2.095 per new Unit, details of which were announced on 17 and 18 July 2019 (the “**Private Placement**”), as well as the New Bank Loan.

The table below sets out the changes to the ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property³ of the CCT Group (inclusive of proportionate share of deposited property of jointly controlled entities) (the “**Aggregate Leverage**”) of the CCT Group based on the abovementioned method of financing:

	CCT Group’s Aggregate Leverage
Before the Acquisition ⁽¹⁾	34.8%
After the Acquisition ⁽²⁾	35.2%

Source: Circular

Notes:

- (1) CCT Group’s Aggregate Leverage as at 30 June 2019.
- (2) Based on CCT Group’s Aggregate Leverage as at 30 June 2019 and taking into account the New Bank Loan and the Agreed Property Value.

1 The total value of the New Bank Loan (on a 100% basis) is €122.1 million (S\$188.0 million).

2 As the Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee payable to the Manager for the Acquisition shall be in the form of Units (the “**Acquisition Fee Units**”) and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

3 “**Deposited Property**” means the total assets of the CCT Group, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed.

3.6 The SHA

The details of the SHA to be entered into by the Trustee, CCT SPV and CLI MAC in relation to the Target Companies are set out in Sections 2.6 of the Letter to Unitholders of the Circular, and are extracted below:

“2.6 Shareholders’ Agreement

Following Completion, CCT SPV and CLI MAC will hold 94.9% and 5.1% interest respectively in each of the Target Companies. In connection thereto, the Trustee, CCT SPV and CLI MAC will enter into the SHA in relation to the Target Companies on Completion.

Under the terms of the SHA, the board of each of the Target Companies shall comprise five Directors, four of whom to be appointed by CCT SPV and one of whom to be appointed by CLI MAC.

The SHA contains the following reserved matters in relation to key operational and management issues affecting the Target Companies, which shall require the unanimous approval of all the shareholders:

- (i) amendment of the SHA, memorandum and articles of association or other constitutive documents of each respective Target Company;*
- (ii) issue of securities by each respective Target Company;*
- (iii) cessation or change of the business of each respective Target Company;*
- (iv) any change to the equity capital structure of each respective Target Company;*
- (v) winding up or dissolution of each respective Target Company;*
- (vi) creation of security over the assets of each respective Target Company;*
- (vii) transfer or disposal of the Property; and*
- (viii) incurring of any third party borrowings by each respective Target Company.*

In the event that CCT SPV’s shareholding in any of the Target Companies falls to 50% or less, the parties shall enter into an amendment agreement to the SHA and all necessary documents to effect such changes to the list of reserved matters as is necessary to ensure compliance with the relevant laws, regulations and guidelines, including but not limited to the Property Funds Appendix.

Under the SHA, in the event of any proposed direct or indirect sale, transfer or disposal of the shares in the Target Companies by CCT to a third party, CCT SPV has a drag-along right (which allows CCT SPV to drag along CLI MAC to sell its stake to the third party at the same price) and CLI MAC has a tag-along right (which allows CLI MAC to tag along and sell its stake to the third party at the same price).

By approving the Acquisition, Unitholders will also be deemed to have approved the entry into the SHA.”

4 EVALUATION OF THE ACQUISITION (INCLUDING THE ENTRY INTO THE SHA)

In our analysis and evaluation of the Acquisition (including the entry into the SHA), and our recommendation thereon, we have taken into consideration the following:

- (a) rationale for and the key benefits of the Acquisition;
- (b) assessment of the basis of the Agreed Property Value;
- (c) comparison of the net property income (“NPI”) yield (“NPI Yield”) of the Property with CCT’s existing German property and selected existing Singapore office properties;
- (d) comparison of the Property with selected office properties that is owned by certain listed property companies;
- (e) pro forma financial effects of the Acquisition; and
- (f) evaluation of the SHA.

The factors above are discussed in more details in the following sections.

4.1 Rationale for and the key benefits of the Acquisition

The detailed rationale for and benefits of the Acquisition are set out in Section 3 of the Letter to Unitholders of the Circular. We set out below the summary of the rationale for and benefits of the Acquisition.

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

- (a) Deepens CCT’s strategic presence in the attractive Frankfurt office market
- (b) High quality freehold asset that complements CCT’s existing portfolio
- (c) Transaction is expected to be DPU accretive to Unitholders
- (d) Enhances resilience, diversity and quality of CCT’s portfolio
 - (i) Strong tenant base with potential upside from further increase in occupancy rate
 - (ii) Increases portfolio property value and provides geographical diversification
 - (iii) Improves income diversification from any single property or tenant
 - (iv) Reinforces diversity of tenant business mix
- (e) Leverages sponsor’s established platform

We note that the Acquisition is in line with CCT’s investment strategy of investing in commercial real estate and real estate-related assets which are largely income-producing, in Singapore and key gateway cities in developed markets. We note that CCT remains predominantly focused in Singapore and the Manager has guided that CCT will look to invest in key gateway cities in other developed markets over time. As at the Latest Practicable Date, CCT’s overseas exposure is in Germany and accounts for 5.0% of its portfolio property value.

4.2 Assessment of the basis of the Agreed Property Value

4.2.1 The independent valuations of the Property

The Manager and the Trustee have commissioned the Independent Valuers, namely CBRE and Cushman respectively, to perform the independent valuations of the Property.

