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**CAPITALAND COMMERCIAL TRUST**

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

**ANNOUNCEMENT**

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**LAUNCH OF S\$700.0 MILLION RIGHTS ISSUE**

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**1. INTRODUCTION**

CapitaLand Commercial Trust Management Limited ("**CCTML**"), as manager of CapitaLand Commercial Trust (the "**Manager**" and CapitaLand Commercial Trust, "**CCT**"), wishes to announce that it is undertaking a fully underwritten and renounceable rights issue (the "**Rights Issue**") to raise gross proceeds of approximately S\$700.0 million.

DBS Bank Ltd., J.P. Morgan (S.E.A.) Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch have been appointed as the joint lead managers and underwriters for the Rights Issue (the "**Joint Lead Managers and Underwriters**").

To demonstrate its support for CCT and the Rights Issue, CapitaLand Singapore Limited ("**CLS**") has provided an irrevocable undertaking (the "**CLS Undertaking**") to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters that it will procure its subsidiaries to subscribe and pay in full for their total provisional allotment of Rights Units. (Please refer to paragraph 5 below entitled "Commitment of CapitaLand Singapore Limited" for further details.)

This commitment by CLS represents in aggregate approximately 31.0% of the Rights Units to be issued pursuant to the Rights Issue.

## 2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

Pursuant to the Rights Issue, 513,540,228 new units in CCT (“**Rights Units**”) will be offered at the rights ratio (“**Rights Ratio**”) of 166 Rights Unit for every 1,000 existing units in CCT (“**Existing Units**”) held as at 5 p.m. on 29 September 2017, the time and date on which the transfer books and register of unitholders of CCT (“**Unitholders**”) will be closed to determine the provisional allotments of Rights Units to the Eligible Unitholders (as defined herein) (the “**Rights Issue Books Closure Date**”) (fractional entitlements to be disregarded).

The Rights Issue would provide Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units (the “**Rights Entitlement**”) at an issue price of S\$1.363 per Rights Unit (“**Issue Price**”), which is at a discount of:

- (i) approximately 19.6% to the closing price of S\$1.695 per unit in CCT (“**Unit**”) on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 20 September 2017, being the last trading day of the Units prior to the announcement of the Rights Issue (“**Closing Price**”); and
- (ii) approximately 17.3% to the theoretical ex-rights price (“**TERP**”) of S\$1.648 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of CCT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

The Rights Units will be issued pursuant to the general mandate (the “**General Mandate**”) that was approved by Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 18 April 2017.

The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 July 2017 to 31 December 2017 as well as all distributions thereafter.

Eligible Unitholders who do not wish to subscribe for the Rights Units may choose to sell their Rights Entitlements during the “nil-paid” rights trading period to realise the value of their Rights Entitlements.

## 3. USE OF PROCEEDS FROM THE RIGHTS ISSUE

The Manager intends to use the gross proceeds of approximately S\$700.0 million from the Rights Issue in the following manner:

- (i) approximately S\$690.4 million (equivalent to approximately 98.6% of the gross proceeds) will be used to part finance the acquisition of the AST2 Property<sup>1</sup> through the acquisition of all the issued and outstanding shares in MVKimi (BVI) Limited, a company incorporated in the British Virgin Islands, which in turn holds all the issued and outstanding shares in Asia Square Tower 2 Pte. Ltd. (the “**Acquisition**”) (see separate announcement on the Acquisition dated 21 September 2017 titled “Proposed Acquisition of Asia Square Tower 2”);
- (ii) approximately S\$6.3 million (equivalent to approximately 0.9% of the gross proceeds) will be used to pay for the underwriting commission; and
- (iii) approximately S\$3.3 million (equivalent to approximately 0.5% of the gross proceeds) will be used to pay the estimated professional and other fees and expenses expected to be incurred in connection with the Rights Issue.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes.

