



CAPITALAND RETAIL CHINA TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (as amended))

ANNOUNCEMENT

RESULTS OF THE PRIVATE PLACEMENT AND PRICING OF NEW UNITS UNDER THE PRIVATE PLACEMENT AND THE PREFERENTIAL OFFERING

Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the announcement of CapitaLand Retail China Trust dated 17 November 2020 titled "Launch of Equity Fund Raising to Raise Gross Proceeds of no less than S\$300.0 million" (the "Launch Announcement").

1. INTRODUCTION

Further to the Launch Announcement, CapitaLand Retail China Trust Management Limited, in its capacity as manager of CRCT (the "**Manager**"), wishes to announce that Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as the joint global co-ordinators and bookrunners for the Equity Fund Raising (the "**Joint Global Co-ordinators and Bookrunners**"), have in consultation with the Manager, closed the books of orders for the Private Placement and exercised the option to upsize the Private Placement (the "**Upsize Option**") in full to raise gross proceeds of approximately S\$245.4 million.

The upsized Private Placement was approximately 3 times covered and saw strong participation from new and existing institutional and other accredited investors.

The issue price per New Unit under the Private Placement has been fixed at S\$1.195 per New Unit (the "**Private Placement Issue Price**"), as agreed between the Manager and the Joint Global Co-ordinators and Bookrunners, following a bookbuilding process and the issue price per New Unit under the Preferential Offering has been fixed at S\$1.170 per New Unit (the "**Preferential Offering Issue Price**").

The Private Placement Issue Price represents a discount of:

- (i) approximately 6.6% to the closing price of S\$1.2800 per Unit of all trades in the Units on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the preceding Market Day¹ on 16 November 2020, up to the time the Underwriting Agreement (as defined below) was signed on 17 November 2020;
- (ii) (for illustrative purposes only) approximately 4.6% to the adjusted closing price

¹ "**Market Day**" means a day on which the SGX-ST is open for securities trading.

("Adjusted Last Close"²) of S\$1.2525 per Unit;

- (iii) approximately 7.3% to the volume weighted average price ("VWAP") of S\$1.2891 per Unit of all trades in the Units on the SGX-ST for the preceding Market Day on 16 November 2020, up to the time the Underwriting Agreement was signed on 17 November 2020; and
- (iv) (for illustrative purposes only) approximately 5.3% to the adjusted VWAP ("Adjusted VWAP"³) of S\$1.2616 per Unit.

The Preferential Offering Issue Price represents a discount of:

- (i) approximately 8.6% to the closing price of S\$1.2800 per Unit;
- (ii) (for illustrative purposes only) approximately 6.6% to the Adjusted Last Close of S\$1.2525 per Unit;
- (iii) approximately 9.2% to the VWAP of S\$1.2891 per Unit; and
- (iv) (for illustrative purposes only) approximately 7.3% to the Adjusted VWAP of S\$1.2616 per Unit.

A total of 205,331,000 New Units will be issued pursuant to the Private Placement (including the 20,921,000 additional New Units under the Upsize Option) and a total of 68,997,855 New Units will be issued pursuant to the Preferential Offering, on the basis of 56 New Units for every 1,000 Existing Units (fractions of a New Unit to be disregarded) to be held as at 5.00 p.m. on 25 November 2020 (being the Record Date) to Eligible Unitholders. The total gross proceeds of the Equity Fund Raising will be approximately S\$326.1 million comprising approximately S\$245.4 million from the Private Placement and approximately S\$80.7 million from the Preferential Offering.

2. STATUS OF NEW UNITS

2.1 Entitlement to Advanced Distribution

CRCT's policy is to distribute its distributable income on a semi-annual basis to Unitholders.

In connection with the Private Placement, the Manager intends to declare, in respect of the Existing Units, an advanced distribution for the period from 1 July 2020 to the date immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the "Advanced Distribution"). The quantum of Advanced Distribution per

2 The "Adjusted Last Close" is computed based on the closing price of all trades in the Units on the SGX-ST for the preceding Market Day on 16 November 2020, up to the time the Underwriting Agreement was signed on 17 November 2020, and subtracting the estimated Advanced Distribution (as defined in paragraph 2.1 below) of approximately 2.75 Singapore cents per Unit. This amount is only an estimate based on information currently available to the Manager and the actual Advanced Distribution may differ and will be announced at a later date.

3 The "Adjusted VWAP" is computed based on the VWAP of all trades in the Units on the SGX-ST for the preceding Market Day on 16 November 2020, up to the time the Underwriting Agreement was signed on 17 November 2020, and subtracting the estimated Advanced Distribution of approximately 2.75 Singapore cents per Unit. This amount is only an estimate based on information currently available to the Manager and the actual Advanced Distribution may differ and will be announced at a later date.

