

LETTER TO UNITHOLDERS DATED 13 MARCH 2019



CAPITALAND COMMERCIAL TRUST

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

13 March 2019

To: The unitholders of CapitaLand Commercial Trust

Dear Sir/Madam

1. INTRODUCTION

1.1 Summary

We refer to proposed Ordinary Resolution 4 under the “**Special Business**” section of the notice dated 13 March 2019 convening the annual general meeting of CapitaLand Commercial Trust (“**CCT**”) to be held at The Star Gallery, Level 3, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617, on Wednesday, 10 April 2019 at 10.00 a.m. (“**AGM**”).

Ordinary Resolution 4 relates to the proposed renewal of the unit buy-back mandate of CapitaLand Commercial Trust Management Limited, as manager of CCT (the “**Manager**”). The Manager’s existing mandate to exercise its powers to procure the repurchases of units in CCT (“**Units**”) for and on behalf of CCT without the prior specific approval of the holders of Units (“**Unitholders**”) in a general meeting was approved by Unitholders at the annual general meeting of CCT that was held on 19 April 2018, and such mandate expires on 10 April 2019, being the date of the AGM. In this regard, the Manager seeks approval from Unitholders at the AGM in relation to the renewal of the mandate to exercise its powers to procure the repurchases of Units without the prior specific approval of Unitholders in a general meeting (the “**Unit Buy-Back Mandate**”).

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1.2 This Letter

The purpose of this Letter is to provide Unitholders with information relating to the above proposal which will be tabled at the AGM.

1.3 Advice to Unitholders

Unitholders should note that by approving the resolution relating to the Unit Buy-Back Mandate, they will be renewing the authority of the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Letter and in accordance with all applicable laws and regulations, including but not limited to the provisions of the trust deed dated 6 February 2004 constituting CCT (as amended, varied, or supplemented from time to time) (the “**Trust Deed**”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”).

(See “**The Proposed Renewal of the Unit Buy-Back Mandate**” in paragraph 2 of this Letter for further details.)

If a Unitholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1.4 Singapore Exchange Securities Trading Limited (“SGX-ST”)

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Letter.

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2. THE PROPOSED RENEWAL OF THE UNIT BUY-BACK MANDATE

2.1 Rationale for the Unit Buy-Back Mandate

The Unit Buy-Back Mandate will give the Manager the flexibility to undertake repurchases of Units up to the 2.5% limit described in paragraph 2.2 at any time, during the period when the Unit Buy-Back Mandate is in force.

The rationale for seeking the Unit Buy-Back Mandate is as follows:

- (a) the Unit Buy-Back Mandate would be a flexible and cost-effective tool of capital management, by which to improve return on equity for Unitholders and/or the net asset value (“NAV”) per Unit; and
- (b) the Unit Buy-Back Mandate, when exercised at appropriate times, would help mitigate short-term market volatility, off-set the effects of short-term speculation in the Units and bolster market confidence in the Units.

Unitholders should note that although the Unit Buy-Back Mandate would authorise repurchases of Units up to the said 2.5% limit during the period when the Unit Buy-Back Mandate is in force, the actual number of Units (if any) to be repurchased by the Manager pursuant to the Unit Buy-Back Mandate may not be carried out to the full 2.5% limit.

The Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of CCT and the Unitholders. The Manager will not repurchase Units pursuant to the Unit Buy-Back Mandate if it would have or may have a material adverse effect on the financial position of CCT and/or affect the listing status of the Units on the SGX-ST.

Rule 723 of the Listing Manual requires CCT to ensure that at least 10.0% of its Units are held by the public (the “**Public Float**”). As at 15 February 2019, being the latest practicable date prior to the printing of this Letter (the “**Latest Practicable Date**”), the Public Float is approximately 63%, and accordingly, the Manager is of the view that the orderly trading and the listing status of the Units on the SGX-ST is not likely to be affected by the Unitholders’ grant of the Unit Buy-Back Mandate and repurchases of Units thereunder.

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2.2 Authority and Limits on the Unit Buy-Back Mandate

The authority and limits placed on repurchases of Units by the Manager under the Unit Buy-Back Mandate are summarised below:

2.2.1 Maximum Limit

The total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 2.5% of the total number of issued Units as at the date of the AGM¹.

