



CAPITALAND INTEGRATED COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001 (as amended))

ANNOUNCEMENT

PROPOSED ACQUISITION OF 66 GOULBURN STREET AND 100 ARTHUR STREET, SYDNEY, AUSTRALIA

1. INTRODUCTION

CapitaLand Integrated Commercial Trust Management Limited, in its capacity as manager of CapitaLand Integrated Commercial Trust (“**CICT**”, and the manager of CICT, the “**Manager**”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CICT (the “**Trustee**”), has:

- (i) through CICT AU 1 Trust¹, which is indirectly wholly-owned by CICT, entered into a unit sale agreement with Perpetual Trustee Company Limited, in its capacity as trustee of Acacia Commercial Investment Trust (the “**Vendor**”), in relation to the acquisition of all the units in Acacia Goulburn Trust which holds the property located at Civic Tower, 66 Goulburn Street, Sydney, Australia (the “**Goulburn Street USA**”); and
- (ii) through CICT AU 1 Trust, which is indirectly wholly-owned by CICT, entered into a unit sale agreement with the Vendor, in relation to the acquisition of all the units in Acacia Arthur Trust which holds the property located at Innovation Place, 100 Arthur Street, Sydney, Australia (the “**Arthur Street USA**”, together with the Goulburn Street USA, the “**Unit Sale Agreements**”),

(collectively, the acquisition of Acacia Goulburn Trust and Acacia Arthur Trust, the “**Acquisitions**”).

¹ CICT AU 1 Trust is wholly owned by CICT AU Trust. CICT AU Trust has been established with the intention that it qualify as a managed investment trust (“**MIT**”) for Australian tax purposes. Distributions from an MIT are subject to a concessional Australian withholding tax rate of 15%. There are several conditions to qualify as an MIT as prescribed under the Australian tax law, which need to be satisfied on an ongoing basis.

2. Information on the Properties

2.1 66 Goulburn Street, Sydney, Australia

66 Goulburn Street is a 24-storey Grade 'A' office tower, with ancillary retail and a basement car park, located at the southern edge of the Midtown Project of the Sydney central business district. It is a leasehold property with approximately 95 years remaining until 16 August 2116 and has a total net lettable area ("**NLA**") of 22,887 sqm (comprising 22,630 sqm of office space and 257 sqm of retail space). The property has a committed occupancy rate of 95.3% and 25 tenants (as at 30 September 2021) with a weighted average lease expiry ("**WALE**") of 2.7 years (based on committed gross rental income as at 30 September 2021). The property has a 5.5-Star NABERS Energy rating and a 4.5-Star NABERS Water rating.

2.2 100 Arthur Street, Sydney, Australia

100 Arthur Street is a 23-storey freehold Grade 'A' office tower with ancillary retail, located in the eastern quadrant of North Sydney central business district. It has a total NLA of 27,082 sqm. The property has a committed occupancy rate of 62.3% and 16 tenants (as at 30 September 2021) with a WALE of 4.0 years (based on committed gross rental income as at 30 September 2021). The property has a 4-Star NABERS Energy rating and a 4.5-Star NABERS Water rating.

3. PRINCIPAL TERMS OF THE ACQUISITION

3.1 Purchase Consideration and Valuation

The purchase consideration payable in relation to the acquisition of Acacia Goulburn Trust, which holds 66 Goulburn Street, is A\$158.5 million (S\$158.5 million)² (which is subject to completion adjustments) (the "**AGT Purchase Consideration**"). This is based on the adjusted net asset value of Acacia Goulburn Trust, taking into account the agreed property value of A\$300.0 million (S\$300.0 million) (which was negotiated on a willing buyer willing seller basis), other adjustments³ and other assets, and less total liabilities including a bank loan of A\$140.0 million owed by Acacia Goulburn Trust to a financial institution (the "**AGT Bank Loan**"). The Manager has commissioned an independent property valuer, CBRE Valuations Pty Limited ("**CBRE**"), and the Trustee has commissioned another independent property valuer, Jones Lang LaSalle Advisory Services Pty Ltd ("**JLL**"), to value 66 Goulburn Street. CBRE has valued the property at A\$300.0 million as at 15 November 2021 based on the capitalisation method and the discounted cash flow method. JLL has valued the property at A\$300.0 million as at 15 November 2021 based on the capitalisation method and the discounted cash flow method.