The Agreed Property Value of €265.0 million (S\$407.8 million) for 100.0% of the Property (with €251.5 million (S\$387.0 million) for 94.9% interest in the Property) was arrived at on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the independent valuations of the Property conducted by the Independent Valuers.

The analysis on the appraised values of the Independent Valuers for the Property are as follows:

	Independent Valuation by CBRE (in millions)	Independent Valuation by Cushman (in millions)	Agreed Property Value (in millions)	Discount of the Agreed Property Value to the Independent Valuation
100.0% Basis	€265.0 (S\$407.8)	€267.3 (S\$411.4)	€265.0 (S\$407.8)	CBRE: 0.0% Cushman: 0.86%
94.9% Basis	€251.5 (S\$387.0)	€253.7 (S\$390.4)	€251.5 (S\$387.0)	CBRE: 0.0% Cushman: 0.86%

Sources: Circular, Valuation Reports, EYCF

We have been provided the Valuation Reports of the Property, and we note the following in our review:

- (a) The basis of valuation, being Market Value, is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*” The definition is consistent between the Independent Valuers and in line with market definition;
- (b) The method used by the Independent Valuers is a widely accepted method for the purpose of valuing income producing properties, and the valuations have been prepared in accordance with the International Valuation Standards Committee (IVSC International Valuation Standards (IVS) 2017) as well as the Royal Institution of Chartered Surveyors, London (RICS Valuation – Global Standards, July 2017);
- (c) The Independent Valuers, CBRE and Cushman, have both used 30 June 2019 as the valuation date for the Property and have both carried out an inspection of the Property; and
- (d) In terms of the valuation approach by the Independent Valuers, we note that both CBRE and Cushman have adopted the same valuation approach to assess the Market Values of the Property, namely the discounted cash flow approach.

We note that the Agreed Property Value is equal to the independent valuation of CBRE and lower than the independent valuation of Cushman with a discount of 0.86%. We also note that the Agreed Property Value is 0.43% lower than the average valuation of the

Independent Valuers of €266.2 million (S\$409.6 million) on a 100.0% basis and €252.6 million (S\$388.7) million on a 94.9% basis.

Please refer to Appendix B to the Circular for the valuation certificates of the Independent Valuers.

4.2.2 Comparison of capitalisation rates, discount rates and terminal yields

We have compared the discount rates and exit capitalisation rates used by the Independent Valuers with those used in the latest independent valuation of CCT's existing property in Frankfurt, Germany.

In June 2018, the Manager announced that CCT has completed its acquisition of 94.9% of the shares in Gallileo Property S.a.r.l ("GP"). GP holds the property known as Gallileo, a freehold-38-storey Grade A commercial building and a four-storey heritage building located in Frankfurt, Germany. CL also entered into the same agreement to acquire the remaining 5.1% of the shares in GP.

	DCF Approach	
	Discount Rate	Exit Capitalisation Rate ⁽¹⁾
Gallileo	3.15%	4.15% ⁽²⁾
The Property – CBRE⁽³⁾	5.19%	4.55%
The Property – Cushman⁽³⁾	3.50%	4.25%

Sources: Valuation Reports, Annual Report and CCT presentation

Notes:

- (1) Exit capitalisation rate at the end of the discounted cash flow period.
- (2) 0.25% higher than capitalisation rate of 3.9%.
- (3) Rates used by CBRE and Cushman are disclosed in their respective Valuation Reports.

Based on the table above, we note the following:

- (a) The discount rates used by the Independent Valuers in their valuations of the Property are notably different from one another, and are higher than the rate used in the latest independent valuation of Gallileo.
- (b) The exit capitalisation rates or terminal yields used by the Independent Valuers in their valuations of the Property are higher than the exit capitalisation rate used in the latest independent valuation of Gallileo.

We also note that the selection by the Independent Valuers of the discount rate and exit capitalisation rate (or terminal yield) reflects their respective assessment of the cash flows and risk profile of the Property for the time horizon used for the valuation, and takes into account, among others, (i) the location and quality of the Property, (ii) demand and level of prices in the local and/or national real estate markets, (iii) current letting situation with regard to vacancy, over-or under-rented situation, quality of tenant(s), lease length(s) and quality of the lease, and (iv) development prospects of the location and the Property itself. The difference in the discount rates used by the Independent Valuers reflects their respective views on the combination of risks and opportunities presented by the Property, the location, and the letting situation (including assumptions on rental rate growths, tenant

mix and vacancy) during the period of consideration of cash flows for the valuation of the Property. The difference in the exit capitalisation rates used by the Independent Valuers reflects their respective views on the long-term expected market environment, the structure of the Property, re-letting probability, the building quality and location, and the future market uncertainty as at the end of the cash flow period for the valuation.

The Independent Directors, the Audit Committee, and the Trustee should note that any comparison made with respect to Gallileo is for illustrative purposes only. The conclusions drawn from the comparison above may not necessarily reflect the perceived or implied valuation of the Property as at the Latest Practicable Date. In addition, we wish to highlight that Gallileo may not be directly comparable to the Property in the aspects of location within Frankfurt, accessibility, size, gross lettable area, profile and composition of tenants, usage of property, construction quality, age of building, outstanding lease tenure, market risks, track record and other relevant factors.

