



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

ANNOUNCEMENT

JOINT VENTURE BY CCT, CAPITALAND AND MEA TO REDEVELOP THE PROPERTY PREVIOUSLY KNOWN AS MARKET STREET CAR PARK – UNITHOLDER LOAN, CERTAIN FEE PAYMENTS AND RELOCATION OF TENANTS

1. Introduction

The **Manager** refers to (a) its announcement dated 14 July 2011 in relation to the **Joint Venture** which sets out (i) certain fees payable by **MSO Trust** to the **MSO Trustee-Manager** which are in turn payable to the **MC Holders**, (ii) the costs associated with works to facilitate the relocation of certain tenants to another property owned by CCT payable by **MSO Trust** to **CCT**; and (b) the announcement dated 30 December 2011 in relation to the unitholder loans from **CL SPV**, **CCT Trustee** and **MEA** to **MSO Trust**.

2. Details of the Interested Person

The **Manager** wishes to announce that (a) the unitholder loan to be provided by **CapitaLand** (through its wholly-owned subsidiary, **CL SPV**), (b) the fees paid and to be paid by **MSO Trust** to **MSO Trustee-Manager** for providing trustee-management services to **MSO Trust** and (c) the fees received and to be received by **CL SPV** and the **Manager** in their capacity as **MC Holders** from **MSO Trustee-Manager** in the **Agreed Fee Proportion** (details of which are set out in paragraph 3 below) are interested person transactions for **CCT** with respect to **CapitaLand** under Chapter 9 of the **Listing Manual** by virtue of the following:

- **CapitaLand**, being a “controlling **Unitholder**” and a “controlling shareholder” of the **Manager**, is (for the purposes of the **Listing Manual**) an “interested person” of **CCT**; and

- **MSO Trust** is (for the purposes of the **Listing Manual**) an “entity at risk” as it is an associated entity of **CCT** and is an entity which **CCT** and its interested person (as defined in the **Listing Manual**) have control over.

3. Details of the Management Fee and Management Committee Fee

The **Manager** refers to the announcement dated 14 July 2011 which states that under the terms of the trust deed constituting **MSO Trust**:

- (a) **MSO Trust** has appointed the **MSO Trustee-Manager** to provide trustee and management services. **MSO Trustee-Manager** shall receive the following fees from **MSO Trust**:
 - (i) a base fee of 0.1% per annum of the value of the deposited property of **MSO Trust**;
 - (ii) a performance fee of 5.25% per annum of the net investment income of **MSO Trust**;
 - (iii) an acquisition fee of 1.0% of the value of any investment assets acquired by **MSO Trust**; and
 - (iv) a divestment fee of 0.5% of the value of any investment assets divested by **MSO Trust**; and
- (b) the **MSO Trustee-Manager** has in turn delegated to the **Management Committee** to provide the management services on behalf of the **MSO Trustee-Manager**. The **MSO Trustee-Manager** shall pay the **MC Holders** (both of which are entities with the **CapitaLand** group) in the **Agreed Fee Proportion** the base fee, performance fee, acquisition fee and divestment fee which the **MSO Trustee-Manager** receives from **MSO Trust**.

The formula used for the computation of the base fee, performance fee, acquisition fee and divestment fee for the **MSO Trustee-Manager** is the same formula used to compute the same types of fee for the **Manager** as set out in the trust deed constituting **CCT**. Further, under the trust deed constituting **CCT**, in computing the amount of base fee and performance fee payable to the **Manager**, **CCT**'s share of the value of investment of **MSO Trust** in the **Property** shall be disregarded. Accordingly, under this arrangement, **CCT** does not pay any additional fee compared to the scenario where **CCT** jointly holds the **Property** in a structure which involves an external trustee-manager. Therefore, the value of the interested person transactions in relation to the payment of the aforesaid fees to **MSO Trustee-Manager** and from the **MSO Trustee-Manager** to the **MC Holders** is zero.

