



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

## **ANNOUNCEMENT ENTRY INTO LEASE AGREEMENT WITH HSBC**

### **1. INTRODUCTION**

#### **1.1 The Transaction**

CapitaCommercial Trust Management Limited, as manager of CapitaCommercial Trust ("**CCT**", and manager of CCT, the "**Manager**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of CCT, has entered into a seven-year forward renewal lease agreement (the "**Lease Agreement**") with The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") for the lease of the property known as HSBC Building located at 21 Collyer Quay ("**HSBC Building**") for a total contract value of S\$143,128,440.

As part of the Lease Agreement, CCT is obliged to incur a capital expenditure for an amount not exceeding S\$7,000,000 for the carrying out and completion of certain improvement works in HSBC Building (the "**Improvement Works**") in accordance with the specifications and plans prepared by CCT and agreed to by HSBC. The Improvement Works are expected to commence around late 2008, subject to CCT's receipt of all approvals from the relevant authorities.

#### **1.2 Disclosure Requirements under the Listing Manual**

As at the date of this Announcement, the trustee of CCT, HSBC Institutional Trust Services (Singapore) Limited is a wholly-owned subsidiary of HSBC and is therefore an associate of the trustee of CCT. Therefore, for the purposes of the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), HSBC may be regarded as an "interested person" of CCT and the Manager considers HSBC to be an interested person.

The Manager is making this announcement because the transaction constitutes an interested person transaction under Chapter 9 of the Listing Manual and would exceed 3.0% (but less than 5.0%) of CCT's latest audited net tangible assets.

As at the date of this Announcement, there is no interested person transaction entered into between CCT and HSBC and/or its associates for the current financial year ending 31 December 2008. The total of all interested person transactions for the current financial year is approximately S\$27.2 million.

### **2. CERTAIN PRINCIPAL TERMS OF THE AGREEMENT AND RATIONALE FOR THE TRANSACTION**

***Certain Principal Terms of the Agreement:*** The Lease Agreement is for a period of seven years commencing from 30 April 2012 (being the date immediately following

the expiry of the current lease with HSBC for the HSBC Building) and expiring on 29 April 2019 for a total contract value of S\$143,128,440 for the entire term.

Under the terms of the Lease Agreement, HSBC will undertake responsibility for most property operating expenses including but not limited to maintenance expenses, utilities and property tax imposed by the Inland Revenue Authority of Singapore (or other equivalent authority) on HSBC Building while CCT will undertake responsibility for the insurance and structural maintenance of HSBC Building (including waterproofing of roofs) during the term of the lease.

***Rationale for the Transaction:*** The forward renewal of the lease agreement with HSBC will ensure that HSBC continues to be one of CCT's core blue chip tenants and provides long term sustainable and stable income to CCT. In light of the fact that more office supply will become available after 2010, it will also ensure that HSBC Building will continue to enjoy 100% occupancy over the long term.

The Lease Agreement has been reviewed by CB Richard Ellis (Pte) Ltd, an independent valuer and they have confirmed that the rent is at market level and the other terms in the Lease Agreement are in line with normal commercial terms.

### **3. STATEMENT FROM THE AUDIT COMMITTEE**

Having considered the terms and conditions of the Lease Agreement and the review of the Lease Agreement by the independent valuer, the audit committee of the Manager (which comprises mainly independent directors of the Manager) is of the view that the Lease Agreement is in line with normal commercial terms and would not be prejudicial to the interests of CCT and its minority unitholders.

### **4. DOCUMENTS FOR INSPECTION**

A copy of the Lease Agreement is available for inspection during normal business hours (prior appointment will be appreciated) at the registered office of the Manager at 39 Robinson Road, #18-01 Robinson Point, Singapore 068911 for a period of three months commencing from the date of this Announcement.

#### **BY ORDER OF THE BOARD**

CapitaCommercial Trust Management Limited  
(Company registration no. 200309059W)  
As manager of CapitaCommercial Trust

Michelle Koh  
Company Secretary  
Singapore  
7 May 2008

#### **IMPORTANT NOTICE**

The value of units in CCT ("Units") and the income from them may fall as well as rise. Units are not obligations of, deposits, 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 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.

This announcement contains forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking 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 property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.