4.3 Comparison of NPI Yields of the Property with CCT's existing office properties

We have compared the NPI Yield, weighted average lease expiry (“WALE”), and occupancy of the Property with those of Gallileo, being the existing German property held by CCT, and those of CCT’s selected existing office properties in Singapore (namely, Asia Square Tower 2, CapitaGreen, Capital Tower, Six Battery Road, and One George Street (100%)) (the “CCT Selected Existing SG Office Properties”):

	Valuation ⁽¹⁾ (in millions)	NLA ⁽¹⁾ (sqm)	NPI Yield ⁽²⁾ (%)	WALE ⁽¹⁾ (years)	Occupancy Rate ⁽¹⁾ (%)
Gallileo (100%, in €)	361.3 ⁽¹⁾	40,522	4.0	9.5	100.0
CCT Selected Existing SG Office Properties (in S\$)	7,791.0	292,904	3.9	2.3	98.1
The Property – Based on the Agreed Property Value (100%, in €)	265.0⁽¹⁾	60,200	4.2⁽³⁾ / 4.0⁽⁴⁾	4.7	90.0

Sources: Circular, Annual Report, Management

Notes:

- (1) As at 30 June 2019.
- (2) NPI Yields for Gallileo and the CCT Selected Existing SG Office Properties are based on the committed occupancy of the respective properties as at 30 June 2019 after adjusting for expired leases and inclusion of newly committed leases and the valuation of the respective properties as at 30 June 2019.
- (3) Based on the NPI for financial year ended 31 December 2018 (“FY2018”) and a committed occupancy of 94.8%.
- (4) Based on adjusted annualised NPI for the six months ended 30 June 2019 and a committed occupancy of 90.0%.

We note that based on the NPI for FY2018 and a committed occupancy of 94.8%, the NPI Yield of the Property of 4.2% is higher than the NPI Yield of Gallileo and the average NPI Yield of the CCT Selected Existing SG Office Properties. We also note that based on the adjusted annualised NPI for the six months ended 30 June 2019 and a committed occupancy of 90.0%, the NPI Yield of the Property of 4.0% is the same as the NPI Yield of Gallileo and higher than the average NPI Yield of the CCT Selected Existing SG Office Properties. We further note that the WALE of the Property of 4.7 years in terms of NLA is longer than the average WALE of the CCT Selected Existing SG Office Properties, but shorter than the WALE of Gallileo. In terms of occupancy, the occupancy rate of the Property of 90.0% is lower than those of Gallileo and the CCT Selected Existing SG Office Properties.

The Independent Directors, the Audit Committee, and the Trustee should note that any comparison made with respect to Gallileo and the CCT Selected Existing SG Office Properties is for illustrative purposes only. The conclusions drawn from the comparison above may not necessarily reflect the perceived or implied valuation of the Property as at the Latest Practicable Date. In addition, we wish to highlight that Gallileo and the CCT Selected Existing SG Office Properties may not be directly comparable to the Property in the aspects of location, accessibility, size, gross lettable area, profile and composition of tenants, usage of property, construction quality, age of building, outstanding lease tenure, market risks, track record and other relevant factors.

4.4 Comparison of the Property with selected office properties

Based on our search for comparable office property portfolio transactions and valuations on available databases and relevant stock exchanges and discussions with the Management, we recognise that there is no particular property that we may consider to be directly comparable to the Property in the aspects of location, accessibility, size, gross lettable area, profile and composition of tenants, usage of property, construction quality, age of building, outstanding lease tenure, market risks, track record and other relevant factors.

However, we have extracted information on certain comparable office properties located in Frankfurt, Germany and owned by companies listed on the Frankfurt Stock Exchange, namely TLG Immobilien AG and Godewind Immobilien AG, (the “**Selected Comparable Properties**”), in order to benchmark the property measures and gross yield implied by the Agreed Property Value.

Office Property Name	Year Built	Valuation Date	Valuation (€'m)	NLA (sqm)	Gross Yield (%)
Astropark ⁽¹⁾	1992	Dec 18	103.1	38,777	5.3
Frankfurt Airport Center ⁽²⁾	1988	Jun 19	213.9	48,486	5.3
Y2 ⁽²⁾	1997	Jun 19	58.5	30,930	4.9
ComConCenter ⁽²⁾	2002	Jun 19	37.3	16,264	5.4
Low					4.9
High					5.4
Median					5.3
Average					5.2
The Property – Based on Agreed Property Value	2004		265.0⁽³⁾	60,200	5.3⁽⁴⁾

Source: Annual reports, presentations and Circular

Notes:

- (1) For Astropark, which is owned by TLG Immobilien AG, all figures are as of December 2018.
- (2) For Frankfurt Airport Center, Y2, and ComConCenter, which are owned by Godewind Immobilien AG, all figures are as of June 2019.
- (3) Represents 100.0% basis.
- (4) Based on the NPI for FY2018 and a committed occupancy of 94.8%.

Based on the table above, we note that the gross yield of the Property of 5.3% is within the range of the observed range of gross yields for the Selected Comparable Properties, in line with the median gross yield of the Selected Comparable Properties and slightly above the average gross yield of the Selected Comparable Properties.

The Independent Directors, the Audit Committee, and the Trustee should note that any comparison made with respect to Selected Comparable Properties is for illustrative purposes only. The conclusions drawn from the comparison above may not necessarily reflect the perceived or implied valuation of the Property as at the Latest Practicable Date. In addition, we wish to highlight that Selected Comparable Properties may not be directly comparable to the Property in the aspects of location, accessibility, size, gross lettable area, profile and composition of tenants, usage of property, construction quality, age of building, outstanding lease tenure, market risks, track record and other relevant factors. We also wish to highlight that the Selected Comparable Properties are by no means exhaustive.