The purchase consideration payable in relation to the acquisition of Acacia Arthur Trust, which holds 100 Arthur Street, is A\$172.2 million (S\$172.2 million) (which is subject to completion adjustments) (the "**AAT Purchase Consideration**"). This is based on the adjusted net asset value of Acacia Arthur Trust, taking into account the agreed property

2 Based on an exchange rate of A\$1.00 to S\$1.00 as at 8 November 2021. Unless otherwise stated, all Australian dollar amounts in this announcement have been translated into Singapore dollars based on this exchange rate.

3 Including the tenant incentives in respect of 66 Goulburn Street. The Vendor will be responsible for tenant incentives as agreed pursuant to the Goulburn Street USA and such amount will be adjusted in CICT's favour as part of the final completion adjustments for the AGT Purchase Consideration.

value of A\$372.0 million (S\$372.0 million) (which was negotiated on a willing buyer willing seller basis), other adjustments⁴ and other assets, and less total liabilities including a bank loan of A\$188.0 million owed by Acacia Arthur Trust to a financial institution (the “**AAT Bank Loan**”). The Manager has commissioned an independent property valuer, CBRE, and the Trustee has commissioned another independent property valuer, JLL, to value 100 Arthur Street. CBRE has valued the property at A\$372.0 million as at 15 November 2021 based on the capitalisation method and the discounted cash flow method. JLL has valued the property at A\$372.0 million as at 15 November 2021 based on the capitalisation method and the discounted cash flow method⁵.

The total purchase consideration for the Acquisitions comprising the AGT Purchase Consideration and the AAT Purchase Consideration is A\$330.7 million (S\$330.7 million) (the “**Purchase Consideration**”).

3.2 Total Acquisition Outlay

The total acquisition outlay is estimated to be approximately S\$381.0 million, comprising:

- (i) the estimated Purchase Consideration of approximately A\$330.7 million (S\$330.7 million) (subject to completion adjustments);
- (ii) an acquisition fee (the “**Acquisition Fee**”) payable in Units to the Manager for the Acquisition of approximately A\$6.7 million (S\$6.7 million) (the “**Acquisition Fee Units**”)⁶; and
- (iii) approximately S\$43.6 million in relation to the other expenses in connection with the Acquisitions, including stamp duty, estimated professional and other fees and expenses incurred or to be incurred by CICT in connection with the Acquisitions,

(collectively, the “**Total Acquisition Outlay**”).

The Manager proposes to fund the Total Acquisition Outlay with a combination of debt and the net sales proceeds from the divestment of 50.0% interest in One George Street (the “**Divestment**”).

The Manager may also consider funding the Acquisitions by a combination of debt, partial net sales proceeds from the Divestment and equity.

The final decision regarding the method of financing the Proposed Acquisition will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions, interest rate environment, and availability of alternative funding options.

It should be noted that the AGT Bank Loan and the AAT Bank Loan will not be repaid upon completion of each of the Acquisitions (“**Completion**”).

4 Including the Rental Guarantee Amount (as defined herein) and the tenant incentives in respect of 100 Arthur Street. The Vendor will be responsible for tenant incentives as agreed pursuant to the Arthur Street USA and such amount will be adjusted in CICT’s favour as part of the final completion adjustments for the AAT Purchase Consideration.

5 The above valuations take into account the Rental Guarantee (as defined herein). The valuations without the Rental Guarantee are A\$365.0 million (CBRE’s valuation) and A\$365.0 million (JLL’s valuation).

6 As the Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee Units shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

3.3 Principal Terms of the Unit Sale Agreements

The principal terms of the Unit Sale Agreements include, among others, the following:

- Completion is subject to receipt of approval from Foreign Investment Review Board⁷; and
- Completion is subject to there being no material damage to the properties before Completion.

Completion of each of the Acquisitions is conditional upon the condition the completion of the other Acquisition. Accordingly, if any one of the Acquisitions cannot be completed, the other Acquisition will not proceed.

3.4 Rental Guarantee

Pursuant to the Arthur Street USA, the Vendor shall provide a rental guarantee (the “**Rental Guarantee**”) of A\$7.0 million (the “**Rental Guarantee Amount**”) in respect of 100 Arthur Street as leasing efforts for the property are being ramped up. The entire Rental Guarantee Amount will be paid by the Vendor at Completion as part of the settlement of the Purchase Consideration via an adjustment of A\$7.0 million from the Purchase Consideration payable to the Vendor.

