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CAPITALAND RETAIL CHINA TRUST

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

LAUNCH OF PRIVATE PLACEMENT OF 51,514,000 NEW UNITS IN CAPITALAND RETAIL CHINA TRUST

1. Introduction

CapitaLand Retail China Trust Management Limited, as manager of CapitaLand Retail China Trust (“**CRCT**”, and the manager of CRCT, the “**Manager**”), wishes to announce the proposed private placement (the “**Private Placement**”) of 51,514,000 new units in CRCT (“**New Units**”) at an issue price of between S\$1.553 and S\$1.612 per New Unit (both figures inclusive) (the “**Issue Price Range**”) to raise gross proceeds of no less than S\$80.0 million, subject to an upsize option to issue up to 12,878,000 additional New Units (“**Upsize Option**”) to raise additional gross proceeds of approximately S\$20.0 million.

2. Details of the Private Placement

The Manager and DBS Bank Ltd. (the “**Sole Bookrunner and Underwriter**”) have today entered into a placement agreement (the “**Placement Agreement**”), in relation to the Private Placement. Pursuant to the Placement Agreement, the Sole Bookrunner and Underwriter has agreed to procure subscriptions for, or failing which to subscribe and pay for, the New Units to be issued under the Private Placement (including any additional New Units issued pursuant to the Upsize Option) at the issue price per New Unit (the “**Issue Price**”) to be determined, on the terms and subject to the conditions of the Placement Agreement. The Private Placement shall be subject to certain conditions precedent set out in the Placement Agreement, including the receipt of the approval in-principle of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of, dealing in, and quotation of the New Units on the Main Board of the SGX-ST. The Private Placement is fully underwritten by the Sole Bookrunner and Underwriter on the terms and subject to the conditions of the Placement Agreement.

The Issue Price Range of between S\$1.553 and S\$1.612 per New Unit represents a discount of between:

- (i) approximately 3.5% and 7.0% to the volume weighted average price (“**VWAP**”) of S\$1.6707 per unit in CRCT (“**Unit**”) for all trades in the Units done on the SGX-ST for

the full Market Day¹ on 28 November 2017 (being the date on which the Placement Agreement was entered into); and

- (ii) (for illustrative purposes only) approximately 1.2% and 4.8% to the adjusted VWAP² (“**Adjusted VWAP**”) of S\$1.6316 per Unit.

The Issue Price will be determined by the Manager and the Sole Bookrunner and Underwriter following an accelerated book-building process. The Manager will make an announcement via SGXNET³ once the Issue Price has been determined.

3. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to allocate the gross proceeds of no less than approximately S\$80.0 million from the Private Placement (assuming the issue price is based on the minimum of the Issue Price Range and the Upsize Option is not exercised) in the following manner:

- (i) approximately S\$78.4 million (which is equivalent to approximately 98.0% of the gross proceeds of the Private Placement) to partially fund the joint acquisition of Rock Square, a property located in Guangzhou, China, with CapitaLand Limited (the “**Proposed Acquisition**”) (please refer to the announcement titled “Joint Acquisition of 100% interest in Special Purpose Company which holds Rock Square, Guangzhou, China” dated 28 November 2017 issued by the Manager for further details on the Proposed Acquisition); and
- (ii) approximately S\$1.6 million (which is equivalent to approximately 2.0% of the gross proceeds of the Private Placement) to pay the estimated fees and expenses to be incurred by CRCT in connection with the Private Placement.

Should the gross proceeds from the Private Placement exceed S\$80.0 million, such excess proceeds will be used to fund the Proposed Acquisition, general corporate and/or working capital purposes.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Private Placement at its absolute discretion for other purposes, including, without limitation, to repay existing indebtedness.

Pending the deployment of the net proceeds from the Private Placement, 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.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Private Placement via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

1 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

2 The Adjusted VWAP is computed based on the VWAP of trades in the Units done on the SGX-ST for the Market Day on 28 November 2017 (being the date on which the Placement Agreement was entered into) and subtracting the Advanced Distribution (as defined herein). This amount is only an estimate based on information currently available to the Manager, and the actual Advanced Distribution may differ.