4.5 Pro Forma Financial Effects of the Acquisition

The details on the pro forma financial effects of the Acquisition, which are shown for illustrative purposes only, are set out in Section 4.1 of the Letter to the Unitholders of the Circular, and were prepared based on the audited financial statements of the CCT Group for the financial year ended 31 December 2018 (the “**CCT Group 2018 Audited Financial Statements**”) as well as the audited financial statements of the Target Companies for the financial year ended 31 December 2018, taking into account the Agreed Property Value and the gross proceeds S\$220.0 million from the Private Placement, and assuming:

- (i) approximately 1.8 million new Units are issued for the Acquisition Fee payable to the Manager; and
- (ii) interest rate of 1.1% per annum for Euro-denominated bank borrowings taken to fund the Acquisition.

We note that the pro forma financial effects of the Acquisition are generally favourable. Based on our review, we note the following:

- (i) assuming the Acquisition was completed on 1 January 2018 and CCT held and operated the Target Companies through to 31 December 2018, the distribution per Unit (“**DPU**”) for the financial year ended 31 December 2018 increases by 0.13 Singapore cents (or approximately 1.5%) from 8.70 Singapore cents to 8.83 Singapore cents;
- (ii) assuming the Acquisition was completed on 1 January 2019 and CCT held and operated the Target Companies through to 30 June 2019, the DPU for the financial period ended 30 June 2019 increases by 0.06 Singapore cents (or approximately 1.4%) from 4.40 Singapore cents to 4.46 Singapore cents;
- (iii) assuming the Acquisition was completed on 31 December 2018, the NAV per Unit as at 31 December 2018 (excluding the distributable income for the second half of 2018) remains the same at S\$1.80;
- (iv) assuming the Acquisition was completed on 30 June 2019, the NAV per Unit as at 30 June 2019 (excluding the distributable income for the first half of 2019) remains the same at S\$1.81;

- (v) assuming the Acquisition was completed on 31 December 2018, the pro forma total borrowings increases from S\$3,896.1 million to S\$4,074.5 million and total Unitholders' funds increases from S\$6,892.0 million to S\$7,108.7 million; and
- (vi) assuming the Acquisition was completed on 30 June 2019, the pro forma total borrowings increases from S\$3,926.5 million to S\$4,104.9 million and total Unitholders' funds increases from S\$6,949.0 million to S\$7,162.4 million.

4.6 Evaluation of the SHA

In arriving at our opinion on the Acquisition, we have also looked at the terms of the SHA which will be entered into by CCT SPV and CLI MAC on Completion. CCT SPV and CLI MAC will hold 94.9% and 5.1% interest respectively in the Target Companies.

The details of the SHA are set out in Section 2.6 of the Letter to Unitholders of the Circular. The SHA set out the provisions that will govern the relationship and activities between CCT SPV and CLI MAC as shareholders of the Target Companies.

In reviewing the terms of the SHA, we have considered whether the risks and rewards set out in the SHA are in proportion to the equity of each party, and whether the terms of the SHA are not prejudicial to the interests of CCT and its minority Unitholders. We note the following:

- (a) By approving the Acquisition, Unitholders will be deemed to have also approved the entry into the SHA.
- (b) The terms of the SHA were negotiated between the parties, taking into account the key terms that are relevant to each party.
- (c) The respective board of directors of the Target Companies shall comprise five directors, four of whom are to be appointed by CCT SPV and one of whom is to be appointed by CLI MAC. The respective number of directors to be appointed by CCT SPV and CLI MAC reflects their shareholding interests in the Target Companies. As such, it is reasonable to expect that the interests of CCT will be safeguarded with the its representation to the boards of directors of the Target Companies.
- (d) The matters set out in the reserved matters of the SHA which require unanimous approval of all the directors of the Target Companies have taken into account the requirements under Paragraph 6.5(b) of the Property Funds Appendix. We note that the reserved matters of the SHA are in relation to key operational and management issues affecting the Target Companies.
- (e) The SHA includes provisions to ensure compliance with the relevant laws, regulations and guidelines, including but not limited to Property Funds Appendix, in the event that CCT SPV's shareholding in any of the Target Companies falls to 50% or less.
- (f) The SHA includes provisions in relation to pre-emption rights over the shares in the Target Companies, wherein CCT and CL have drag-along and tag-along rights respectively in the event of any proposed direct or indirect sale, transfer or disposal of the shares in the Target Companies by CCT.

5 EVALUATION OF THE EXISTING INTERESTED PERSON TRANSACTIONS

The details of the Existing Interested Person Transactions during the course of the current financial year up to the date of the Circular, including the aggregate value of the transactions, are set out in Appendix D to the Circular. The Existing Interested Person Transactions are subject to aggregation pursuant to Rule 906 of the Listing Manual.

