



NEWS RELEASE

For Immediate Release

27 May 2010

**CCT initiates asset enhancement of Six Battery Road Grade A office building
In line with strategy to increase value through its portfolio reconstitution**

Singapore, 27 May 2010 – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or the Trust), is pleased to announce the asset enhancement initiative for one of its existing Grade A office buildings, Six Battery Road. Having been conferred the prestigious BCA Green Mark Platinum award by the Building and Construction Authority, the first time an operating office building in Singapore has won the highest Green Mark accolade, Six Battery Road will be physically, technically and functionally enhanced to meet the modern-day needs of office tenants and improve the building’s energy efficiency and environmental sustainability. The works are scheduled to commence in October 2010 and executed in phases over four years at a total capital expenditure of approximately S\$92 million. Based on the property’s valuation as at end-December 2009, the cost is equivalent to approximately 8%.

Mr. Richard Hale, Chairman of the Manager, said, “Six Battery Road is a landmark office building located in Singapore’s historically prominent banking and commercial hub, Raffles Place. Its attractive business address and commanding views of the Singapore River are augmented by its excellent connectivity to public transportation – in particular, direct basement access to Raffles Place MRT Station, a key mass rapid transit (MRT) interchange in the heart of Singapore’s central business district (CBD) – as well as parking facilities and other amenities. We believe that the asset enhancement works will further reinforce Six Battery Road’s Grade A quality as a choice business location. The “green” features that will be incorporated will contribute to improved operational efficiency and cost savings in the long term. The works are also in line with our portfolio reconstitution strategy wherein we will proactively enhance the Trust’s long term value through divestments, asset enhancement initiatives and acquisitions.”

Ms. Lynette Leong, Chief Executive Officer of the Manager, said, "Six Battery Road has consistently achieved above-market occupancy rates and rentals. Given that Singapore's office market is poised for rental recovery, we believe that this is an opportune time to undertake asset enhancement to Six Battery Road so that it will continue to offer value-for-money office accommodation to tenants, and sustain the building's high occupancy and rental rates. We are paying attention to every detail that will create a more superior and conducive working environment for tenants such as improved indoor air quality, enhanced interior specifications, renewed lift lobbies and restrooms, and better quality supporting facilities. One of the highlights is an iconic "green" wall with living green plants that will be constructed in the main lobby; at 184 square metres, it will be the largest installed in any Singapore office building. The entire asset enhancement works will be carried out in phases until 2013 so that tenants can continue to operate in the building with minimal inconvenience. Given that there is no new office building scheduled to complete in 2013 in Singapore's CBD, Six Battery Road will and continue to be an excellent product offering to discerning office tenants."

Areas of enhancement to take place in phases

The asset enhancement works will start in October 2010 with the ground floor lift lobby, turnstiles and reception area. Works will be carried out in phases to minimise inconvenience to existing occupiers. The other planned areas of enhancement include:

- Increasing ceiling height to 2.8m and installing variable air volume box within office premises (only upon lease expiry);
- Re-designing chiller plant room system, incorporating thermal energy storage system which will improve system efficiency from the current 0.94kW/ton to 0.65kW/ton;
- Introducing "green" elements such as "green" wall with living plants at the main lobby; and
- Upgrading finishes of restrooms, lift lobbies and lift cars.

Capital expenditure for asset enhancements

The total cash outlay is not immediate as the enhancements are implemented in phases over four years. The total estimated capital expenditure is S\$92 million with a projected return on investment of 8.1 % on a stabilised basis. The projected asset enhancement initiative payment is as follows:

2010 – 10% (S\$9 million)

2011 – 16% (S\$15 million)

2012 – 33% (S\$30 million)

2013 – 30% (S\$28 million) – completion of asset enhancement initiative

2014 – 8% (S\$7 million) for defects rectification

2015 – 3% (S\$3 million) for defects rectification

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About CapitaCommercial Trust (www.cct.com.sg)

CapitaCommercial Trust is Singapore's first and largest commercial REIT listed in Singapore with a market capitalisation of S\$3.1 billion based on the last traded price of S\$1.10 per unit on 26 May 2010. CCT aims to own and invest in real estate and real estate-related assets which are income producing and used, or predominantly used, for commercial purposes. The total asset size of CCT is S\$6.0 billion as at 31 March 2010, comprising a portfolio of ten prime properties in Singapore, as well as investments in Malaysia. The properties in Singapore are Capital Tower, Six Battery Road, One George Street, HSBC Building, Raffles City (60% interest through RCS Trust), Starhub Centre, Bugis Village, Wilkie Edge, Golden Shoe Car Park and Market Street Car Park. In addition, CCT is a substantial unitholder of Quill Capita Trust with 30% unitholdings and has taken a 7.4% stake in the Malaysia Commercial Development Fund Pte. Ltd. (MCDF). Quill Capita Trust is a commercial REIT listed on Bursa Malaysia Securities Berhad, with a portfolio of ten commercial properties in Kuala Lumpur, Cyberjaya and Penang. MCDF is CapitaLand's first and largest Malaysia private real estate fund with a focus on real estate development properties primarily in Kuala Lumpur and the Klang Valley, Malaysia.

Effective from 18 September 2009, CCT is 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 (CR) standards and forms the basis for over 70 different funds and investment products.

CCT is managed by an external manager, CapitaCommercial Trust Management Limited, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of the largest real estate companies in Southeast Asia by market capitalisation.

Issued by CapitaCommercial Trust Management Limited

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