3 An internet-based corporate announcement submission system maintained by the SGX-ST.

4. **Rationale for the Private Placement**

CRCT will finance the Proposed Acquisition through a combination of equity, debt financing as well as internal resources, so as to ensure that the Proposed Acquisition will provide overall distribution per Unit (“**DPU**”) accretion to unitholders of CRCT (“**Unitholders**”) while maintaining a well-balanced capital structure. The Manager believes that the Private Placement is an overall efficient and beneficial method of raising funds to finance the partial funding of the Proposed Acquisition. (Please refer to the announcement titled “Joint Acquisition of 100% interest in Special Purpose Company which holds Rock Square, Guangzhou, China” dated 28 November 2017 issued by the Manager for further details on the benefits of and rationale for the Proposed Acquisition.)

5. **Eligibility to participate in the Private Placement**

The offer of New Units under the Private Placement will be made to institutional investors and other investors.

The New Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. The New Units are being offered and sold in offshore transactions as defined in and in reliance on Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act.

The Manager, along with the Sole Bookrunner and Underwriter, reserves the absolute discretion to determine whether to allow such participation as well as the persons who may be allowed to do so.

6. **Authority to issue Units**

The New Units (including any additional New Units issued pursuant to the Upsize Option) will be issued pursuant to a general mandate given to the Manager at the annual general meeting of CRCT held on 19 April 2017. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

7. **Advanced Distribution**

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

In connection with the Private Placement, however, the Manager intends to declare, in respect of the Units in issue immediately prior to the issue of the New Units (the “**Existing Units**”), a distribution of the distributable income for the period from 1 July 2017 to 6 December 2017, being the day immediately preceding the date on which the New Units will be issued under the Private Placement (the “**Advanced Distribution**”).

The next distribution following the Advanced Distribution will comprise CRCT’s distributable income for the period from 7 December 2017 (being the date on which the New Units are issued under the Private Placement) to 31 December 2017. Semi-annual distributions will

resume thereafter.

The Advanced Distribution is intended to ensure that the distributable income accrued by CRCT up to the day immediately preceding the date of issue of the New Units (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 current expectation of the Manager is that the quantum of the DPU under the Advanced Distribution is estimated to be 3.91 Singapore cents per Unit¹. The actual quantum of the DPU under the Advanced Distribution (which may differ from the estimate above) will be announced on a later date after the management accounts of CRCT for the relevant period have been finalised.

For the avoidance of doubt, holders of the New Units will not be entitled to participate in the distribution of any distributable income accrued by CRCT prior to the date of issue of the New Units (including the Advanced Distribution). The New Units are expected to be issued and commence trading on the SGX-ST on 7 December 2017.

(Please refer to the announcement titled “Notice of Advanced Distribution Books Closure and Distribution Payment Dates” dated 28 November 2017 issued by the Manager for further details on the notification of the time and date on which the Transfer Books and Register of Unitholders will be closed to determine Unitholders’ entitlement to the Advanced Distribution.)

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.

8. Status of the New Units

Other than the Advanced Distribution to which the New Units will not be entitled, the New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Units, including the right to any distributable income from the date on which the New Units are issued under the Private Placement to 31 December 2017, as well as all distributions thereafter.

9. Application to the SGX-ST for Approval-in-Principle

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

¹ The Advanced Distribution for the period from 1 July 2017 to 6 December 2017 (being the day immediately preceding the day on which the New Units will be issued under the Private Placement) has been estimated based on the Manager’s estimate of CRCT’s revenue and expenses for the relevant period. The amount is only an estimate based on information currently available to the Manager, and the actual Advanced Distribution may differ.

BY ORDER OF THE BOARD
CapitaLand Retail China Trust Management Limited
(Registration Number: 200611176D)
As manager of CapitaLand Retail China Trust

Tan Lee Nah
Company Secretary
28 November 2017

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute an offer for sale or an invitation or offer to acquire, purchase or subscribe for units in CapitaLand Retail China Trust (“**Units**”) in the United States or any other jurisdiction. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The Units referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “**Securities Act**”), or the securities laws of any state of the United States or other jurisdiction, and the Units may not be offered or sold in the United States, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.

The value of Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, CapitaLand Retail China Trust Management Limited (the “**Manager**”), as manager of CapitaLand Retail China Trust, 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 Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CapitaLand Retail China Trust is not necessarily indicative of the future performance of CapitaLand Retail China Trust.

This announcement may contain forward-looking statements that involve 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 and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view on future events.