For the purposes of our review, the Existing Interested Person Transactions covered are the following:

No.	Interested Person	Nature of Transaction	Value of Transaction ⁽¹⁾ (S\$'000)
1	CapitaLand Commercial Management Pte Ltd	Renewal of master property management agreement in relation to Asia Square Tower 2, Capital Tower, Six Battery Road, 21 Collyer Quay and Bugis Village and property management agreement in respect of CapitaGreen	116,645
2	CapitaLand Commercial Management Pte Ltd	Entry into a new property management agreement in relation to Bugis Village	1,283
3	CapitaStar Pte. Ltd.	Renewal of the master services agreement in relation to the CapitaStar Shopper Loyalty Programme for Year 2019 at Raffles City Singapore	241
4	CapitaLand Retail Management Pte. Ltd.	Entry into a services agreement in relation to the implementation and maintenance of a centralised carpark management system at CapitaGreen, Capital Tower, Six Battery Road and One George Street	761
Total for the CL Group			118,930

Source: Circular

Note:

(1) Based on the total contracted value for the entire term of the lease/term contract.

We note that the Existing Interested Person Transactions have been subject to internal control procedures established by the Manager to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CCT and its minority Unitholders. We further note that the procedures include the review and approval of such transactions by the relevant approving authority within the management of the Manager and the Audit Committee (excluding Mr Lim Pin Andrew Geoffrey), as appropriate.

For the Existing Interested Person Transaction 1, we note the following:

- (a) the fee structure and term period are the same as the previous property management agreements, save for Bugis Village given the change in ownership as it was returned to the State; and
- (b) the proposed terms of the property management services, including the fees, were reviewed by CBRE Pte. Ltd. ("**CBRE SG**") prior to signing the master property management agreements, and CBRE SG concluded that the proposed property manager's fee structure under the property management agreements is commensurate with the scope of work and are within the market norms and on normal commercial terms.

For the Existing Interested Person Transaction 2, we note the following:

- (a) as mentioned above, Bugis Village was returned to the State on 1 April 2019. As such, a new property management agreement was entered into between CapitaLand Commercial Management Pte Ltd (“**CCMPL**”), the Trustee and the Manager (“**New BV PMA**”) with effect from the Effective Date until 31 March 2020;
- (b) the scope of work and fee structure under the New BV PMA is in line with those of the renewed master property management agreement;
- (c) the scope of work and fee structure were reviewed by CBRE SG prior to signing of the New BV PMA, and CBRE SG confirmed the fees to be within market benchmarks and on normal commercial terms.

For the Existing Interested Person Transaction 3, we note the following:

- (a) the Trustee had approved the renewal of the master services agreement between HSBC Institutional Trust Services (Singapore) Limited as trustee-manager of RCS Trust and CapitaStar Pte. Ltd. (“**CapitaStar**”) in relation to the CapitaStar Shopper Loyalty Programme (“**CapitaStar Renewal**”); and
- (b) the one-year term for the agreement is in line with market norms, and the rates charged to RCS Trust by CapitaStar for the CapitaStar Renewal are the same rates charged by CapitaStar to malls and partners who participate in the programme, whether related or unrelated. As such, the CapitaStar Renewal is on normal commercial terms. There was also an external benchmarking exercise where comparative quotes were obtained from various information technology vendors as part of the development of the CapitaStar programme.

For the Existing Interested Person Transaction 4, we note the following:

- (a) the Trustee had approved the entry of a services agreement between CapitaLand Retail Management Pte. Ltd. (“**CRMPL**”) and the Trustee for the management and maintenance of a centralised carpark management system to be implemented at CapitaGreen, Capital Tower, Six Battery Road, and One George Street; and
- (b) the fees to be paid under the services agreement are based on measures and costs that are transparent, verifiable, and benchmarked against third-party vendors. In addition, the Manager has conducted a comprehensive analysis of the centralised carpark management system against the existing carpark management system, which covered, among others, cost-benefit analysis, comparison of features and capabilities, and ease of integration with the information technology systems of the CCT properties.

Given the above and based on our review of the relevant documents relating to the Existing Interested Person Transactions as well as discussions with the management of the Manager, we are of the opinion that the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of CCT and its minority Unitholders.

6 OUR OPINION ON THE ACQUISITION (INCLUDING THE ENTRY INTO THE SHA) AND THE EXISTING INTERESTED PERSON TRANSACTIONS

In arriving at our advice to the Independent Directors and the Audit Committee of the Manager and the Trustee on the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions, we have reviewed and deliberated on the factors

which we consider to be relevant and to have a significant bearing on our assessment of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions. The factors we have considered in our evaluation, which are based on, among others, representations made by CCT, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

For the Acquisition (including the entry into the SHA):

- (a) rationale for and the key benefits of the Acquisition;
- (b) assessment of the basis of the Agreed Property Value;
- (c) comparison of the NPI Yield of the Property with CCT's existing office properties;
- (d) comparison of the Property with the Selected Comparable Properties;
- (e) pro forma financial effects of the Acquisition; and
- (f) evaluation of the SHA.

For the Existing Interested Person Transactions:

- (a) the internal control procedures of the Manager in relation to interested person transactions;
- (b) the relevant documents, including approval documentations, and discussions with the management of the Manager in connection with the Existing Interested Person Transactions; and
- (c) the reports of the independent reviewers of the Existing Interested Person Transactions, where applicable.

Having considered the factors and the assumptions set out in this letter, and subject to the qualifications set out herein, we are of the opinion that the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of CCT and its minority Unitholders.

Accordingly, we advise the Independent Directors and the Audit Committee of the Manager to recommend that Unitholders vote in favour of the Acquisition (including the entry into the SHA). We wish to highlight that by approving the Acquisition, Unitholders will be deemed to have also approved the SHA.