The Rental Guarantee Amount was arrived at based on market rent for vacancy at 100 Arthur Street as at Completion and assuming that the property’s vacancy to be filled over a period of 12 months after Completion, or as and when the sum is fully utilised.

4. RATIONALE FOR AND BENEFITS OF THE ACQUISITIONS

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

4.1 Delivering on CICT’s value creation strategy through portfolio reconstitution

The Acquisitions are in line with CICT’s value creation strategy to reconstitute portfolio by recycling capital from the Divestment into higher yielding assets. The combined implied net property income including the Rental Guarantee (the “**Implied NPI**”) yield is 5.2%⁸ which is higher than the exit yield of 3.17% for the Divestment. This will provide income stability and distribution growth.

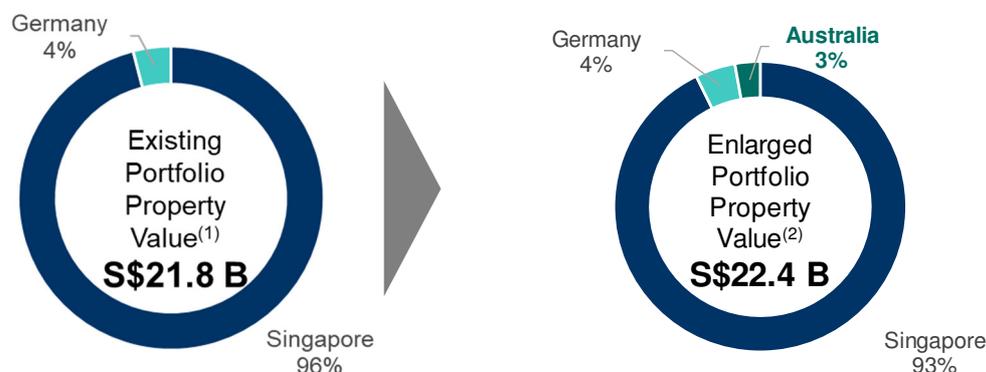
The Acquisitions will also position CICT for future growth in key developed markets. The Manager aims to grow via investment opportunities in Singapore and overseas, with no more than 20% of property portfolio value located in developed markets overseas.

⁷ Investments in Australia (including acquisitions of Australian land or in Australian entities) are subject to the requirements under the Foreign Acquisitions and Takeovers Act 1975 (“**FATA**”). The issue of a prior no objection notification by FIRB under the FATA is required for certain acquisitions.

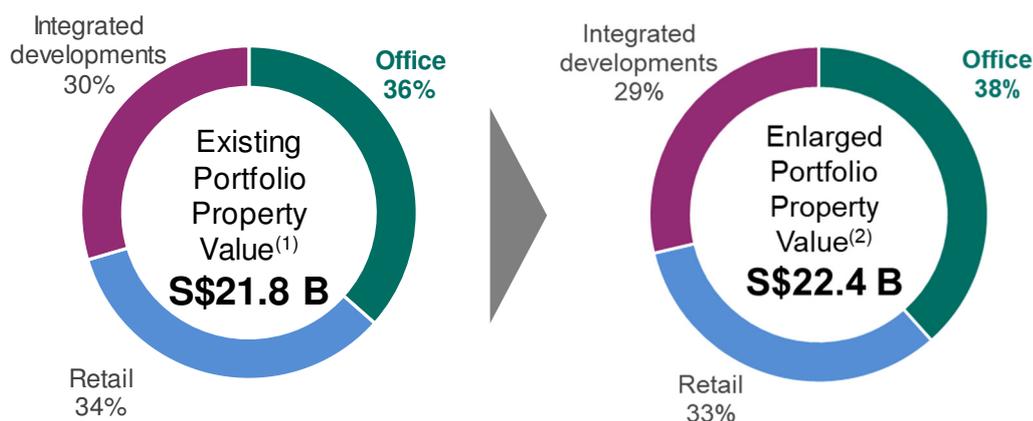
⁸ The Implied NPI is based on the annualised 1H 2021 net property income (“**NPI**”) of the properties and taking into account the following assumptions: (a) the acquisition of the two trusts were completed on 1 January 2021 and held and operated to 30 June 2021; (b) including tenants’ incentives for 66 Goulburn Street and 100 Arthur Street for 1H 2021 borne by the Vendor, as well as the rental guarantee for 100 Arthur Street; (c) the tenants and committed tenants of 100 Arthur Street as at 30 September 2021 were in place on 1 January 2021. Without the rental guarantee for 100 Arthur Street, the combined NPI yield would be 4.2%.

