



CAPITALAND COMMERCIAL TRUST

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

ANNOUNCEMENT

JOINT VENTURE WITH CAPITALAND AND MITSUBISHI ESTATE CO., LTD. TO REDEVELOP GOLDEN SHOE CAR PARK INTO AN INTEGRATED DEVELOPMENT –

- (A) UNITHOLDERS' LOAN AGREEMENTS; AND
 (B) SPONSORS' UNDERTAKING IN RELATION TO S\$1.18 BILLION TERM AND REVOLVING LOAN FACILITIES
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1. Introduction

CapitaLand Commercial Trust Management Limited, in its capacity as manager of CapitaLand Commercial Trust ("**CCT**", and the manager of CCT, the "**Manager**"), refers to its announcement dated 13 July 2017 (the "**JV Announcement**") in relation to the formation of a joint venture ("**Joint Venture**") for the redevelopment of Golden Shoe Car Park at 50 Market Street, Singapore 048940 (the "**Property**") into an integrated development comprising Grade A office, ancillary retail, serviced residence and food centre with a gross floor area of approximately one million square feet (the "**Project**") by Glory Office Trust and Glory SR Trust.

In the JV Announcement, the interests of the partners in the Joint Venture (the "**JV Partners**") are stated as follows (the "**Agreed Proportion**"):

	Glory Office Trust	Glory SR Trust
HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CCT (" CCT Trustee ")	45%	45%
CapitaLand Limited (" CapitaLand ") through Glory Office Pte. Ltd. (" CL Office SPV ")	45%	NA
CapitaLand through Glory SR Pte. Ltd. (" CL SR SPV ")	NA	45%
MEA Commercial Holdings Pte. Ltd.	10%	10%

Following the formation of the Joint Venture, the aggregate value of the interested person transactions of CCT entered into with CapitaLand and its associates for the current financial year has exceeded 3.0% of the latest audited net tangible assets of CCT. As such, the entry into any further interested person transaction is a discloseable transaction under Rule 905

of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”).

The Project will be financed through a combination of financial commitment from the JV Partners and external financing. In this regard, CCT has today entered into further interested person transactions with CapitaLand and its associates. The Manager is making this announcement to comply with the disclosure obligation under Rule 905 of the Listing Manual.

2. **Unitholders’ Loans**

The JV Announcement makes reference to a total commitment of up to S\$728.0 million to be provided by the JV Partners in the form of equity and/or unitholders’ loans (“**Unitholders’ Loans**”) and in the Agreed Proportion.

2.1 Salient Terms

The Manager wishes to announce that of the S\$728.0 million commitment, an aggregate amount of up to S\$536.0 million will be provided by way of unitholders’ loans (the “**Unitholders’ Loans**”) to be drawn down progressively in multiple tranches by CL Office Trustee Pte. Ltd., as trustee-manager of Glory Office Trust (“**Glory Office Trustee-Manager**”) and Glory SR Trustee Pte. Ltd., as trustee-manager of Glory SR Trust (“**Glory SR Trustee-Manager**”). The Unitholders’ Loans will bear interest at the rate of 2.5% per annum (or such other agreed rate).

Assuming that the Unitholders’ Loans in the aggregate amount of S\$536.0 million will be drawn down by both Glory Office Trustee-Manager and Glory SR Trustee-Manager in one tranche with a loan tenure of 5 years, the estimated total interest accrued on such Unitholders’ Loans is approximately S\$67.0 million, which will be payable by Glory Office Trustee-Manager and Glory SR Trustee-Manager to the JV Partners in the Agreed Proportion.

2.2 Interested Person Transactions

- (a) As CCT holds 45% of the issued units of each of Glory Office Trust and Glory SR Trust and CCT has control over them, each of Glory Office Trust and Glory SR Trust would be considered as an “entity at risk” of CCT under Rule 904(2)(c) of the Listing Manual and the borrowing of Unitholders’ Loans from CapitaLand¹ to Glory Office Trust and Glory SR Trust would constitute an “interested person transaction”.
- (b) As at the date of this announcement, CapitaLand has a deemed interest in 959,302,186 units in CCT (“**CCT Units**”), which is equivalent to approximately 31.0% of the total number of CCT Units in issue, and is therefore regarded as a “controlling unitholder” of CCT under the Listing Manual.
- (c) As CapitaLand¹ holds 45% of Glory Office Trust and Glory SR Trust respectively,

¹ Through CL Office SPV and CL SR SPV.

each of Glory Office Trust and Glory SR Trust is also an associate of CapitaLand and would be considered an “interested person” of CCT and CCT’s lending of its proportionate share of the Unitholders’ Loans to Glory Office Trust and Glory SR Trust would constitute an “interested person transaction”.

3. Sponsors’ Undertaking in relation to External Financing

3.1 Salient Terms

The Manager wishes to announce that Glory Office Trustee-Manager and Glory SR Trustee-Manager have secured external term and revolving loan facilities in the aggregate principal amount of S\$1.18 billion (“**External Financing**”) for purpose of financing and/or refinancing (a) part of the purchase price of the Property and all other transaction costs relating thereto and (b) the Project costs.