The Independent Directors and the Audit Committee of the Manager and the Trustee should note that we have arrived at our opinion and recommendation based on information made available to us prior to, and including, the Latest Practicable Date. Our opinion on the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions cannot and does not take into account any subsequent developments after the Latest Practicable Date as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions.

We have prepared this letter as required under Rule 921(4)(a) of the Listing Manual as well as for the use of the Independent Directors and the Audit Committee of the Manager and the Trustee in connection with and for the purposes of their consideration of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions, but any recommendations made by the Independent Directors and the Audit Committee of the Manager in respect of the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions shall remain their responsibility.

While a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose other than the intended purpose in relation to the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions at any time and in any manner without our prior written consent in each specific case. For the avoidance of doubt, nothing in this letter prevents CCT, the Manager, the Directors, the Trustee or the Unitholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Acquisition (including the entry into the SHA) and the Existing Interested Person Transactions. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of

Ernst & Young Corporate Finance Pte Ltd

Luke Pais
Managing Director

Elisa Montano
Associate Partner

EXISTING INTERESTED PERSON TRANSACTIONS

The table below sets out details of all Existing Interested Person Transactions entered into between (1) CCT and (2) CL and their subsidiaries and associates, during the course of the current financial year up to the Latest Practicable Date, which are the subject of aggregation pursuant to Rule 906 of the Listing Manual.

No.	Interested Person	Nature of Transaction	Value of Transaction ⁽¹⁾ (S\$'000)
1	CapitaLand Commercial Management Pte Ltd	Renewal of master property management agreement in relation to Asia Square Tower 2, Capital Tower, Six Battery Road, 21 Collyer Quay and Bugis Village and property management agreement in respect of CapitaGreen	116,645
2	CapitaLand Commercial Management Pte Ltd	Entry into a new property management agreement in relation to Bugis Village	1,283
3	CapitaStar Pte. Ltd.	Renewal of the master services agreement in relation to the CapitaStar Shopper Loyalty Programme for Year 2019 at Raffles City Singapore	241
4	CapitaLand Retail Management Pte. Ltd.	Entry into a services agreement in relation to the implementation and maintenance of a centralised carpark management system at CapitaGreen, Capital Tower, Six Battery Road and One George Street.	761
Total			118,930

Notes:

(1) Based on the total contracted value for the entire term of the lease/term contract.

These Existing Interested Person Transactions have been subject to internal control procedures established by the Manager to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CCT and its minority Unitholders. These procedures include the review and approval of such transactions by the Audit Committee (excluding Mr Lim Cho Pin Andrew Geoffrey), as appropriate.

Details of the Existing Interested Person Transactions

(1) Transaction with CapitaLand Commercial Management Pte Ltd with respect to the renewal of property management agreements

CapitaLand Commercial Management Pte Ltd (“**CCMPL**”) is an indirect wholly owned subsidiary of CL. As such, CCMPL is an interested person of CCT.

The Trustee had approved the renewal of the following property management agreements:

- (i) master property management agreement entered into between CCMPL, the Trustee and the Manager (the “**Master PMA**”) in respect of Asia Square Tower 2, Capital Tower, Six Battery Road, 21 Collyer Quay and Bugis Village; and
- (ii) property management agreement entered into between CCMPL, MSO Trustee and the Manager (the “**MSO PMA**”) in respect of CapitaGreen.

Following the expiry of the previous property management agreements on 28 February 2019, the Master PMA and MSO PMA were renewed for a period of five years, commencing 1 March 2019, on the same fee structure as the previous property management agreements, with the exception of Bugis Village. CCMPL had provided property management services in respect of Bugis Village under the renewed Master PMA from 1 March 2019 to 31 March 2019. See paragraph (2) below for further details.

The scope of work and fee structure under the Master PMA and MSO PMA were reviewed by an independent consultant, CBRE Pte. Ltd., who found the fees to be within market benchmarks and on normal commercial terms.

(2) Transaction with CapitaLand Commercial Management Pte Ltd with respect to the entry of a new property management agreement

CCMPL is an indirect wholly owned subsidiary of CL. As such, CCMPL is an interested person of CCT.

The Trustee had approved the entry into a new property management agreement between CCMPL, the Trustee and the Manager in respect of Bugis Village (the “**New BV PMA**”).

Following the return of Bugis Village to the State on 1 April 2019 (the “**Effective Date**”), CCT had entered into a one-year lease with the State from 1 April 2019 to 31 March 2020. CCMPL had provided property management services in respect of Bugis Village under the renewed Master PMA until 31 March 2019, and under the New BV PMA with effect from the Effective Date until 31 March 2020. The scope of work of CCPML under the New BV PMA is in line with that under the renewed Master PMA.

The scope of work and fee structure under the New BV PMA were reviewed by an independent consultant, CBRE Pte. Ltd., who found the fees to be within market benchmarks and on normal commercial terms.

(3) Transaction with CapitaStar Pte. Ltd. with respect to the CapitaStar shopper loyalty programme

CapitaStar Pte. Ltd. (“**CapitaStar**”) is an indirect wholly owned subsidiary of CL. As such, CapitaStar is an interested person of CCT.

The Trustee had approved the renewal of the master services agreement between HSBC Institutional Trust Services (Singapore) Limited as trustee-manager of RCS Trust and CapitaStar in respect of the CapitaStar Shopper Loyalty Programme including the rewards cost, transaction fee and provision of kiosk and advertisement panels as part of the programme in respect of Raffles City Singapore (the “**CapitaStar Renewal**”). The agreement has been renewed for one year commencing 1 January 2019.