Following the Acquisitions, the total portfolio property value of CICT will increase from S\$21.8 billion to S\$22.4 billion.

Portfolio property value by geography



Portfolio property value by asset class



Notes:

- (1) Existing portfolio property value is based on valuation as at 31 December 2020 and assuming One George Street had been divested.
- (2) Enlarged portfolio property value includes existing portfolio value and the two Australian assets which are based on valuation as at 15 November 2021.

4.2 Benefit from recovery potential with the reopening of Sydney

The Acquisitions will enable CICT to gain foothold in Australia, one of Asia Pacific's largest developed market underpinned by healthy economic fundamentals. The country is also expected to rebound and recover as COVID-19 restrictions ease. In particular, Sydney is witnessing major development and rejuvenation initiatives in line with its government-backed ambition to become a leading innovation and technology hub in the region. Sydney is also striving to become a climate leader under its Sustainable Sydney 2030 community plan. It is an opportune time to enter the Australia market as it allows CICT to benefit from the gradual recovery of the Sydney market in the medium and long term and open more

opportunities for CICT to drive future growth in another key developed market.

4.3 Quality assets that complement CICT’s strategy and enhance resilience and diversity of portfolio

4.3.1 66 Goulburn Street

Strategically Located

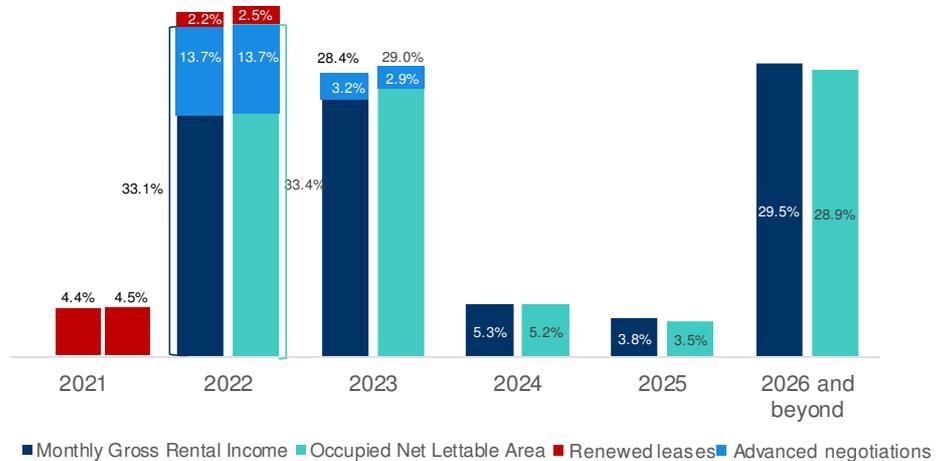
66 Goulburn Street is a well-located modern property on the corner of Castlereagh Street, close to Museum and Central Railway Station, public car parking and World Square Retail.

Grade ‘A’ Office with Green Ratings

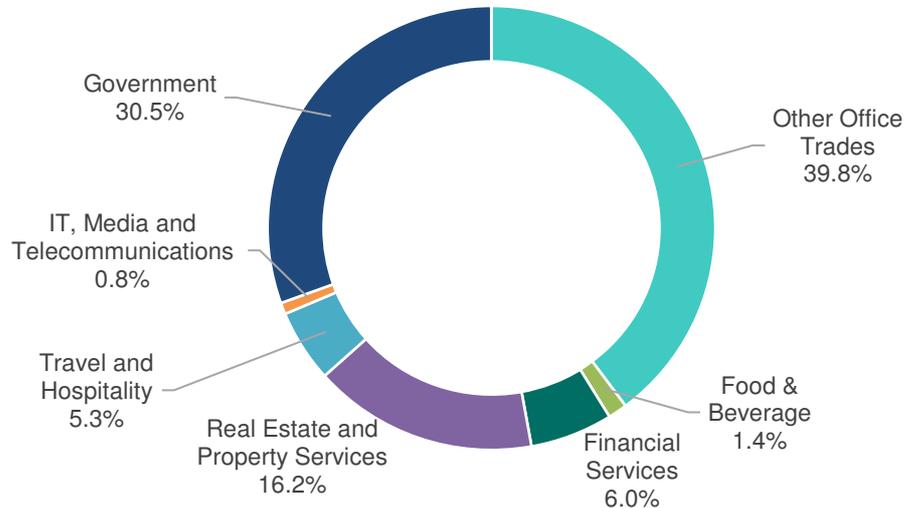
66 Goulburn Street is a Grade ‘A’ office with views of the city. The property has an efficient column-free floor plate which ranges from 937 to 975 sqm. There is natural light with near floor to ceiling windows. It is also rated 5.5-Star NABERS Energy and 4.5-Star NABERS Water with energy-saving features including double-glazed windows and an intelligent lighting control system.