Existing Unit is currently estimated to be 2.75 Singapore cents⁴. A further announcement on the actual quantum of the Advanced Distribution will be made by the Manager in due course.

The New Units pursuant to the Private Placement are expected to be issued on or around 26 November 2020. The Advanced Distribution is intended to ensure that the distribution accrued by CRCT up to the day immediately preceding the date of issue of the New Units pursuant to the Private Placement (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The next distribution following the Advanced Distribution will comprise CRCT's distributable income for the period from the day the New Units are issued pursuant to the Private Placement to 31 December 2020 (the "**Relevant Period Distribution**"). Semi-annual distributions will resume thereafter.

2.2 Status of New Units issued pursuant to the Private Placement

The New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement, including the right to CRCT's distributable income from the day of issuance of the New Units pursuant to the Private Placement as well as all distributions thereafter, other than in respect of the Advanced Distribution and the eligibility to participate in the Preferential Offering.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Private Placement will not be entitled to the Advanced Distribution and will not be eligible to participate in the Preferential Offering.

2.3 Status of New Units issued pursuant to the Preferential Offering

The New Units issued pursuant to the Preferential Offering will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Preferential Offering including the right to the Relevant Period Distribution as well as distributions thereafter, other than in respect of the Advanced Distribution.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Preferential Offering will not be entitled to the Advanced Distribution.

3. USE OF PROCEEDS

Further to the Launch Announcement and subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately S\$326.1 million from the Equity Fund Raising in the following manner:

- (i) approximately S\$319.3 million (which is equivalent to 97.9% of the gross proceeds of the Equity Fund Raising) to finance part of the total acquisition cost of the Acquisition;

⁴ This amount is an estimate only based on information currently available to the Manager and the Manager's estimate of CRCT's revenue and expenses, and the actual Advanced Distribution may differ.

- (ii) approximately S\$6.8 million (which is equivalent to 2.1% of the gross proceeds of the Equity Fund Raising) to pay the estimated fees and expenses, including, professional fees and expenses, incurred or to be incurred by CRCT in connection with the Acquisition and the Equity Fund Raising,

with the balance of the gross proceeds of the Equity Fund Raising, if any, to be used for general corporate and/or working capital purposes.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in CRCT's announcements on the use of proceeds and in CRCT's annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

4. PLACEMENT OF NEW UNITS TO DBS BANK LTD.'S ("DBS") TREASURY INVESTMENTS UNIT ("DBS TI")

DBS TI has been allocated 425,000 New Units under the Private Placement. CapitaLand Limited (the "**Sponsor**") is a substantial unitholder of CRCT. As at the date of this announcement and based on information available to the Manager, Temasek Holdings (Private) Limited ("**Temasek**") indirectly owns 52.20% of the Sponsor. Accordingly, Temasek, through its interest in the Sponsor, is deemed a substantial unitholder of CRCT. DBS is a wholly owned subsidiary of DBS Group Holdings Ltd ("**DBSH**") and as of 23 October 2020, Temasek had a direct and deemed interest of 29.88% in DBSH.

In response to an application by DBS, which is one of the Joint Global Co-ordinators and Bookrunners, the SGX-ST has stated that it has no objections to the placement of New Units to DBS TI pursuant to Rule 812(4) of the Listing Manual of the SGX-ST, subject to the following conditions: (a) DBS operates independently from and is not involved in the management of CRCT and the Sponsor; and the Manager, the Sponsor and DBS do not share any common director; (b) the Private Placement is for the purpose of acquisition in the ordinary course of business; (c) Temasek's charter provides that it will only provide strategic directions to CRCT and the Sponsor and it does not involve itself in their day-to-day commercial decisions; (d) Temasek does not have board representation in the Manager or the Sponsor; (e) the Private Placement is effected through an independent process of book building and the allocation and pricing of the Private Placement will be done in

consultation and with the approval of CRCT; (f) any amount placed to DBS should not be more than 25.0% of the total New Units under the Private Placement; (g) DBSH not owning an interest of 5.0% or more in CRCT; and (h) disclosure via SGXNET by CRCT of the placement to DBS TI, and disclosure of the above conditions.

BY ORDER OF THE BOARD

CapitaLand Retail China Trust Management Limited

(Registration Number: 200611176D)

As manager of CapitaLand Retail China Trust

Chuo Cher Shing

Company Secretary

18 November 2020

Important Notice:

This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any securities of CRCT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The past performance of CRCT is not necessarily indicative of the future performance of CRCT.

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

The value of Units and the income derived 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.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, the United Kingdom, Canada, Japan or Australia, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities in CRCT have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. There will be no public offering of the securities referred to herein in the United States.

This publication has not been reviewed by the Monetary Authority of Singapore.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:

The New Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).