CCT's portion of the total value of the CapitaStar Renewal (being 60% in accordance with its proportion of unitholding in RCS Trust) is S\$241,200.

The rates charged to RCS Trust by CapitaStar for the CapitaStar Renewal are the same rates charged by CapitaStar to malls and partners who participate in the programme, whether related or unrelated. As such, the CapitaStar Renewal is on normal commercial terms.

(4) Transaction with CapitaLand Retail Management Pte. Ltd. with respect to the implementation and maintenance of a centralised carpark management system at certain properties held by CCT

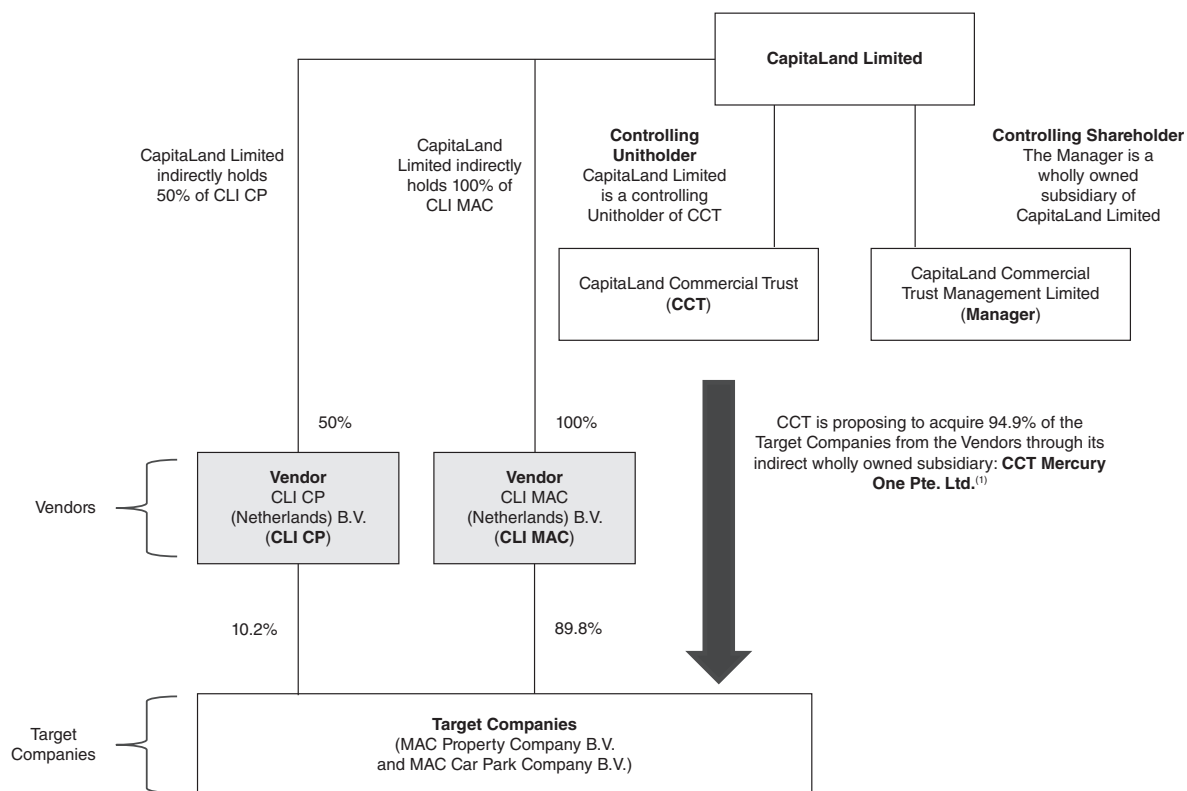
CapitaLand Retail Management Pte. Ltd. ("**CRMPL**") is an indirect wholly owned subsidiary of CL. As such, CRMPL is an interested person of CCT.

The Trustee had approved the entry of a services agreement between CRMPL and the Trustee (the "**CCMS Services Agreement**") pursuant to which CRMPL will manage and maintain a centralised carpark management system to be implemented at CapitaGreen, Capital Tower, Six Battery Road and One George Street. CCT shall pay CRMPL an aggregate of S\$760,560 as fees for the management and maintenance services for the five-year period commencing 1 July 2019 to 30 June 2024.

The fees are calculated based on the costs incurred by CRMPL to manage and maintain the central platform for the carpark management system, and the costs which are payable by CRMPL to the third-party vendor which was engaged to develop and implement the carpark management system. The costs incurred by CRMPL to manage and maintain the central platform were benchmarked against comparable quotations by cloud solution providers and evaluated based on various factors including pricing. The third-party vendor was engaged following a tender process during which the proposals from the various tenderers were reviewed and evaluated based on various factors including pricing, track record and technical capabilities. As such, the CCMS Services Agreement is on normal commercial terms.

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RELATIONSHIP BETWEEN INTERESTED PERSONS AND CCT



Note:

- (1) Pursuant to the Acquisition, the Trustee, CCT Mercury One Pte. Ltd. and CLI MAC will enter into a shareholders' agreement in relation to the Target Companies on Completion.

