



CAPITALAND INTEGRATED COMMERCIAL TRUST

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

ANNOUNCEMENT

DIVESTMENT OF JCUBE

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**”), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CICT (the “**Trustee**”), has entered into a sale and purchase agreement (the “**SPA**”) with Tanglin R.E. Holdings Pte. Ltd. (the “**Purchaser**”), in relation to the sale of the property located at 2 Jurong East Central 1 Singapore 609731, which is known as JCube (the “**Property**”, and the divestment of the Property, the “**Divestment**”). The Purchaser is indirectly wholly owned by CapitaLand Group Pte. Ltd., which is in turn an indirect 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.

2. Information on the Property

JCube is a leisure and edutainment mall located in Jurong Gateway, within the Jurong Lake District. The five-storey mall with three basement levels and a roof garden has an aggregate net lettable area (NLA) of 210,038 square feet and the leasehold is 99 years with effect from 1 March 1991. Situated across the road from Jurong East MRT station and the bus interchange, the mall houses Singapore’s one and only Olympic-sized ice rink and the first IMAX theatre in the suburbs. In addition, JCube offers a good variety of food & beverage and educational options which appeal to young families in the neighbourhood.

JCube has a committed occupancy of 95.5% as at 31 December 2021 and the net property income yield based on the sale price is less than 4%.

3. PRINCIPAL TERMS OF THE DIVESTMENT

3.1 Consideration and Valuation

The consideration payable in relation to the divestment of the Property (including plant and equipment) is S\$340.0 million (the “**Consideration**”). The Consideration was arrived at through a bidding process conducted by an appointed property consultant. The Manager has commissioned an independent property valuer, Savills Valuation and Professional Services (S) Pte Ltd (“**Savills**”), and the Trustee has commissioned another independent property valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“**Colliers**”), to value the Property. Both using capitalisation and discounted cash flow appraisal methods, Savills and Colliers have valued the Property at S\$278.0 million and S\$280.0 million respectively, as at 31 December 2021.

A deposit of S\$34.0 million being the sum equivalent to 10% of the Consideration, has been paid by the Purchaser to the Manager’s solicitors as stakeholders until completion of the Divestment (and released to the Trustee on completion of the Divestment) upon signing of the SPA. The balance of the Consideration shall be paid to the Trustee upon the completion of the Divestment.

3.2 Divestment Proceeds

After taking into account the Divestment related expenses (including the divestment fee payable to the Manager)¹ and certain completion adjustments, the net proceeds from the Divestment would be approximately S\$334.7 million, resulting in an estimated net gain from the Divestment of approximately S\$56.7 million.

3.3 Principal Terms of the SPA

The principal terms of the SPA include, among others, the following:

- (i) the Property is sold subject to existing tenancies and licences;
- (ii) there being no material damage or compulsory acquisition relating to the Property prior to completion of the Divestment;
- (iii) the Purchaser not receiving a reply to legal requisitions from the relevant authorities which materially adversely affects the Property prior to completion of the Divestment; and
- (iv) none of the warranties in respect of the Trustee’s title to the Property becoming untrue or incorrect prior to completion of the Divestment.

The Divestment is expected to be completed in 1Q 2022 (the “**Completion**”).

In addition, pursuant to the SPA, upon Completion, the Purchaser shall grant the Trustee a right of first refusal for 10 years in relation to (i) (if the Property is redeveloped into a new mixed use development with a commercial component) the commercial component of such new development or (ii) (if the Property is redeveloped into a new commercial development) such new commercial development.

¹ As the Divestment will constitute an “interested party transaction” under the Property Funds Appendix, the divestment fee of approximately S\$1.7 million is payable in units in CICT to the Manager, and such divestment 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.

4. RATIONALE FOR THE DIVESTMENT

As part of the Manager's value creation strategy to deliver stable and sustainable returns to unitholders, the Manager proactively reviews its asset and portfolio plans. This includes assessments of the highest and best use of each asset, in terms of value and yield, under various market cycles. Alongside CICT's overall portfolio investment/rebalancing plan, divestments of assets are possibilities, so that the capital could be redeployed such as being applied towards other growth opportunities or other purposes.

The Property is one of CICT's three malls in the Jurong East region and the smallest by NLA. The other two CICT malls are Westgate and IMM Building. This sale is in line with the Manager's portfolio reconstitution strategy to unlock value and re-invest the proceeds into other investment opportunities being assessed in Singapore.

5. AUDIT COMMITTEE STATEMENT

The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as an independent financial advisor (the "IFA") to the Audit Committee of the Manager in relation to the Divestment. The IFA has given its opinion to the Audit Committee of the Manager that the Divestment is on normal commercial terms and is not prejudicial to the interests of CICT and its minority unitholders. Based on the benefits of the Divestment and the opinion of the IFA, the Audit Committee of the Manager is of the view that the Divestment is on normal commercial terms and is not prejudicial to the interests of CICT and its minority unitholders.

6. INTERESTED PERSON TRANSACTIONS AND NON-DISCLOSEABLE TRANSACTION

6.1 Interested Person Transactions

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 on Collective Investment Schemes (the "**Property Funds Appendix**"), the Purchaser (being wholly owned by a "controlling unitholder" of CICT and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of CICT. Therefore, the Divestment 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 (i) all interested person transactions entered into between (1) CICT and (2) Temasek and its subsidiaries and associates during the course of the current financial year (including the Divestment) is approximately 3.8% of the latest audited NAV and audited net tangible assets of CICT; and (ii) all interested person transactions entered into for the current financial year (including the Divestment) is 3.8% of the latest audited NAV and audited net tangible assets of CICT.

6.2 Non-Discloseable Transaction

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

7. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS²

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 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 Purchaser.

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 1,580,292,223 Units, which is equivalent to approximately 23.91% of the total number of Units in issue.

Save as disclosed and based on information available to the Manager as at the date of this announcement, none of the Directors of the Manager or Controlling Unitholders has any interest, direct or indirect, in the Divestment.

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
24 January 2022

² “Controlling Unitholders” refers to a person with an interest in Units constituting not less than 15.0% of all Units in issue.

IMPORTANT NOTICE

The past performance of CapitalLand Integrated Commercial Trust (“**CICT**”) is not indicative of future performance. The listing of the units in CICT (“**Units**”) on the Singapore Exchange Securities Trading Limited (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. Units are not obligations of, deposits in, or guaranteed by, CapitalLand Integrated Commercial Trust Management Limited, as Manager of CICT (the “**Manager**”) 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 may contain forward-looking statements that involve assumptions, 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, 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), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.