As security for the External Financing, the JV Partners and/or entities within the JV Partners’ groups (as the case may be) are providing an undertaking in favour of the external financiers to, amongst other things, jointly and/or severally ensure compliance by Glory Office Trustee-Manager and Glory SR Trustee-Manager of their respective obligations under the facility agreement (the “**Sponsors’ Undertaking**”).

The Sponsors’ Undertaking extended by the JV Partners and/or entities within the JV Partners’ groups (as the case may be) is in accordance with the Agreed Proportion.

3.2 Interested Person Transactions

As stated in paragraph 2.2 above, Glory Office Trust and Glory SR Trust are considered as “entities at risk” as well as “interested persons” of CCT. The undertaking in the Sponsors’ Undertaking constitutes a provision of financial assistance under Chapter 9 of the Listing Manual. As such, the provision of the Sponsors’ Undertaking by each of CapitaLand² and CCT to Glory Office Trust and Glory SR Trust would constitute an “interested person transaction”.

4. Exception under Rule 916(3)

As the Unitholders’ Loans and the Sponsors’ Undertaking fall within the exception under Rule 916(3) of the Listing Manual, even if the aggregate value of all interested person transactions (including those contemplated under the Unitholders’ Loans and the Sponsors’ Undertaking) exceeds 5.0% of the latest audited net tangible assets of CCT, the approval of unitholders of CCT for the Unitholders’ Loans and the Sponsors’ Undertaking is not required.

² Through CapitaLand (Office) Investments Pte Ltd, which is a wholly owned subsidiary of CapitaLand.

5. Aggregate amount of Interested Person Transactions

As a result of the above, as at the date of this announcement:

- (a) the aggregate value of all interested person transactions between CCT and its entities at risk and CapitaLand and/or its associates for the current financial year, including the estimated amount of the interests payable under the Unitholders' Loans and the estimated contingent obligations under the Sponsors' Undertaking, is approximately S\$412.6 million. If the aggregate amount of S\$412.6 million increases in future due to an increase in the estimated contingent obligations, the Manager will make a further announcement as appropriate; and
- (b) the aggregate value of all interested person transactions of CCT and its entities at risk for the current financial year is approximately S\$415.4 million.

6. Statement from the Audit Committee

As required by Rule 916(3) of the Listing Manual, the Audit Committee has considered the Unitholders' Loans and the Sponsors' Undertaking and is of the view that, on the basis that the Unitholders' Loans and the Sponsors' Undertaking are provided by the JV Partners and/or entities within the JV Partners' groups (as the case may be) in the Agreed Proportion and on the same terms, the provision of the Unitholders' Loans and the Sponsors' Undertaking are not prejudicial to the interests of CCT and its minority unitholders.

The Audit Committee also refers to the JV Announcement, in which it confirmed that (a) CapitaLand does not have any equity interest in the Joint Venture prior to the participation of CCT in the Joint Venture and (b) taking into consideration the independent financial adviser's opinion (as referred to in the JV Announcement), is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each JV Partner and the terms of the Joint Venture are not prejudicial to the interests of CCT and its minority unitholders.

7. Interests of Directors and Controlling Unitholders

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and deemed interest in 572,368 CCT Units and 3,121,272 shares in CapitaLand³.

Mr Lim Ming Yan is the Deputy Chairman and a Non-Executive Non-Independent Director of the Manager and the President and Group Chief Executive Officer of CapitaLand. Ms Lynette Leong Chin Yee is the Chief Executive Officer and Executive Non-Independent Director of the Manager. Mr Lim Cho Pin Andrew Geoffrey is a Non-Executive Non-Independent Director of the Manager and the Group Chief Financial Officer of CapitaLand. Mr (TA) Tay Boon Hwee is a Non-Executive Non-Independent Director of the Manager and the Chief Executive Officer of CapitaLand Singapore Limited, a wholly owned subsidiary of CapitaLand.

³ Of the 3,121,272 shares in CapitaLand held by the directors, the independent directors hold 43,733 shares in CapitaLand.

Based on information available to the Manager as at the date of this announcement, Temasek Holdings (Private) Limited has an aggregate deemed interest in 972,281,210 CCT Units, which is approximately 31.4%⁴ of all CCT Units in issue. This includes the interest held by CapitaLand and its subsidiaries.

Based on information available to the Manager as at the date of this announcement, CapitaLand, through its subsidiaries, namely SBR Private Limited, E-Pavilion Pte. Ltd. and CapitaLand Commercial Trust Management Limited, holds an interest in 959,302,186 CCT Units, which is approximately 31.0%⁴ of all CCT Units in issue. Save as disclosed above and as at the date of this announcement, none of the Directors or the controlling unitholders has an interest, direct or indirect, in the Joint Venture.

CapitaLand Commercial Trust Management Limited
(Registration number: 200309059W)
As manager of CapitaLand Commercial Trust

Toh Su Jin Jason
Company Secretary

22 September 2017

IMPORTANT NOTICE

The value of CCT Units and the income derived from them may fall as well as rise. CCT Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in CCT 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 CCT Units while the CCT Units are listed. It is intended that unitholders may only deal in their CCT Units through trading on the SGX-ST. Listing of the CCT Units on the SGX-ST does not guarantee a liquid market for the CCT Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for CCT 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 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, competition from other developments or companies, 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

⁴ This percentage is based on 3,093,615,837 CCT Units in issue as at the date of this announcement.