FOR ILLUSTRATIVE PURPOSES ONLY: On the basis of 3,744,429,288 Units in issue as at the Latest Practicable Date, assuming that no further Units are issued on or prior to the AGM, not more than 93,610,732 Units (representing 2.5% of the issued Units) may be repurchased by the Manager pursuant to the Unit Buy-Back Mandate during the Mandate Duration (as defined herein).

2.2.2 Duration of Authority

Unless revoked or varied by Unitholders in a general meeting, the Unit Buy-Back Mandate, if approved by Unitholders, will be in force from the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:

- (a) the date on which the next annual general meeting of CCT is held;
 - (b) the date by which the next annual general meeting of CCT is required by applicable laws and regulations or the Trust Deed to be held; and
 - (c) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated,
- (the “**Mandate Duration**”).

¹ Pursuant to the Listing Manual, a unit buy-back shall not exceed 10.0% of the total number of issued units excluding treasury units and subsidiary holdings in each class as at the date of the resolution passed by unitholders for the unit buy-back. For the avoidance of doubt, CCT does not hold any treasury units and there are no subsidiary holdings as none of the subsidiaries of CCT hold any Units. There is also only one class of units in CCT.

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Under the Trust Deed and the prevailing laws and regulations of Singapore, CCT is required to convene an annual general meeting once every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, and in any case within four months from the financial year end of CCT.

The authority conferred on the Manager under the Unit Buy-Back Mandate to repurchase Units may be renewed at the next annual general meeting of Unitholders. When seeking the approval of Unitholders for any subsequent Unit buy-back mandate, the Manager shall disclose details of each Unit buy-back made during the Mandate Duration in respect of the Unit buy-back mandate immediately preceding such Unit buy-back mandate being sought, including the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for such repurchases of Units, where relevant, and the total consideration paid for such repurchases.

2.2.3 Manner of Repurchase

Repurchases of Units may be made by way of:

- (i) market repurchase(s) ("**Market Repurchases**"); and/or
- (ii) off-market repurchase(s) ("**Off-Market Repurchases**").

Market Repurchases refer to repurchases of Units by the Manager effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Manager for the purpose.

Off-Market Repurchases refer to repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchases of Units from Unitholders in accordance with the Trust Deed. In this regard, an Off-Market Repurchase must satisfy all the following conditions:

- (A) offers for the repurchase or acquisition of Units shall be made to every person who holds Units to repurchase or acquire the same percentage of their Units;
- (B) all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and

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- (C) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers may relate to Units with different accrued distribution entitlements;
 - (2) differences in consideration attributable to the fact that the offers may relate to Units with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each Unitholder is left with a whole number of Units.

Additionally, the Listing Manual provides that, in making an Off-Market Repurchase, the Manager must issue an offer document to all Unitholders which must contain, *inter alia*:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed Unit repurchases;
- (dd) the consequences, if any, of Unit repurchases by the Manager that will arise under the Singapore Code on Take-over and Mergers (the “**Code**”) or other applicable takeover rules;
- (ee) whether the Unit repurchases, if made, could affect the listing of the Units on the SGX-ST;
- (ff) details of any Unit repurchases made by the Manager in the previous 12 months (whether Market Repurchases or Off-Market Repurchases in accordance with an equal access scheme), giving the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for the repurchases, where relevant, and the total consideration paid for the repurchases; and
- (gg) whether the Units repurchased by the Manager will be cancelled or kept as treasury Units.

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2.2.4 Repurchase Price

The repurchase price (excluding Related Expenses) for a Unit under the Unit Buy-Back Mandate will be determined by the Manager. However, the maximum repurchase price (the “**Maximum Price**”) to be paid for Units repurchased under the Unit Buy-Back Mandate determined by the Manager shall not exceed 105.0% of the Average Closing Price (as defined herein) of the Units for both a Market Repurchase and an Off-Market Repurchase, excluding Related Expenses of such repurchase.

For the purposes of this paragraph 2.2.4:

“**Average Closing Price**” means the average of the closing market prices of the Units over the last five Market Days (as defined herein), on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days.

“**date of the making of the offer**” means the date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase.