The **Manager** also wishes to disclose that under the terms of the trust deed constituting **MSO Trust**, (a) the **MSO Trustee-Manager** shall also receive a fee from **MSO Trust** in relation to its services as trustee of **MSO Trust**. This is computed at 0.1% per annum of the value of the deposited property of **MSO Trust**; and (b) the fee for providing trustee services is waived for as long as **MSO Trustee-Manager** is the trustee-manager of **MSO Trust**. Therefore, the value of the interested person transaction in relation to the payment of the fee for trustee services to **MSO Trustee-Manager** is also zero.

4. **Details of the Unitholders' Loan**

The **Manager** refers to the announcement dated 30 December 2011 which states that **CL SPV** has provided a unitholders' loan to **MSO Trust**. Based on the assumptions set out in the announcement dated 30 December 2011, **CL SPV's** proportionate share of the estimated interest income payable by **MSO Trust** on its proportionate share of unitholder loan of S\$397.0 million is S\$50.0 million.

The value of the interested person transaction in the unitholder loan provided by **CL SPV** to **MSO Trust** is S\$20 million. This is computed based on **CCT's** 40.0% interest in **MSO Trust**, that is, 40% of the S\$50 million interest payable by **MSO Trust**.

5. **Property Management**

The **Manager** also wishes to announce that for the period between 15 June 2011 (the date of transfer of Market Street Car Park to **MSO Trust**) to 30 July 2011 (the date on which Market Street Car Park was de-commissioned for purposes of redevelopment), **CCM** continued to provide property management services on terms and conditions substantially similar to those set out in a pre-existing agreement for property management services for the properties of **CCT** between the **Manager** and **CCM**. Under this arrangement, **CCT** did not pay any additional fee to **CCM** and in fact **CCT's** share of fee through **MSO Trust** was reduced to its proportionate interest in **MSO Trust**. The value of the interested person transaction in relation to the payment of the fee for property management services by **MSO Trustee-Manager** to **CCM** is therefore zero.

6. Relocation of Tenants to Golden Shoe Car Park

The **Manager** also wishes to announce that for the purpose of obtaining vacant possession of the then Market Street Car Park for the redevelopment of the **Property**, certain tenants of Market Street Car Park were relocated to Golden Shoe Car Park, a property in **CCT**'s portfolio. Golden Shoe Car Park underwent some reconfiguration works to accommodate the tenants. **CCT** incurred a total cost (including professional and authority submission fees) of S\$0.59 million for the reconfiguration. **CCT** also incurred some rental loss due to loss of lettable area as a result of the reconfiguration. The rental rates under the relocated tenants' respective leases at Golden Shoe Car Park are the same as those under the previous leases at Market Street Car Park, which were lower than the rental rates normally achieved for leases in Golden Shoe Car Park. The aggregate rental shortfall amounts to S\$1.29 million. **CCT** is also expected to incur a reinstatement cost in the future when the relocated tenants vacate the premises in Golden Shoe Car Park upon the expiry of their respective leases. The reinstatement cost is estimated to amount to S\$0.20 million.

MSO Trust has provided to reimburse **CCT** the reconfiguration cost and the estimated reinstatement cost as well as to compensate **CCT** for the rental shortfall, amounting to an aggregate of S\$2.08 million. The reimbursement of the reconfiguration and reinstatement costs as well as the compensation of the rental shortfall will be fully paid in the financial year ending 2012.

The agreement with regard to the above reimbursement of reconfiguration and estimated reinstatement costs as well as compensation of rental shortfall is an interested person transaction for **CCT** with respect to **MSO Trust** under Chapter 9 of the **Listing Manual**. This is because **MSO Trust**, being an associate of **CapitaLand** which is an "interested person" of **CCT**, is (for the purpose of the **Listing Manual**) an "interested person" of **CCT**.

The reconfiguration of Golden Shoe Car Park and the rental shortfall did not have any material effect on **CCT**'s distributions and net tangible assets per **CCT Unit** for the year ended 2011 because of the agreement of **MSO Trust** to reimburse and compensate **CCT**.

Statement of the **Audit Committee**: The **Audit Committee** has reviewed the agreement regarding the reimbursement and compensation as described above and is of the view that it is on normal commercial terms

and that it is not prejudicial to the interests of **CCT** and its minority **Unitholders**.

7. **Aggregate Value of Interested Person Transactions**

As a result of the above, the aggregate value of all interested person transactions between **CCT** and its entities at risk on the one hand and **CapitaLand** and/or its associates on the other for the financial year ended 2011 is approximately S\$443.3 million.

