CapitaCommercial Trust

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

SALE OF STARHUB CENTRE

1. INTRODUCTION

The **Manager** wishes to announce that the **Trustee** has on 16 July 2010 entered into a **Sale and Purchase Agreement** with FCL Crystal Pte. Ltd. for the sale of the **Property** at the **Sale Consideration** of S$380.0 million. The **Purchaser** is a wholly-owned subsidiary of Frasers Centrepoint Limited.

The **Manager** is making this announcement because the **Sale** constitutes a discloseable transaction under Chapter 10 of the **Listing Manual.**

2. THE PROPERTY

The **Property** is a 10-storey non-Grade A office building with retail space on the first level and located at Cuppage Road, off Orchard Road. Sited on a leasehold estate expiring on 31 January 2095, the **Property** has a net lettable area of approximately 26,019 square metres (or approximately 280,069 square feet). It has a committed occupancy of 68.2% as at 31 March 2010 and contributed approximately 4.0% to the net property income of the **Group** for the first quarter ended 31 March 2010.

3. PRINCIPAL TERMS OF THE SALE

The **Sale Consideration** is S$380.0 million, arrived at through a formal tender process conducted by an appointed property consultant. After an exercise to gather formal expressions of interest from a long list of prospective bidders to purchase the **Property**, the sale of the **Property** was conducted by way of a private tender with the parties which had expressed an interest to purchase the **Property.** The **Purchaser** was one of the bidders which offered to purchase the **Property** and whose offer and terms for the purchase (a) did not introduce any new provisions which would give rise to the right of the **Purchaser** to rescind the purchase of the **Property** thus offering more certainty in the completion of the **Sale** and (b) met most closely with the requirements of the **Manager** and the **Trustee**.

The **Purchaser** has, as of the date of the **Sale and Purchase Agreement** paid an amount equivalent to 1% of the **Sale Consideration** as tender fee and will pay the balance of the **Sale Consideration** as follows:

(i) within seven (7) days from (and including) the date of the **Sale and Purchase Agreement**, a sum equivalent to 10% of the **Sale Consideration**, less the said tender fee; and

(ii) the balance 90% of the **Sale Consideration** on completion of the **Sale,** which is expected to take place on or around 16 September 2010 or such other later date as may be agreed between the **Purchaser** and the **Trustee**.

The **Sale** is subject to and conditional on the **Trustee** obtaining the approval of the **Head Lessor** of the **Property** for the **Sale**.

The **Sale** is not subject to any additional planning or redevelopment approval of any kind, following the **OPP**, for the **Property** being obtained by the **Purchaser** or the **Trustee**. The **Sale** is also not subject to any approval in relation to an extension of the lease of the **Property** being obtained although the **Trustee** has since obtained the **In-principle Lease Upgrade Approval**. It is not a condition of the **Sale** that the **Trustee** fulfills the conditions of the **In-principle Lease Upgrade Approval**.

4. RATIONALE FOR THE SALE

The **Manager** adopts a proactive approach towards managing **CCT**'s assets with a view to enhancing their quality and value. The approach includes identifying asset within **CCT**'s portfolio which has reached the optimal stage of its life cycle for divestment so as to free up capital in the form of sale proceeds to provide **CCT** greater financial flexibility to pursue possible attractive acquisition opportunities and/or to repay debt.

As part of its asset review plan, the **Manager** submitted an application to the **URA** for an **OPP** to change the use of the **Property** from commercial to residential given its prime location near Orchard Road. In January 2010, the **URA** approved the change of use specifying that 20% to 40% of the gross floor area be retained for commercial use, with the current gross plot ratio of 4.9+ of the **Property** remaining unchanged. The **Manager** also submitted an application to the Singapore Land Authority for an extension of the lease of the **Property** to a fresh 99-year lease for a residential-commercial development and received their **In-principle Lease Upgrade Approval** on 13 July 2010 which is subject to various conditions, including payment for lease upgrading and differential premium to be determined on formal application.

After evaluating various asset options and Singapore's property market conditions, the **Manager** believes that the **Property** has reached its optimal stage of life cycle as an office building. However, as **CCT**'s focus is mainly in the office sector, the **Manager** is of the view that CCT should not participate, whether solely or on a joint-venture basis, in the redevelopment of the **Property** into a predominately residential project and expose **CCT** to undue residential development and market risks. Hence, the **Manager** considers that the best option to unlock the maximum value of the asset for **CCT** is to divest it to another party for potential redevelopment.

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

(i) Realisation of the value of the **Property** significantly above its valuation. The **Sale** is at 42.5% or S$113.3 million, above its latest valuation of S$266.7 million as at 30 June 2010 by CB Richard Ellis (Pte) Ltd and

42.8% higher than its appraised value of S$266.1 million in May 2004 when it was acquired by **CCT**. The **Sale Consideration** is also 5.1% above the **Property**'s highest valuation achieved at S$361.5 million in June 2008; and

(ii) Strengthening of **CCT**'s cash position and financial flexibility. The **Sale** will provide **CCT** with net proceeds of approximately S$375.8 million after taking into account divestment fee and other related costs.

5. USE OF SALE PROCEEDS

The **Sale Consideration** of S$380.0 million is above the valuation of S$266.7 million of the **Property** by S$113.3 million. After adjusting for the divestment fee and other related costs, the estimated gain from the sale is approximately S$109.1 million. The sale proceeds will provide **CCT** with greater financial flexibility to pursue other possible attractive acquisition opportunities and/or to repay debt.

