

NEWS RELEASE

**CICT to acquire a 50.0% interest in ION Orchard,
Singapore's iconic premium destination mall, for S\$1.85 billion
*Proposed acquisition expected to deliver immediate DPU accretion and further
strengthen CICT's market leadership in Singapore***

Singapore, 3 September 2024 – Singapore's first and largest diversified real estate investment trust, CapitaLand Integrated Commercial Trust (CICT), has entered into an agreement with its sponsor, CapitaLand Investment Limited (CLI) to acquire a 50.0% interest in ION Orchard¹ at an agreed property value of S\$1,848.5 million², negotiated on a willing-buyer and willing-seller basis. This proposed acquisition of an iconic premium destination mall is expected to enhance the resilience of its high-quality and diversified portfolio of retail and office properties and integrated developments, as well as augment CICT's leading position as the largest owner of Singapore's private retail stock.

The agreed property value is within the range of two independent valuations³ of ION Orchard, separately commissioned by the trustee and the manager of CICT (CICTML). On a pro forma basis, assuming CICT had held and operated ION Orchard from 1 January to 30 June 2024, the distribution per unit (DPU) accretion is expected to be 0.9%⁴.

Ms Teo Swee Lian, Chairman of CICTML, said: "The opportunity to acquire ION Orchard, a highly sought-after premium destination mall, helps deepen our presence in Singapore. Sited in a prime location with excellent accessibility, ION Orchard is known for its iconic architectural façade and universal appeal, due to its diverse range of offerings attracting millions of locals and visitors annually. With increasing tourist arrivals and rising retail rents on Orchard Road, we are well-positioned to leverage the favourable supply and demand dynamics and capitalise on the tailwinds in downtown retail, including the ongoing rejuvenation of Orchard Road. Marking a significant stride forward in delivering CICT's growth strategy, this proposed acquisition will consolidate CICT's downtown presence across major transport nodes and shopping areas, spanning Orchard Road, Dhoby Ghaut and City Hall, in a retail property market with limited supply."

¹ Includes ION Orchard, ION Orchard Link, ION Art Gallery and ION Sky.

² Based on the agreed property value and the annualised gross revenue for the first half of 2024, the gross yield of the proposed acquisition is approximately 7.1%.

³ As at 31 July 2024, independent valuations by Cushman & Wakefield VHS Pte. Ltd. (appointed by the trustee of CICT) and Savills Valuation and Professional Services (S) Pte Ltd (appointed by CICTML) have valued ION Orchard at S\$3,690.0 million and S\$3,715.0 million respectively.

⁴ Based on 1H 2024 DPU of 5.43 cents and assuming the proposed acquisition had been completed on 1 January 2024. On a pro forma basis, assuming CICT had held and operated ION Orchard for the financial year ended 31 December 2023, the DPU accretion is expected to be approximately 1.2%.

Mr Tony Tan, CEO of CICTML, said: “This acquisition of ION Orchard is a transformational move in our strategy to build a resilient, quality and Singapore-focused diversified portfolio that can deliver sustainable returns to unitholders across different market cycles. ION Orchard has close to 300 international and local brands, ranging from luxury to necessity trades, across eight storeys of retail space. The diverse trade mix will enable CICT to capture the luxury retail segment in Singapore, leveraging the spending power of domestic and international consumers, while benefitting from resilient spending on necessity goods and services across economic cycles. This DPU-accretive acquisition will further strengthen CICT’s market position as the proxy for high quality Singapore commercial real estate, creating greater value for our unitholders. Upon unitholders’ approval, we expect the proposed acquisition to be completed in 4Q 2024.”

Mr Tan added, “We are excited to collaborate closely with our joint venture partner, Sun Hung Kai Properties, and we look forward to continue delivering exceptional shopper experiences, driving operational excellence, and unlocking more growth potential for ION Orchard.”

The Property

ION Orchard is an eight-storey iconic premium destination mall located at the gateway of Singapore’s renowned Orchard Road. With a net lettable area of approximately 623,600 square feet, it is home to a diverse mix of nearly 300 international and local brands across the luxury and non-discretionary retail segments. In addition, the mall offers unique and multi-sensory experiences via the ION Art Gallery and ION Sky. Beyond a curated selection of popular retail and epicurean options, the mall boasts an expansive food hall presenting an array of local and international culinary delights. Integrated with a 56-storey condominium, The Orchard Residences, ION Orchard is seamlessly connected via sheltered access to the Orchard mass rapid transit (MRT) interchange station which serves the North-South Line and the Thomson-East Coast Line, as well as ION Orchard Link, an underground pedestrian link with retail offerings. ION Orchard Link is a vital connection that links ION Orchard to the other parts of Orchard Road.