The aggregate value of all interested person transactions of **CCT** and its entities at risk (including interested person transactions with **CapitaLand** and/or its associates) for the financial year ended 2011 is approximately S\$448.0 million.

Definition:

Agreed Fee Proportion

A proportion computed in accordance with the following formula:

$$\text{Agreed Fee Proportion} = A/B \times 100\%$$

Where

A is the proportion of unitholdings in **MSO Trust** held by the relevant **MC Holder** (and in the case of the **MC Holder** which is **CCT**, the **Manager**); and

B is the aggregate of the proportion of unitholdings of all **MC Holders** in **MSO Trust**

Audit Committee

The audit committee of the **Manager**, comprising Mr Ho Swee Huat (Chairman), Mr Fong Kwok Jen and Dato' Mohammed Hussein

CapitaLand

CapitaLand Limited

CCL

CapitaLand Commercial Limited, a wholly-owned subsidiary of **CapitaLand**

CCM

CapitaLand Commercial Management Pte. Ltd. (a wholly-owned subsidiary of **CCL**)

CCT	CapitaCommercial Trust
CCT Unit	A unit representing an undivided interest in CCT
CCT Trustee	HSBC Institutional Trust Services (Singapore) Limited, acting in its capacity as trustee of CCT
CDP	The Central Depository (Pte) Limited
CL SPV	Market Street Office Pte. Ltd. (a wholly-owned subsidiary of CCL), a special purpose vehicle set up to invest in the Project
Joint Venture	The joint venture in connection with the redevelopment of the Property
Listing Manual	The listing manual of SGX-ST
Manager	CapitaCommercial Trust Management Limited, acting in its capacity as manager of CCT
Management Committee	The management committee of MSO Trust
MC Holder	The entity which is a holder of units in MSO Trust and has the right to nominate the Management Committee , but in the case of the CCT Trustee this right shall be delegated by the CCT Trustee to Manager , and the reference to “ MC Holder ” shall be to the Manager instead
MEA	Mitsubishi Estate Asia Pte. Ltd.
MSO Trust	the trust known as “MSO Trust” and constituted by the trust deed dated 15 June 2011 and supplemented by a first supplemental trust deed dated 15 November 2011

MSO Trustee-Manager	Market Street Office Trustee Pte. Ltd., as trustee-manager of MSO Trust (a wholly-owned subsidiary of CCL), a special purpose vehicle set up for the purpose of establishing the MSO Trust and to provide trustee and management services to the MSO Trust
Project	The project for the construction of the new commercial office development at 138Market Street
Property	The leasehold estate for the unexpired duration of the term commencing from 1 April 1974 comprised in the whole of Lot 503A of Town Subdivision 1 held under Certificate of Title Volume 349 Folio 190, located at 138 Market Street and previously known as Market Street Car Park
SGX-ST	Singapore Exchange Securities Trading Limited
S\$	Singapore dollars
% or per cent.	Per centum or percentage
Unitholder	A registered holder for the time being of a CCT Unit , including a person so registered as a joint holder, except where the registered holder is CDP , the term "Unitholder" shall, in relation to CCT Units registered in the name of CDP , mean, where the context requires, the depositor whose securities account with CDP is credited with CCT Units

The terms "associate", "interested person", "interested person transaction" and "entities at risk" shall have the meanings ascribed to them in the **Listing Manual**.

BY ORDER OF THE BOARD
CapitaCommercial Trust Management Limited
(Company registration no. 200309059W)
As manager of CapitaCommercial Trust

Michelle Koh
Company Secretary
Singapore
24 February 2012

Important Notice

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

The value of the **CCT Units** and the income from them may fall as well as rise. **CCT Units** are not obligations of, deposits in, or guaranteed by, the **Manager** or any of its affiliates. An investment in **CCT Units** is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the **Manager** to redeem their **CCT Units** while the **CCT Units** are listed. It is intended that **Unitholders** may only deal in their **CCT Units** through trading on the **SGX-ST**. Listing of the **CCT Units** on the **SGX-ST** does not guarantee a liquid market for the **CCT Units**.

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