Well Spread Lease Expiry Profile

66 Goulburn Street has a well spread lease expiry profile⁽¹⁾ of 2.7 years.



The tenant mix⁽¹⁾ of 66 Goulburn Street is as follows:



Note:

(1) Based on committed monthly gross rental income as at 30 September 2021.

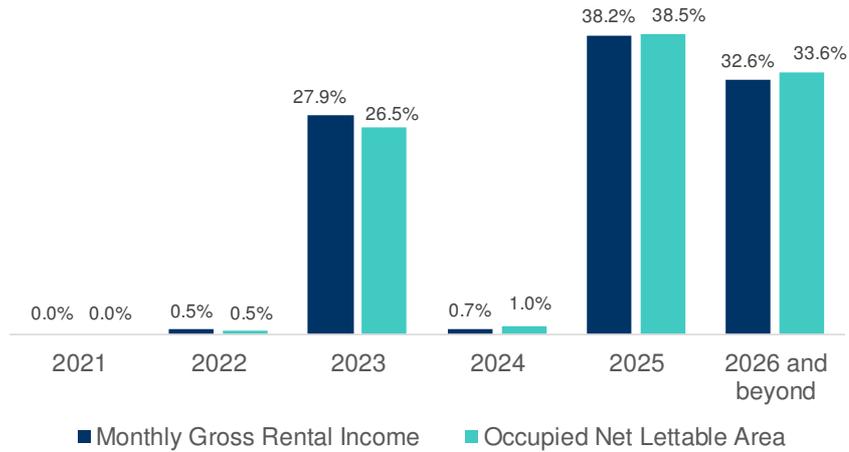
4.3.2 100 Arthur Street

Grade 'A' Office with Green Ratings

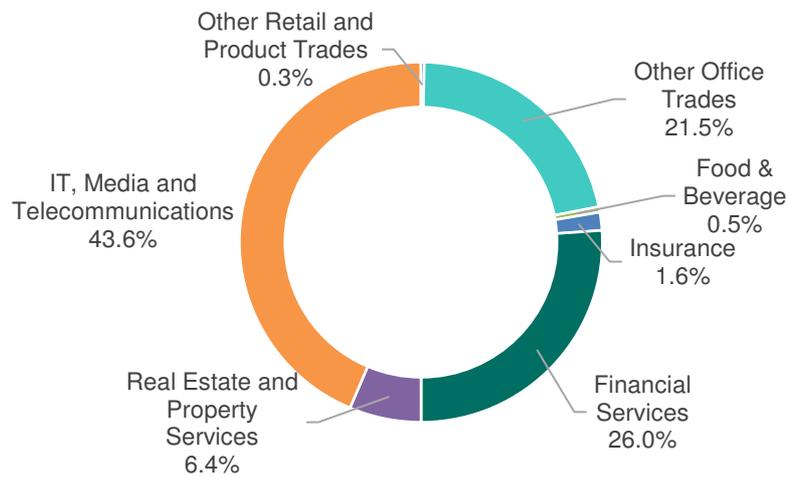
100 Arthur Street is a Grade 'A' building and has large efficient floorplates which ranges from 1,301 to 1,376 sqm with natural light. The property recently completed a major refurbishment at a total cost of approximately A\$17 million. The refurbishment works comprised enhancements to its lobby, entrance foyer, vacant floors and equipment upgrades. The end-of-trip facilities and bathrooms were also refreshed. 100 Arthur Street is also rated 4-Star NABERS Energy and 4.5-Star NABERS Water. CICT is committed to lift 100 Arthur Street's rating to 5-Star NABERS Energy.