2.3 Status of Repurchased Units

Under the Trust Deed, a Unit repurchased under the Unit Buy-Back Mandate shall be deemed cancelled immediately on repurchase (and all rights and privileges attached to such Unit will expire on such cancellation).

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2.4 Reporting Requirements

Rule 886 of the Listing Manual specifies that an issuer shall notify the SGX-ST of all repurchases or acquisitions of its Units not later than 9.00 a.m.:

- (i) in the case of a Market Repurchase on the Market Day following the day on which the Market Repurchase was made; or
- (ii) in the case of an Off-Market Repurchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Repurchase.

The notification of any such repurchases of Units to the SGX-ST (in the form of an announcement on the SGXNet) shall be in such form and shall include such details as the SGX-ST may prescribe.

The Manager shall make arrangements with the appointed stockbrokers and/or custodians to ensure that they provide the necessary information to the Manager in a timely fashion which will enable the Manager to make notifications to the SGX-ST.

2.5 Sources of Funds

The Trust Deed provides that Units may not be repurchased pursuant to the Unit Buy-Back Mandate for a consideration other than in cash and in accordance with the applicable laws and regulations in Singapore. In the case of a Market Repurchase, settlement shall be in accordance with the trading rules of the SGX-ST.

Subject to applicable laws and/or regulations in force at the relevant time, the Manager intends to use internal sources of funds, external borrowings or a combination of both to finance the repurchases of Units pursuant to the Unit Buy-Back Mandate.

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2.6 Financial Effects

It is not possible for the Manager to calculate realistically or quantify the impact of repurchases of Units that may be made pursuant to the Unit Buy-Back Mandate on the NAV per Unit and distribution per Unit (“DPU”) as the resultant effect would depend on, among others, the aggregate number of Units repurchased and the repurchase prices paid for such Units.

All Units repurchased under the Unit Buy-Back Mandate will be cancelled. Accordingly, CCT’s total number of issued Units will be diminished by the total number of Units repurchased by way of a Unit buy-back as such Units will be cancelled.

The Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of CCT and the Unitholders. The Manager will consider factors such as the working capital requirements, availability of financial resources, the investment and growth strategies of CCT and the prevailing market conditions before repurchasing Units under the Unit Buy-Back Mandate. The Manager will exercise the Unit Buy-back Mandate with a view to enhancing the DPU and/or the NAV per Unit.

FOR ILLUSTRATIVE PURPOSES ONLY: The financial effects of a Unit buy-back on CCT are based on the assumptions set out below:

- (i) 93,610,732 Units (representing approximately 2.5% of the issued Units as at the Latest Practicable Date) are repurchased by the Manager pursuant to the Unit Buy-Back Mandate on 1 January 2018;
- (ii) 3,744,429,288 Units are in issue as at the Latest Practicable Date (assuming no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved);
- (iii) Units are repurchased by the Manager at the Maximum Price of S\$1.968 per Unit (being the price equivalent to 105.0% of the Average Closing Price of the Units for the last five Market Days on which transactions in the Units were recorded, immediately preceding the Latest Practicable Date) and accordingly, the amount of funds required for the repurchase of the 93,610,732 Units, representing 2.5% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately S\$184,225,921;

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- (iv) the Unit Buy-Back Mandate has been effective since 1 January 2018;
- (v) all Units repurchased under the Unit Buy-Back Mandate are cancelled;
- (vi) the repurchases of Units are funded solely by external borrowings; and
- (vii) there are no changes to the distribution policy to Unitholders.

Based on the assumptions set out above, the financial effects of the purchase of 93,610,732 Units (representing 2.5% of the issued Units as at the Latest Practicable Date) by the Manager pursuant to the Unit Buy-Back Mandate are set out below based on the audited financial statements of CCT and its subsidiaries (the “**CCT Group**”) for the financial year ended 31 December 2018 (“**FY 2018**” and the audited financial statements of the CCT Group for FY 2018, the “**FY 2018 Audited Financial Statements**”):

	Proforma financial effects of Unit repurchases on the FY 2018 Audited Financial Statements	
	FY 2018 Audited Financial Statements	Repurchases
Net Assets (S\$ million)	6,909.2	6,717.4
Current Assets (S\$ million)	265.0	260.2
Current Liabilities (S\$ million)	224.8	224.8
Number of issued Units ¹ (million)	3,744.4	3,650.8
Financial Ratios		
Adjusted NAV per Unit (excluding outstanding distributable income) (\$)	1.80	1.79
Distribution per Unit (cents) ¹	8.70	8.83
Aggregate Leverage (%)	34.9	36.5