Pending deployment, the net proceeds from the Rights Issue may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or used to repay outstanding borrowings or used 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 proceeds from the Rights Issue as and when such funds are materially utilised and provide a status report on the use of the proceeds from the Rights Issue in the annual report of CCT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

#### 4. RATIONALE FOR THE ACQUISITION AND THE RIGHTS ISSUE

##### Summary of Rationale:

- (1) Strategic addition of a premium Grade A property
- (2) Acquisition of a premium Grade A property at an attractive price and potential to benefit from expected uptick in Grade A office rents
- (3) Expansion of CCT’s footprint into Marina Bay
- (4) Augments CCT’s portfolio for long term growth
- (5) Enhances resilience, diversity and quality of CCT’s portfolio
- (6) Potential increase in trading liquidity of CCT’s Units
- (7) Rights Issue partly funds the Acquisition and enhances CCT’s financial flexibility

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<sup>1</sup> For the purposes of this announcement:

“**Asia Square Tower 2**” means the building located at 12 Marina View, Singapore 018961.

“**AST2 Property**” means Asia Square Tower 2 but excluding the hotel premises which is owned by an unrelated third party for a term of 93 years, two months and 10 days commencing from 20 December 2013.

## 5. COMMITMENT OF CAPITALAND SINGAPORE LIMITED

CLS, through its wholly-owned subsidiaries, CCTML, SBR Private Limited and E-Pavilion Pte. Ltd., has interests in 959,302,186 Units (the “**CLS Initial Units**”) representing approximately 31.0% of the issued units in CCT of 3,093,615,837 as at 15 September 2017. To demonstrate its support for CCT and the Rights Issue, CLS has, on 21 September 2017, provided an irrevocable undertaking (the “**CLS Undertaking**”) to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters that:

- (i) as at the Rights Issue Books Closure Date, CLS through its subsidiaries will together have an interest (either actual or deemed) in not less than the number of CLS Initial Units credited to securities accounts with The Central Depository (Pte) Limited (the “**CDP**”) which are held in the name of CCTML, SBR Private Limited and E-Pavilion Pte. Ltd. or, as the case may be, the nominees(s) or custodian(s) of such subsidiary/entity (the “**Relevant Entities**”) (each with registered addresses with CDP in Singapore);
- (ii) CLS will by the last day for acceptance and payment of the Rights Units (the “**Closing Date**”) procure that (a) the Relevant Entities accept, and/or (b) one or more of its existing subsidiaries and/or new subsidiaries set up by it to hold Units, to subscribe and pay in full for the Relevant Entities’ total provisional allotment of Rights Units;
- (iii) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, CLS will not, during the period commencing from the date of the announcement of the launch of the Rights Issue up to and including the date of the listing of the Rights Units, make any public statement or announcement regarding the Rights Issue, without first obtaining the prior written consent of the Manager and the Joint Lead Managers and Underwriters (such consent not to be unreasonably withheld or delayed), provided that nothing in this paragraph shall prevent CapitalLand Limited from making any announcements which it is required to do so from a regulatory perspective; and
- (iv) save with the prior written consent of the Joint Lead Managers and Underwriters (such consent not to be unreasonably withheld or delayed) and subject to the terms and conditions in the CLS Undertaking, all the Units held and any Rights Units subscribed for by CLS and its subsidiaries will be subject to a lock-up arrangement during the period from the date of the CLS Undertaking to the date falling 60 days after the date on which the Rights Units are listed on the SGX-ST.

## 6. UNDERWRITING OF THE RIGHTS ISSUE

Save for the Rights Units to be subscribed for pursuant to the CLS Undertaking, the Rights Issue is fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of a management and underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 21 September 2017 (the “**Management and Underwriting Agreement**”). The Joint Lead Managers and Underwriters will be entitled to an aggregate underwriting commission

(excluding goods and services tax payable) of 1.3% of the Issue Price multiplied by the total number of Rights Units less the number of Rights Units subscribed for by CLS pursuant to the CLS Undertaking.

It should be noted that the Management and Underwriting Agreement may be terminated upon the occurrence of certain events, but the Joint Lead Managers and Underwriters are not entitled to rely on *force majeure* to terminate the Management and Underwriting Agreement on or after the date on which ex-rights trading commences (being 27 September 2017) (in compliance with Rule 818 of the Listing Manual of the SGX-ST (the “**Listing Manual**”)).

## **7. APPROVAL IN-PRINCIPLE**

The SGX-ST has on 21 September 2017 given its approval in-principle for the listing and quotation of the Rights Units on the Main Board of the SGX-ST.

The SGX-ST’s approval in-principle is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, the Rights Entitlements, the Units, the Manager, CCT and/or its subsidiaries.