Long Lease Expiry Profile

100 Arthur Street has a weighted average lease⁽¹⁾ to expiry of 4.0 years.



The tenant mix⁽¹⁾ of 100 Arthur Street is as follows:



Note:

(1) Based on committed monthly gross rental income as at 30 September 2021.

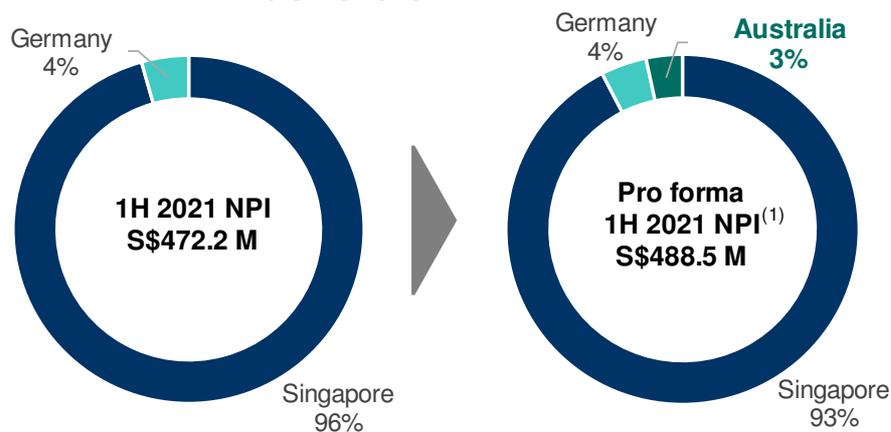
Opportunity for Growth

As at 30 September 2021, 100 Arthur Street’s committed occupancy was 62.3%. 100 Arthur Street experienced lower occupancy of more than 30%⁽¹⁾ after the departure of two anchor tenants occupying about 64% of the building’s NLA in early 2020. Refurbishment works were carried out from 2019 to 2021, and despite COVID-19 disruption and lockdown periods, occupancy level saw an increase to 51.5%⁽¹⁾ as at 31 January 2021 and 62.3%⁽²⁾ as at 30 September 2021. As CICT proactively manages leasing to ramp up occupancy and drive rental growth, there will be potential upside for rental growth as leasing improves.

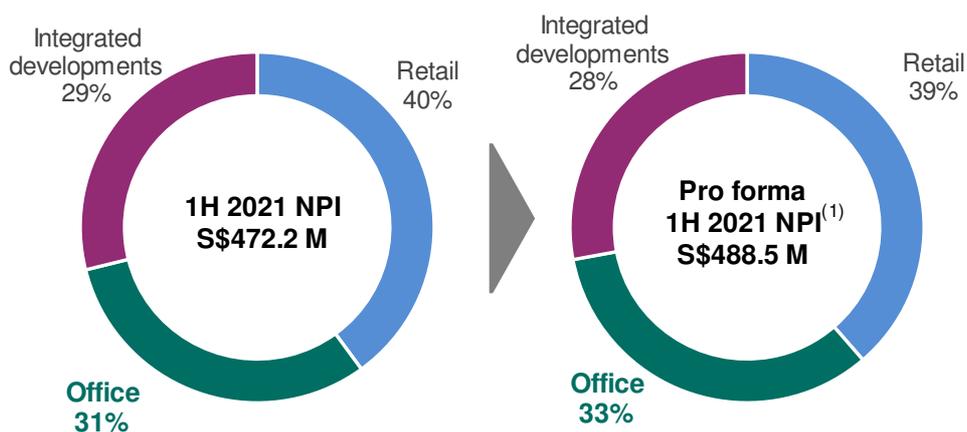
4.3.3 Diversification for income stability and future growth

The Acquisitions will enhance CICT’s resilience and diversity of portfolio.