Note:

¹ Based on number of Units as at Latest Practicable Date

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Unitholders should note that the financial effects set out in the table above are based on the FY 2018 Audited Financial Statements and are presented strictly for illustrative purpose only. The financial results of CCT for FY 2018 may not be representative of future performance. Although the Unit Buy-Back Mandate would authorise the Manager to repurchase up to 2.5% of the total number of issued Units, the Manager may not necessarily repurchase or be able to repurchase the entire 2.5% of the total number of issued Units at any time while the Unit Buy-Back Mandate is valid.

2.7 Taxation

Unitholders who are in doubt as to their respective tax positions or the tax implications of Unit repurchases by the Manager, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.8 Units Repurchased by the Manager

As at the Latest Practicable Date, the Manager has not repurchased any Units under the existing Unit buy-back mandate immediately preceding the AGM.

2.9 Black-Out Periods

The Manager will not repurchase any Units for and on behalf of CCT at any time after a material price sensitive development has occurred or has been the subject of a decision until such time the price sensitive information has been publicly announced. In addition, the Manager will not repurchase Units for and on behalf of CCT during the period commencing two weeks before the announcement of the CCT Group's financial statements for each of the first three quarters of its financial year and one month before the announcement of the CCT Group's full year financial statements.

2.10 Take-over Implications

The circumstances under which Unitholders and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code after a repurchase of Units by the Manager are set out in Appendix 2 of the Code. The take-over implications which may arise from any repurchase by the Manager of Units by way of a Unit buy-back are set out below.

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2.10.1 Obligation to make a Take-over Offer

If, as a result of any repurchase by the Manager of the Units, the proportionate interest in the voting rights of a Unitholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or a group of Unitholders acting in concert could obtain or consolidate effective control of CCT and become obliged to make a mandatory take-over offer under Rule 14 of the Code.

2.10.2 Persons Acting in Concert

Applying the Code to CCT, to the extent possible, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of CCT.

Unless the contrary is established, the following persons, among others, will be presumed to be acting in concert, namely:

- (i) the following companies:
 - (a) a company ("**(A)**");
 - (b) the parent company of (A) ("**(B)**");
 - (c) the subsidiaries of (A) (each, "**(C)**");
 - (d) the fellow subsidiaries of (A) (each, "**(D)**");
 - (e) the associated companies of any of (A), (B), (C), or (D) (each, "**(E)**");
 - (f) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
 - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and

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- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For this purpose, a company is an “**associated company**” (as defined in the Code) of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

2.10.3 Effect of Rule 14 and Appendix 2 of the Code

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted¹, Unitholders and/or persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholders and/or their concert parties would increase to 30.0% or more, or in the event that such Unitholders and/or their concert parties hold between 30.0% and 50.0% of the voting rights in CCT, if the voting rights of such Unitholders and/or their concert parties would increase by more than 1.0% in any period of six months.

Under Appendix 2 of the Code, a Unitholder not acting in concert with the Directors will not be required to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholder would increase to 30.0% or more, or, if such Unitholder holds between 30.0% and 50.0% of the voting rights in CCT, the voting rights of such Unitholder would increase by more than 1.0% in any period of six months. Such Unitholder need not abstain from voting in respect of the resolution relating to the Unit Buy-Back Mandate.

¹ Unitholders and/or persons acting in concert with them will be exempt from the requirement to make a mandatory take-over offer under Rule 14 of the Code upon the satisfaction of the conditions set out in paragraph 3(a) of Appendix 2 of the Code.

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Based on the information available to the Manager on the interests of the Substantial Unitholders (as defined herein) as at the Latest Practicable Date, none of the Substantial Unitholders would become obliged to make a take-over offer for CCT under Rule 14 of the Code as a result of any repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate of the maximum limit of 2.5% of its issued Units as at the Latest Practicable Date.

Important:

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all the implications that may arise under the Code. Unitholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a mandatory take-over offer would arise by reason of any Unit repurchases by the Manager.