Total acquisition outlay and method of financing

The total acquisition outlay is approximately S\$1,101.3 million, which comprises the estimated purchase consideration and other transaction-related expenses. Subject to completion adjustments, the estimated purchase consideration takes into account, amongst other things, 50% of the agreed property value and agreed value of the property manager, as well as other net assets, and adjustment for 50% of the secured bank loan taken out by ION Orchard.

CICT intends to finance the total acquisition outlay (save for the acquisition fee to be paid in CICT units) from the net proceeds to be raised from an equity fund raising. The equity fund raising comprises a private placement and a pro-rata and non-renounceable preferential offering announced on 3 September 2024⁵. CICT’s sponsor, CLI, has provided an irrevocable undertaking to fully subscribe to its entitlement under the preferential offering.

Post acquisition, the aggregate leverage of CICT is expected to remain at about 40%.

⁵ Please refer to the separate announcement dated 3 September 2024 titled “Launch of Equity Fund Raising to Raise Gross Proceeds of No Less Than Approximately S\$1.1 Billion” for more details.

Approvals required

As CLI is a controlling unitholder of CICT, the proposed acquisition is an interested person/party transaction (IPT) under the Listing Manual of Singapore Exchange Securities Trading Limited (SGX) and the Property Funds Appendix of the Code of Collective Investment Schemes. As the value of the proposed acquisition exceeds 5% of CICT's latest audited net tangible assets, the proposed acquisition will be subject to the approval of CICT's unitholders at an extraordinary general meeting to be convened, further details of which will be provided in due course.

ION Orchard and ION Orchard Link: Property Highlights as at 30 June 2024

Location	2 Orchard Turn, Singapore 238801, and ION Orchard Link
Start of Operations	July 2009
Area	Strata area of ION Orchard ⁶ : 93,694 square metres (sq m) Lot area of ION Orchard Link: 182 sq m of airspace, 1,048 sq m of subterranean space
Gross Floor Area	Total: 945,300 square feet (sq ft) <ul style="list-style-type: none">• ION Orchard: 940,500 sq ft (retail only)• ION Orchard Link: 4,800 sq ft
Net Lettable Area	Total: Approximately 623,600 sq ft <ul style="list-style-type: none">• ION Orchard: Approximately 619,200 sq ft• ION Orchard Link: Approximately 4,400 sq ft
Committed Occupancy	Approximately 96%
Land Tenure	Leasehold tenure of 99 years with effect from 13 March 2006
Carpark Lots	Approximately 520
Green Ratings	<ul style="list-style-type: none">• BCA Green Mark Gold• LEED Gold
Valuation as at 31 July 2024	<ul style="list-style-type: none">• S\$3,690.0 million (on a 100.0% basis) Cushman & Wakefield VHS Pte Ltd (commissioned by CICT's trustee)• S\$3,715.0 million (on a 100.0% basis) Savills Valuation and Professional Services (S) Pte Ltd (commissioned by CICTML)
Agreed Property Value	S\$3,697.0 million (on a 100.0% basis)

⁶ ION Orchard comprises three (3) strata lots (together with accessory lots), representing 80.5% of the total share value of the strata lots in the development.

About CapitaLand Integrated Commercial Trust (www.cict.com.sg)

CapitaLand Integrated Commercial Trust (CICT) is the first and largest real estate investment trust (REIT) listed on Singapore Exchange Securities Trading Limited (SGX-ST) with a market capitalisation of S\$14.0 billion as at 31 July 2024. It debuted on SGX-ST as CapitaLand Mall Trust in July 2002 and was renamed CICT in November 2020 following the merger with CapitaLand Commercial Trust.

CICT owns and invests in quality income-producing assets primarily used for commercial (including retail and/or office) purpose, located predominantly in Singapore. As the largest proxy for Singapore commercial real estate, CICT's portfolio comprises 21 properties in Singapore, two properties in Frankfurt, Germany, and three properties in Sydney, Australia with a total property value of S\$24.5 billion based on valuations of its proportionate interests in the portfolio as at 31 December 2023.

CICT is managed by CapitaLand Integrated Commercial Trust Management Limited, a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real asset manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 30 June 2024, CLI had S\$134 billion of assets under management, as well as S\$100 billion of funds under management held via six listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in thematic and tactical strategies. Its diversified real estate asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage and data centres.

CLI aims to scale its fund management, lodging management and commercial management businesses globally and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for Scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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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 CapitaLand Integrated Commercial Trust Management Limited, as manager of CapitaLand Integrated Commercial Trust ("CICT", and the manager of CICT, the "Manager") regarding future events. No representation or warranty express 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 news release. None of CICT, the Manager or any of its respective 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 of, reliance on or distribution of this news release or its contents or otherwise arising in connection with this news release.

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