NPI contribution by geography



NPI contribution by asset class

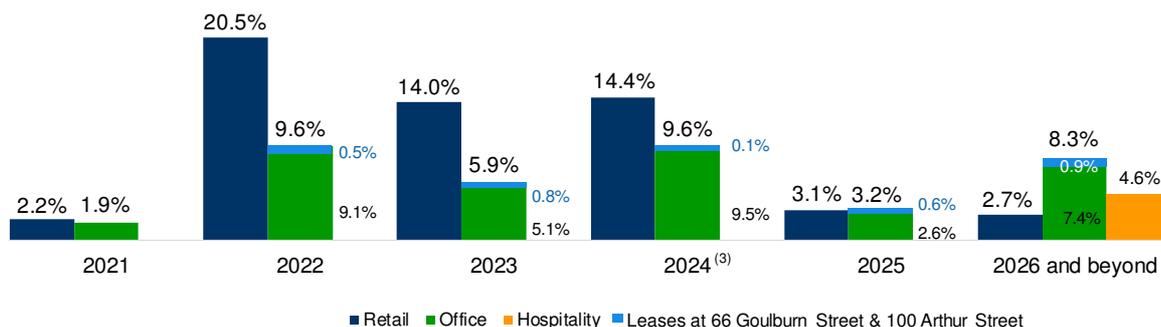


Note:

- (1) Based on CICT's 1H 2021 NPI and NPI of the two properties assuming (a) the acquisition of the two trusts were completed on 1 January 2021 and held and operated to 30 June 2021; and (b) including tenants' incentives for 66 Goulburn Street and 100 Arthur Street for 1H 2021 borne by the Vendor, as well as the proportionate share of rental guarantee for 100 Arthur Street.

Portfolio lease expiry profile

The portfolio WALE⁽¹⁾⁽²⁾ will increase from 3.0 years to 3.1 years post acquisition.



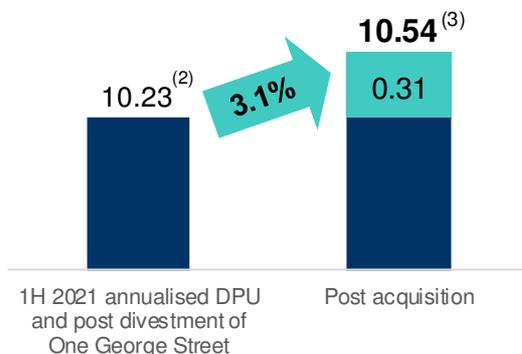
Notes:

- (1) WALE based on committed monthly gross rental income as at 30 September 2021 and excludes gross turnover rents.
- (2) Excluding the Divestment and based on 94.9% interest in Gallileo and Main Airport Center, Frankfurt and WeWork's 7-year lease at 21 Collyer Quay.
- (3) The existing lease with Commerzbank is due to expire in January 2029 but there is an option for the bank to terminate the lease in 2024 with a 24-month notice. Commerzbank has exercised its rights to terminate the existing lease by January 2024. The CICT manager is exploring plans for the building after the departure of the bank.

4.4 Transaction is DPU accretive to Unitholders

The Acquisitions are accretive to CICT's distribution per Unit (as defined herein) ("DPU"). For illustrative purposes, if the Acquisitions were completed on 1 January 2021, on a pro forma 1H 2021 basis, the effect on CICT's DPU will be as follows:

Pro forma DPU (S\$ cents)⁽¹⁾



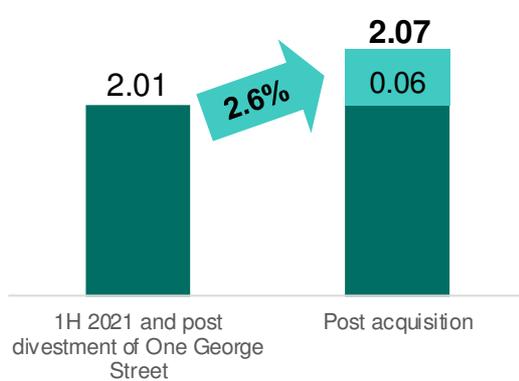
Notes:

- (1) Assuming a loan-to-value of approximately 50% for the Acquisitions and the balance of the Purchase Consideration to be funded by the net sales proceeds from the Divestment.
- (2) DPU for 1H 2021 on an annualised basis, and assuming the Divestment had been completed on 1 January 2021.
- (3) Based on CICT's pro forma DPU for 1H 2021 on an annualised basis and the Implied NPI.

The pro forma aggregate leverage of CICT is expected to be approximately 41% based on the illustrative funding mix.