The listing approval is subject to the following conditions:

- (i) compliance with the SGX-ST’s listing requirements;
- (ii) a written undertaking from the Manager that it will comply with Listing Rules 704(30), 815 and 1207(20) in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, CCT will disclose a breakdown with specific details on the use of proceeds for working capital in CCT’s announcements on use of proceeds and in the annual report;
- (iii) a written undertaking from the Manager that it will comply with Listing Rule 877(10) with regards to the allotment of any excess Rights Units; and
- (iv) a written confirmation from the financial institution as required under Listing Rule 877(9) that CLS has sufficient financial resources to fulfil its obligations under the CLS Undertaking.

## **8. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE**

As there may be prohibitions or restrictions against the offering of Rights Units in certain jurisdictions (other than Singapore), only Eligible Unitholders are eligible to participate in the Rights Issue.

“**Eligible Unitholders**” comprise Eligible Depositors, Eligible Scripholders and Eligible QIBs.

“**Eligible Depositors**” are Unitholders with Units standing to the credit of their securities account with CDP (but do not include securities sub-accounts) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who

have, at least three Market Days<sup>2</sup> prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

“**Eligible QIBs**” are qualified institutional buyers (as defined in Rule 144A under the Securities Act, as amended) (a) whose identities have been agreed upon by the Manager and the Joint Lead Managers and Underwriters, (b) who have each provided the Manager with a signed investor representation letter (in the form attached to the offer information statement lodged with the Monetary Authority of Singapore (the “**MAS**”) on 21 September 2017 (the “**Offer Information Statement**”)), and (c) who are Eligible Depositors or Eligible Scripholders.

“**Eligible Scripholders**” are Unitholders whose Units are not deposited with CDP and who have tendered to Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Unit Registrar**”) valid transfers of their Units and/or the documentary evidence evidencing their title in relation thereto for registration up to the Rights Issue Books Closure Date, and whose registered addresses with CCT are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided the Unit Registrar with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

The Rights Units will be provisionally allotted to Eligible Unitholders under the Rights Issue at the Issue Price on the basis of their Unitholdings as at the Rights Issue Books Closure Date. Eligible Unitholders shall receive the Offer Information Statement (including the ARE<sup>3</sup>, the ARS<sup>4</sup> and the PAL<sup>5</sup>) at their respective Singapore addresses, and are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units (as defined herein).

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders<sup>6</sup> which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, “**Excess Rights Units**”) will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit.

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2 “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

3 The “**ARE**” refers to the application and acceptance form for Rights Units and Excess Rights Units issued to Eligible Unitholders in respect of their Rights Entitlements under the Rights Issue.

4 The “**ARS**” refers to the application and acceptance form for Rights Units to be issued to purchasers of the Rights Entitlements under the Rights Issue traded on the SGX-ST under the book-entry (scripless) settlement system.

5 The “**PAL**” refers to the provisional allotment letter issued to Eligible Scripholders, setting out the provisional allotments of the Rights Units of such Eligible Scripholders.

6 “**Ineligible Unitholders**” refer to Unitholders who are not Eligible Unitholders.

Subject to the requirements of or otherwise waived by the SGX-ST, in the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) followed by allotment to the Unitholders who are neither directors of the Manager (“**Directors**”) nor Substantial Unitholders<sup>7</sup>. Directors and Substantial Unitholders who have control or influence over CCT or the Manager in connection with the day-to-day affairs of CCT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units.

All dealings in and transactions of the provisional allotments of Rights Units through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which are issued to Eligible Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

Eligible Unitholders who have subscribed for or purchased Units under the Central Provident Fund Investment Scheme, the Supplementary Retirement Scheme (“**SRS**”) or through a finance company and/or depository agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the relevant bank, finance company and/or depository agent to do so on their behalf in accordance with the Offer Information Statement. **ANY APPLICATION MADE BY THE ABOVEMENTIONED UNITHOLDERS DIRECTLY TO CDP OR THROUGH ATMS WILL BE REJECTED.** Such Unitholders should refer to the Offer Information Statement lodged with the MAS for important details relating to the offer procedure in connection with the Rights Issue.

For practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore), unless otherwise determined by the Manager in its sole discretion, the Rights Units will not be extended to Unitholders who are not Eligible Unitholders, with registered addresses outside Singapore as at the Rights Issue Books Closure Date and who have not before at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents (“**Foreign Unitholders**”). Accordingly, no provisional allotment of Rights Units will be made to Foreign Unitholders and no purported acceptance or application for Rights Units by Foreign Unitholders will be valid.

The Manager reserves the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty.

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<sup>7</sup> “**Substantial Unitholders**” refer to Unitholders with interests in not less than 5.0% of all Units in issue.

## 9. OFFER INFORMATION STATEMENT

In connection with the Rights Issue, the Manager has lodged the Offer Information Statement with the MAS, and will despatch the Offer Information Statement to Unitholders setting out, among other things, the details of the Rights Issue.

## 10. INDICATIVE TIMETABLE

An indicative timeline for the Rights Issue is set out below (all references are to Singapore dates and times):

<b>Event</b>	<b>Date and Time</b>
Last day of “cum-rights” trading for the Rights Issue	Tuesday, 26 September 2017
First day of “ex-rights” trading for the Rights Issue	Wednesday, 27 September 2017
Rights Issue Books Closure Date	Friday, 29 September 2017 at 5.00 p.m.
Despatch of Offer Information Statement (together with the application forms) to Eligible Unitholders	Wednesday, 4 October 2017
Commencement of trading of Rights Entitlements	Wednesday, 4 October 2017 from 9.00 a.m.
Last date and time of trading of Rights Entitlements	Thursday, 12 October 2017 at 5.00 p.m.
<b>Closing Date:</b>  Last date and time for acceptance of the Rights Entitlements and payment for Rights Units <sup>(1)</sup>  Last date and time for application and payment for Excess Rights Units <sup>(1)</sup>  Last date and time for acceptance of and payment by the renouncee <sup>(1)</sup>	Thursday, 19 October 2017 at 5.00 p.m. <sup>(2)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)  Thursday, 19 October 2017 at 5.00 p.m. <sup>(2)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)  Thursday, 19 October 2017 at 5.00 p.m. <sup>(3)</sup>
Expected date of issue of Rights Units	Thursday, 26 October 2017
Expected date for crediting of Rights Units	Thursday, 26 October 2017
Expected date for commencement of trading of Rights Units on the SGX-ST	Friday, 27 October 2017 from 9.00 a.m.

**Notes:**

- (1) This does not apply to CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent. CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled "Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent" of the Offer Information Statement. Any application made by these investors directly through CDP or through ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective agent bank, approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective agent bank, approved bank, finance company and/or Depository Agent.
- (2) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS or through the Unit Registrar in accordance with the PAL.
- (3) Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires at least three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce their Rights Entitlements are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for Rights Units. Eligible Scripholders who wish to renounce their entire provisional allotments of Rights Units in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form of Renunciation (Form C) for the number of provisional allotments of Rights Units which they wish to renounce and deliver the PAL in its entirety to the renounees. The renounee(s) should complete and sign the Form of Nomination (Form D) and forward Form D, together with the PAL in its entirety and the remittance for the payment in the prescribed manner by post at his/their own risk, in the enclosed self-addressed envelope provided, to CapitaLand Commercial Trust Management Limited, as manager of CapitaLand Commercial Trust c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 so as to reach the Unit Registrar not later than 5.00 p.m. on 19 October 2017.

The above timetable is indicative only and subject to change. The Manager may, in consultation with the Joint Lead Managers and Underwriters and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via SGXNET. However, as at the date of this announcement, the Manager does not expect the above timetable to be modified.

BY ORDER OF THE BOARD

CapitaLand Commercial Trust Management Limited

(Registration number: 200309059W)

As manager of CapitaLand Commercial Trust

Toh Su Jin Jason

Company Secretary

21 September 2017

## **IMPORTANT NOTICE**

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 for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for 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.

Any offering of Rights Units will be made in and accompanied by the Offer Information Statement. A potential investor should read the Offer Information Statement before deciding whether to subscribe for Rights Units under the Rights Issue. The Offer Information Statement may be accessed online at the website of the MAS at <https://eservices.mas.gov.sg/opera/>. The MAS assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the MAS website does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of CCT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement when it is lodged with the MAS.