



For Immediate Release

NEWS RELEASE

**CCT to divest One George Street into a limited liability partnership
and own 50.0% interest thereafter**

***In line with Trust's portfolio reconstitution strategy to proactively enhance value
and increase financial flexibility***

Singapore, 2 May 2017 – CapitaLand Commercial Trust Management Limited (CCTML or the Manager), the Manager of CapitaLand Commercial Trust (CCT or the Trust), is pleased to announce that its trustee, HSBC Institutional Trust Services (Singapore) Limited (Trustee) has established a limited liability partnership, One George Street LLP (OGS LLP), with a joint venture partner, OGS (II) Limited, a special purpose vehicle owned by insurer FWD Group. CCT will hold 50.0% of OGS LLP while the joint venture partner will hold the remaining 50.0%. Concurrently, the Trustee has entered into a sale and contribution agreement with OGS LLP for the sale and contribution of the property known as One George Street to OGS LLP. The transactions are expected to be completed by end June 2017.

The agreed value of One George Street of S\$1,183.2 million or S\$2,650 per square foot (psf) based on the building's net lettable area, was negotiated on a willing-buyer and willing-seller basis. This agreed value is 16.7% above the property's 31 December 2016¹ valuation of S\$1,014.0 million (S\$2,271 psf). Based on One George Street's net property income of S\$38.0 million for the 12 months preceding 31 March 2017 and the agreed value, the net property yield translates to 3.2% per annum.

CCT is expected to recognise an estimated gain of S\$84.6 million on the divestment of the property on a 50.0% basis. After taking into consideration the estimated transaction and related costs of S\$4.9 million, the approximate net gain is S\$79.7 million. CCT will continue to own One George Street through its 50.0% interest in OGS LLP. The Manager and CapitaLand Commercial Management Pte Ltd will continue to be the asset manager and property manager respectively.

Ms Lynette Leong, CEO of CCTML said, "The divestment of One George Street to OGS LLP is in line with the Trust's portfolio reconstitution strategy to proactively enhance the value of CCT's portfolio and increase our financial flexibility to invest in other compelling and sustainable growth opportunities so as to improve returns to unitholders. By maintaining a 50.0% ownership of OGS LLP, CCT will continue to receive tax transparent income contribution from One George Street, a good quality Grade A office building with a solid tenant profile."

¹ As appraised by Knight Frank Pte Ltd

As OGS LLP is a limited liability partnership, it is tax transparent for Singapore income tax purposes. CCT's share of income from One George Street through OGS LLP is also tax transparent in the same manner as that prior to the transfer of One George Street to OGS LLP.

Property Details – One George Street

With a total net lettable area of 41,478 square metres (446,473 square feet), One George Street is a 23-storey Grade A office building conveniently located near Raffles Place, Clarke Quay and Chinatown MRT stations. The building features eco-friendly attributes, large and efficient floor plates, advanced building automation, a generous number of car parking lots, spacious sky gardens and excellent views. It houses amenities including F&B outlets, a clinic, a fitness centre and a swimming pool at the 5th storey sky garden. As at 31 March 2017, One George Street had a committed occupancy rate of 96.5% and contributed 11% to CCT's 1Q 2017 net property income. The top three tenants are Borouge Pte Ltd, Diageo Singapore Pte Ltd and Her Majesty The Queen in Right of Canada, as represented by the Minister of Foreign Affairs.

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| Location | 1 George Street, Singapore |
| Net Lettable Area (sq ft) | 41,478 sqm / 446,473 sq ft |
| Committed Occupancy | 96.5% (as at 31 March 2017) |
| Number of Storeys | 23 |
| Number of Tenants | 48 (as at 31 March 2017) |
| Number of Car Park Lots | 178 |
| Land Tenure | Leasehold for balance term of 85 years expiring on 21 January 2102 |
| Gross Revenue | S\$13.2 million (1Q 2017) |
| Net Property Income | S\$10.2 million (1Q 2017) |

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

CapitaLand Commercial Trust is Singapore's first and largest commercial REIT with a market capitalisation of approximately S\$4.8 billion. CCT aims to own and invest in real estate and real estate-related assets which are income producing and predominantly used, for commercial purposes. The total value of CCT's deposited properties is S\$8.7 billion as at 31 March 2017 comprising a portfolio of 10 prime commercial properties in Singapore. The properties in Singapore are Capital Tower, Six Battery Road, One George Street, Raffles City (60.0% interest through RCS Trust), CapitaGreen (100.0% interest through MSO Trust), HSBC Building, Twenty Anson, Bugis Village, Wilkie Edge and Golden Shoe Car Park.

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

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

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Important Notice

This release 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 similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses, including employee wages, benefits and training, 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 current view of management on future events.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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

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