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CAPITALAND COMMERCIAL TRUST

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of the holders of units of CapitaLand Commercial Trust ("**CCT**", and the holders of units of CCT, "**Unitholders**") will be held at Raffles City Convention Centre, Canning Ballroom, Level 4, 2 Stamford Road, Singapore 178882, on Friday, 6 September 2019 at 10.30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 19 August 2019 to Unitholders (the "**Circular**")):

THE PROPOSED ACQUISITION OF 94.9% OF THE SHARES IN THE TARGET COMPANIES WHICH HOLD MAIN AIRPORT CENTER (ORDINARY RESOLUTION)

That:

- (i) approval be and is hereby given for the acquisition of 94.9% of the shares in MAC Property Company B.V. ("**MP**") and in MAC Car Park Company B.V. ("**MCP**", together with MP, the "**Target Companies**", and the acquisition of shares in the Target Companies, the "**Acquisition**"), which hold Main Airport Center, from CLI MAC (Netherlands) B.V. ("**CLI MAC**") and CLI CP (Netherlands) B.V. ("**CLI CP**", and together with CLI MAC, the "**Vendors**"), on the terms and conditions set out in the share purchase agreement dated 16 July 2019 (the "**Share Purchase Agreement**") made between CCT Mercury One Pte. Ltd., a wholly owned subsidiary of CCT and the Vendors, and the entry into the Share Purchase Agreement be and is hereby approved and ratified;
- (ii) approval be and is hereby given for the entry into the shareholders' agreement in relation to the Target Companies (the "**Shareholders' Agreement**");
- (iii) approval be and is hereby given for the payment of all fees and expenses relating to the Acquisition; and
- (iv) CapitaLand Commercial Trust Management Limited, as the manager of CCT (the "**Manager**"), any director of the Manager, and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CCT (the "**Trustee**"), be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of CCT to give effect to the Acquisition (including the entry into the Shareholders' Agreement).

BY ORDER OF THE BOARD
CapitaLand Commercial Trust Management Limited
(Registration Number: 200309059W)
as manager of CapitaLand Commercial Trust

Lee Ju Lin, Audrey
Company Secretary

Singapore
19 August 2019

Notes:

1. (a) A Unitholder who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such Unitholder's Proxy Form appoints more than one proxy, the proportion of the Unitholder's holdings concerned to be represented by each proxy shall be specified in the Proxy Form.
- (b) A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder's Proxy Form appoints more than one proxy, the number of Units in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or
 - (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
2. A proxy need not be a Unitholder.
 3. The Proxy Form must be deposited at the office of CCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 no later than Wednesday, 4 September 2019 at 10.30 a.m., being 48 hours before the time appointed for holding the EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM of CCT and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM of CCT (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM of CCT (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

CAPITALAND COMMERCIAL TRUST

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

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend, speak and vote at the EGM (please see Note 1 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. PLEASE READ THE NOTES TO THE PROXY FORM.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 19 August 2019.

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We, _____ (Name),

_____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a unitholder/unitholders of CapitaLand Commercial Trust ("CCT"), hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address:			

or, failing whom, the Chairman of the Extraordinary General Meeting of CCT ("EGM") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the EGM to be held at Raffles City Convention Centre, Canning Ballroom, Level 4, 2 Stamford Road, Singapore 178882, on Friday, 6 September 2019 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the EGM.

No.	Ordinary Resolution	For*	Against*
1	To approve the proposed acquisition of 94.9% of the shares in the companies which hold Main Airport Center		

* If you wish to exercise all your votes "For" or "Against", please mark with a "✓" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019

Total Number of Units Held

Signature(s) of Unitholder(s)/Common Seal of
Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE



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Affix
Postage
Stamp

CapitaLand Commercial Trust Management Limited
(as manager of CapitaLand Commercial Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

2nd fold here

NOTES TO PROXY FORM:

1. (a) A unitholder who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such unitholder's Proxy Form appoints more than one proxy, the proportion of the unitholder's holdings concerned to be represented by each proxy shall be specified in the Proxy Form.
- (b) A unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different unit or units held by such unitholder. Where such unitholder's Proxy Form appoints more than one proxy, the number of units in relation to which each proxy has been appointed shall be specified in the Proxy Form.
"relevant intermediary" means:
 - (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds units in that capacity;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds units in that capacity; or
 - (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
2. A proxy need not be a unitholder.
3. The Proxy Form must be deposited at the office of CCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, no later than Wednesday, 4 September 2019 at 10.30 a.m., being 48 hours before the time appointed for holding the EGM.
4. Completion and return of the Proxy Form shall not preclude a unitholder from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a unitholder attends the EGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the EGM.

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5. A unitholder should insert the total number of units held. If the unitholder has units entered against the unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), the unitholder should insert that number of units. If the unitholder has units registered in the unitholder's name in the Register of Unitholders of CCT, the unitholder should insert that number of units. If the unitholder has units entered against the unitholder's name in the said Depository Register and registered in the unitholder's name in the Register of Unitholders of CCT, the unitholder should insert the aggregate number of units. If no number is inserted, this Proxy Form will be deemed to relate to all the units held by the unitholder.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

General

The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of unitholders whose units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the unitholder, being the appointor, is not shown to have units entered against the unitholder's name in the Depository Register not less than 48 hours before the time appointed for holding the EGM, as certified by CDP to the Manager.



CAPITALAND COMMERCIAL TRUST MANAGEMENT LIMITED

As Manager of CapitaLand Commercial Trust
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