2.11 Unitholders' Approval

In view of the foregoing, the Manager is seeking Unitholders' approval under the resolution relating to the Unit Buy-Back Mandate.

Important:

Unitholders should note that by voting in favour of the resolution relating to the Unit Buy-Back Mandate, they will be authorising the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Letter and in accordance with the provisions of the Trust Deed and all applicable laws and regulations, including but not limited to the Listing Manual.

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3. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, certain directors of the Manager (“**Directors**”) collectively hold an aggregate direct interest in 139,303 Units. Based on the Register of Directors’ unitholdings and the information available to the Manager, as at the Latest Practicable Date, and as at the date of the AGM (on the assumption that their voting rights will not change between the Latest Practicable Date and the date of the AGM), the direct and deemed interests and voting rights of the Directors who have interest in the Units and in the outstanding Awards, and the Substantial Unitholders are as follows:

Name of Director	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	64,222	0.002	-	-	64,222	0.002	-	-
Kevin Chee Tien Jin	69,690	0.002	-	-	69,690	0.002	0 to 184,904 ⁴	46,102 ^{5,6} 0 to 79,248 ^{4,6}
Lam Yi Young	-	-	-	-	-	-	-	-
Tan Soon Neo Jessica	5,391	NM ³	-	-	5,391	NM ³	-	-
Quek Bin Hwee (Mrs)	-	-	-	-	-	-	-	-
Ng Wai King	-	-	-	-	-	-	-	-
Lee Chee Koon	-	-	-	-	-	-	-	-
Lim Cho Pin	-	-	-	-	-	-	-	-
Andrew Geoffrey	-	-	-	-	-	-	-	-

Notes:

- The percentage is based on 3,744,429,288 Units in issue as at the Latest Practicable Date.
- 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.
- Not meaningful.
- 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.
- Being the unvested two-thirds of the RUP 2017 Award.
- 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.

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Name of Substantial Unitholder ¹	Direct Interest		Deemed Interest		Total No. of Units held	% ²
	No. of Units	% ²	No. of Units	% ²		
Temasek Holdings (Private) Limited ("THPL")	-	-	1,154,345,021 ³	30.83	1,154,345,021 ³	30.83
CapitaLand Limited ("CL")	-	-	1,125,591,395 ⁴	30.06	1,125,591,395 ⁴	30.06
CapitaLand Singapore Limited ("CLS")	-	-	962,516,676 ⁵	25.71	962,516,676 ⁵	25.71
SBR Private Limited ("SBR")	746,646,934	19.94	-	-	746,646,934	19.94
CapitaLand (Office) Investments Pte Ltd ("COI")	-	-	746,646,934 ⁶	19.94	746,646,934 ⁶	19.94
E-Pavilion Pte. Ltd. ("E-Pavilion")	215,869,742	5.77	-	-	215,869,742	5.77
CapitaLand Investments Pte Ltd ("CIPL")	-	-	215,869,742 ⁷	5.77	215,869,742 ⁷	5.77
BlackRock, Inc. ("BlackRock")	-	-	202,309,411 ⁸	5.40	202,309,411 ⁸	5.40
The PNC Financial Services Group, Inc. ("PNC")	-	-	202,309,411 ⁹	5.40	202,309,411 ⁹	5.40

Notes:

- "Substantial Unitholder" means a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue.
- The percentage is based on the 3,744,429,288 Units in issue as at the Latest Practicable Date.
- THPL is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore. THPL is wholly owned by the Minister for Finance.
- CL is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries namely, SBR, E-Pavilion and CapitaLand Commercial Trust Management Limited ("CCTML"). CCTML holds 163,074,719 Units.
- CLS is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries namely, SBR and E-Pavilion.
- COI is deemed to have an interest in the unitholding of its direct wholly owned subsidiary namely, SBR.
- CIPL is deemed to have an interest in the unitholding of its direct wholly owned subsidiary namely, E-Pavilion.
- BlackRock is deemed to have an interest in the unitholdings of its subsidiaries of which it has indirect control.
- PNC is deemed to have an interest in the unitholdings through its over 20% shareholding in BlackRock.