The adjusted net asset value per Unit will increase following the Acquisitions. For illustrative purposes, if the Acquisitions were completed as at 30 June 2021, on a pro forma 1H 2021 basis, the effect on CICT's net asset value ("**NAV**") per Unit is as follows:

Pro forma NAV (\$\$ cents)⁽¹⁾



- (1) Assuming a loan-to-value of approximately 50% for the Acquisitions and the balance of the Purchase Consideration to be funded by the net sales proceeds from the Divestment.

4.5 Leveraging Sponsor's established platform

CICT would be able to leverage on its sponsor, CapitaLand Investment Limited ("**CLI**"), for its investment and portfolio management capabilities. CLI has been in the Australian market since 2015. Through its sponsored business space and industrial real estate investment trust Ascendas REIT, CLI currently owns and manages 37 logistics and suburban office assets with around 790,000 square metres of area located in the key cities of Sydney, Melbourne, Brisbane and Perth. CLI also has a strong network of more than 12,700 units across over 140 serviced residences and hotels in Australia through its wholly owned lodging business unit The Ascott Limited and its hospitality trust Ascott Residence Trust.

5. INTERESTED PERSON TRANSACTIONS AND NON-DISCLOSEABLE TRANSACTION

5.1 Interested Person Transactions

The Vendor is indirectly wholly owned by CLA Real Estate Holdings Pte. Ltd.. CLA Real Estate Holdings Pte. Ltd. is a wholly owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). As at the date of this announcement, Temasek. is a controlling shareholder of the Manager and a controlling unitholder of CICT. For the purposes of Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited (the

“**Listing Manual**”) and Paragraph 5 of Appendix 6 of the Code of Collective Investment Schemes (the “**Property Funds Appendix**”), the Vendor (being wholly owned by a “controlling unitholder” of CICT and a “controlling shareholder” of the Manager) are (for the purposes of the Listing Manual) “interested persons” and (for the purposes of the Property Funds Appendix) “interested parties” of CICT. Therefore, each of the Acquisitions constitutes an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix.

The value of all interested person transactions entered into between (1) CICT and (2) Temasek and their subsidiaries and associates during the course of the current financial year (including the Acquisitions) is less than 3% of the latest audited NAV and audited net tangible assets of CICT.

5.2 Non-Discloseable Transaction

The Acquisitions are classified as a non-discloseable transaction under Chapter 10 of the Listing Manual.

6. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS⁹

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 692,704 units in CICT (“**Units**”).

Mr Tony Tan Tee Hieong is the Chief Executive Officer and an Executive Non-Independent Director of the Manager. Mr Jonathan Yap Neng Tong is a Non-Executive Non-Independent Director of the Manager and Chief Executive Officer (Fund Management) of CapitaLand Investment Limited. Mr Lim Cho Pin Andrew Geoffrey is a Non-Executive Non-Independent Director of the Manager and the Group Chief Financial Officer of CapitaLand Investment Limited. Ms Teo Swee Lian, Mrs Quek Bin Hwee and Ms Jeann Low Ngiap Jong are directors of certain related corporations and an associated company of Temasek, but for the avoidance of doubt, they are not involved in the day-to-day management of such entities, and none of such entities is a direct or indirect shareholder of the Vendor.

As at the date of this announcement and based on information available to the Manager, Temasek, through its subsidiaries and associated companies (including CapitaLand Investment Limited and its subsidiaries), has an aggregate deemed interest in 1,575,128,377 Units, which is equivalent to approximately 24.31% of the total number of Units in issue.

Save as disclosed in this announcement and as at the date of this announcement, none of the directors of the Manager or Controlling Unitholders has an interest, direct or indirect, in the Acquisitions.

⁹ “**Controlling Unitholders**” refers to a person with an interest in Units constituting not less than 15.0% of all Units in issue.

BY ORDER OF THE BOARD

CapitaLand Integrated Commercial Trust Management Limited
(Registration Number: 200106159R)
as manager of CapitaLand Integrated Commercial Trust

Lee Ju Lin, Audrey
Company Secretary
3 December 2021

IMPORTANT NOTICE

This Announcement may contain forward-looking statements. 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, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs and property operating expenses), 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 current view of the Manager regarding future events. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this Announcement. None of the Manager or any of its affiliates, advisers or representatives undertakes any obligation to update publicly or revise any forward-looking statements, and none of them shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this Announcement or its contents or otherwise arising in connection with this Announcement.

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

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