6. FINANCIAL EFFECTS

6.1 Assumptions

The pro forma financial effects of the **Sale** presented below are strictly for illustration purposes and do not reflect the actual financial position of the **Group** after completion of the transaction. They have been prepared based on the audited financial statements of the **Group** as at 31 December 2009 taking into account the **Sale Consideration.**

6.2 Net Gain

CCT is expected to recognise an estimated gain on the **Sale** of approximately S$109.1 million.

6.3 Pro forma NAV

Assuming that the **Sale** had been completed on 31 December 2009, the **Sale** would have increased the adjusted **NAV** per **Unit** by S$0.04 or 2.9%.

Adjusted NAV per Unit[1]	**As at 31 December 2009**
Before adjusting for the **Sale**:	S$1.37
After adjusting for the **Sale**:	S$1.41

[1] Adjusted **NAV** per **Unit** excludes the amount available for distribution to **Unitholders**.

6.4 Pro Forma DPU

Assuming that the **Sale** had been completed on 1 January 2009, the **DPU** would have decreased by 0.42 cents or 5.9% for the financial period 1 January 2009 to 31 December 2009.

Distribution per Unit	**Year ended 31 December 2009**
Before adjusting for the **Sale**:	7.06 cents
After adjusting for the **Sale**:	6.64 cents

7. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

None of the directors of the **Manager** or controlling **Unitholders** has any interest, direct or indirect, in the **Sale.**

8. OTHER INFORMATION

8.1 Director's Services Contracts

No person is proposed to be appointed as a director of the **Manager** in connection with the **Sale** or any other transaction contemplated in relation to the **Sale.**

8.2 Disclosure under Rule 1010(13) of the Listing Manual

8.2.1 Chapter 10 of the **Listing Manual** classifies transactions by **CCT** into (i) non-discloseable transactions, (ii) disclosure transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on the following bases:

(i) the net asset value of the assets to be disposed of, compared with the **Group's** net asset value;

(ii) the net profits attributable to the assets to be disposed of, compared with the **Group's** net profits;

(iii) the aggregate consideration received, compared with **CCT's** market capitalisation; and

(iv) the number of **Units** issued by **CCT** as consideration for an acquisition, compared with the number of **Units** previously in issue.

8.2.2 Based on the unaudited financial statements of the **Group** as at 31 March 2010, the relative figure for the basis of comparison set out in sub-paragraph 8.2.1(i) above is 6.7%.

8.2.3 Based on the unaudited financial statements of the **Group** as at 31 March 2010, the relative figure for the basis of comparison set out in sub-paragraph 8.2.1(ii) above is 3.6%.

8.2.4 Based on the **Sale Consideration** of S$380.0 million and **CCT**'s market capitalisation of approximately S$3.7 billion[2] as at 15 July 2010 (being the market day preceding the date of the **Sale and Purchase Agreement**), the relative figure for the basis of comparison set out in sub-paragraph 8.2.1(iii) above is 10.3%.

8.2.5 The fourth basis does not apply as the transaction is not an acquisition.

8.2.6 As the relative figures in paragraphs 8.2.2 and 8.2.4 exceed 5%, under Rule 1010(13) of the **Listing Manual,** the **Sale** falls within the classification of a discloseable transaction.

8.3 Documents for Inspection

A copy of the **Sale and Purchase Agreement** is available for inspection during normal business hours at the registered office of the **Manager** at 39 Robinson Road, #18-01 Robinson Point, Singapore 068911, for a period of three (3) months commencing from the date of this announcement.

Definitions:

CCT	CapitaCommercial Trust
DPU	Distribution per Unit
Group	CCT and its subsidiaries
Head Lessor	The President of the Republic of Singapore
In-principle Lease Upgrade Approval	The in-principle approval from the Singapore Land Authority for an extension of the lease of the Property to a fresh 99-year lease for a residential-commercial development
Listing Manual	Listing Manual of the SGX-ST
Manager	CapitaCommercial Trust Management Limited, as manager of CCT
NAV	Net asset value
OPP	Outline planning permission
Property	The whole of Lot 746L of Town Subdivision 27 together with the building erected thereon and known as 51 Cuppage Road Starhub Centre, Singapore 229469 (including the plant and equipment located at the Property)
Purchaser	FCL Crystal Pte. Ltd.

[2] Based on the weighted average price of S$1.312 per **Unit** as at 15 July 2010 being the market day preceding the date of the **Sale and Purchase Agreement**, and issued **Units** of 2,818,970,812.

Sale	Sale of the Property to the Purchaser
Sale and Purchase Agreement	The agreement for the sale and purchase of the Property constituted by the Purchaser's form of tender dated 11 June 2010, as varied by the supplemental letters dated 9 July 2010 and 15 July 2010 and the letter of acceptance dated 16 July 2010 issued by the Trustee to the Purchaser
Sale Consideration	Consideration payable by the Purchaser to CCT for the Sale, being S$380.0 million (excluding goods and services tax thereon)
SGX-ST	Singapore Exchange Securities Trading Limited
S$	Singapore dollars
Trustee	HSBC Institutional Trust Services (Singapore) Limited, as trustee of CCT
Units	Units in CCT
Unitholders	Holders of Units
URA	Urban Redevelopment Authority of Singapore

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

Michelle Koh
Company Secretary
Singapore

16 July 2010

Important Notice

The value of Units and the income 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 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 may contain forward-looking statements that involve 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 companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, 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.