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4. DIRECTORS' RECOMMENDATION

Having considered the relevant factors, including the rationale for the proposed renewal of the Unit Buy-Back Mandate as set out in paragraph 2 of this Letter, the Directors recommend that Unitholders vote at the AGM in favour of the resolution relating to the proposed renewal of the Unit Buy-Back Mandate.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Unit Buy-Back Mandate, CCT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information in this Letter 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 Letter in its proper form and context.

6. DOCUMENT ON DISPLAY

The Trust Deed will be available for inspection at the registered office of the Manager¹ for so long as CCT is in existence.

Yours faithfully

CAPITALAND COMMERCIAL TRUST MANAGEMENT LIMITED

(Registration Number: 200309059W)

as manager of **CapitaLand Commercial Trust**

SOO KOK LENG

Chairman and Non-Executive Independent Director

¹ Prior appointment with the Manager is required. Please contact Ms Ho Mei Peng, Investor Relations (Telephone: +65 6713 2888).

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IMPORTANT NOTICE

This Letter 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 Letter 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

%	: Per centum or Percentage
AGM	: The annual general meeting of Unitholders to be held at The Star Gallery, Level 3, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617, on Wednesday, 10 April 2019 at 10.00 a.m. to approve the matters set out in the Notice of Annual General Meeting
Average Closing Price	: The average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days
Awards	: Contingent awards under the PUP and RUP of CCTML
BlackRock	: BlackRock, Inc.
CCT	: CapitaLand Commercial Trust
CCT Group	: CCT and its subsidiaries
CCTML	: CapitaLand Commercial Trust Management Limited
CDP	: The Central Depository (Pte) Limited
CIPL	: CapitaLand Investments Pte Ltd
CL	: CapitaLand Limited
CLS	: CapitaLand Singapore Limited
Code	: The Singapore Code on Take-overs and Mergers
COI	: CapitaLand (Office) Investments Pte Ltd
date of the making of the offer	: The date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase

GLOSSARY

Directors	: Directors of the Manager
DPU	: Distribution per Unit
E-Pavilion	: E-Pavilion Pte. Ltd.
FY 2018	: The financial year ended 31 December 2018
FY 2018 Audited Financial Statements	: The audited financial statements of the CCT Group for FY 2018
Latest Practicable Date	: 15 February 2019, being the latest practicable date prior to the printing of this Letter
Letter	: This Letter dated 13 March 2019
Listing Manual	: The Listing Manual of the SGX-ST
Manager	: CapitaLand Commercial Trust Management Limited, in its capacity as manager of CCT
Mandate Duration	: Unless revoked or varied by the Unitholders, the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates: <ul style="list-style-type: none">(a) the date on which the next annual general meeting of CCT is held;(b) the date by which the next annual general meeting of CCT is required by applicable laws and regulations or the Trust Deed to be held; and(c) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated
Market Day	: Means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities
Market Repurchases	: Repurchases of Units made by way of market repurchases

GLOSSARY

Maximum Price	: Has the meaning ascribed to it in paragraph 2.2.4 of this Letter
NAV	: Net asset value
Off-Market Repurchases	: Repurchases of Units made by way of off-market repurchases
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
PNC	: The PNC Financial Services Group, Inc.
Public Float	: Refers to the percentage of Units held by the public
PUP	: Performance Unit Plan
Related Expenses	: Brokerage, stamp duty, commission, applicable goods and services tax and other related expenses
RUP	: Restricted Unit Plan
S\$ and cents	: Singapore dollars and cents
SBR	: SBR Private Limited
SGX-ST	: Singapore Exchange Securities Trading Limited
Substantial Unitholder	: A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
THPL	: Temasek Holdings (Private) Limited
Trust Deed	: The trust deed dated 6 February 2004 constituting CCT, as amended, varied, or supplemented from time to time
Unit	: A unit representing an undivided interest in CCT

GLOSSARY

- Unit Buy-Back Mandate** : The proposed unit buy-back mandate given to the Manager by way of an Ordinary Resolution in a general meeting to exercise its powers to procure the repurchase of Units for and on behalf of CCT without the prior specific approval of Unitholders at a general meeting
- Unitholder(s)** : The registered holder(s) 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

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 Letter 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 Letter 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. Unless otherwise stated in this Letter, figures and percentages are rounded off where applicable.