FRASERS COMMERCIAL TRUST

(Constituted in the Republic of Singapore

pursuant to a trust deed dated 12 September 2005 (as amended))

ANNOUNCEMENT

EXPANSION OF INVESTMENT MANDATE AND PROPOSED JOINT ACQUISITION OF HEREF FARNBOROUGH LIMITED, WHICH HOLDS FARNBOROUGH BUSINESS PARK, LOCATED IN THE UNITED KINGDOM

SGX-ST Announcement
For immediate release

1. INTRODUCTION

1.1 Proposed Transaction

Singapore, 14 December 2017 – Frasers Centrepoint Asset Management (Commercial) Ltd. (the "**Manager**"), as manager of Frasers Commercial Trust ("**FCOT**"), is pleased to announce that FCOT has entered into a share purchase agreement ("**Share Purchase Agreement**") with Frasers Property International Pte. Ltd. ("**FPI**", together with FCOT, the "**Purchasers**"), a wholly-owned subsidiary of Frasers Centrepoint Limited ("**FCL**"), and HEREF Farnborough Holdco Limited (the "**Vendor**") for the acquisition by each of FCOT and FPI from the Vendor of 50.0% of the total issued shares of HEREF Farnborough Limited (the "**Target Co**", and all the issued shares of the Target Co to be acquired, the "**Sale Shares**") respectively (the "**Acquisition**"). The Target Co holds full beneficial and legal title to the freehold property known as Farnborough Business Park, which is located at Farnborough, Thames Valley, west of London, the United Kingdom (the "**Property**").

The Vendor is not an "interested person" of FCOT for the purposes of the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and not an "interested party" of FCOT for the purposes of Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**").

FCOT and FPI (in such capacity, as "**JV Partners**") have also entered into a joint venture agreement (the "**Joint Venture Agreement**") to regulate their relationship *inter se* as 50-50 shareholders (the "**Agreed Proportion**") of the Target Co (the "**Joint Venture**").

1.2 Expansion of Investment Mandate

In connection with the Acquisition and in accordance with the trust deed constituting FCOT (as may be amended from time to time) (the "**Trust Deed**"), the Manager wishes to notify all unitholders of FCOT ("**Unitholders**") that with effect from 30 days following the date of this announcement, the principal investment policy of FCOT will be expanded to include real estate assets located in Europe including the United Kingdom ("**UK**") used for commercial purposes. The definition of "commercial purposes" will be clarified to include business parks.

The new investment policy of FCOT is as follows:

"*The principal investment policy of Frasers Commercial Trust is to invest in a diversified portfolio of real estate assets located in the Asia-Pacific region and Europe including the United Kingdom used for commercial purposes (comprising primarily office, business space and/or business park purposes).*"

2. THE ACQUISITION AND THE JOINT VENTURE

2.1 Description of the Property

The Property is a freehold, high-quality business park located in Thames Valley, west of London. Spanning 46.5 hectares, the business park includes 14 commercial buildings[1] which provide 554,672 square feet ("**sq ft**") of net lettable area, including 443,316 sq ft of offices (9 buildings), 98,083 sq ft of car showrooms[2] (two buildings), a 9,927 sq ft office-cum-industrial building, and two cafes totalling 3,346 sq ft.

The Property benefits from excellent connectivity including direct connections to key motorways and direct train service to Waterloo Station, London. Further, the Property is approximately 1.6 km to Farnborough Town Centre, adjacent to the TAG Farnborough Airport and Farnborough International Exhibition & Conference Centre and approximately 40 km away from London's Heathrow Airport.

2.2 Relationship between the JV Partners

As at the date of this announcement and based on information available to the Manager, FCL is deemed to have an interest in 216,382,354 units of FCOT ("**Units**"), equivalent to approximately 26.8% of the total number of Units in issue. Consequently, FCL is regarded as a "controlling Unitholder" of FCOT under the Listing Manual. In addition, the Manager is an indirect wholly owned subsidiary of FCL. FCL is therefore regarded as a "controlling shareholder" of the Manager under the Listing Manual.

Accordingly, for the purposes of Chapter 9 of the Listing Manual, FPI (being a subsidiary of a "controlling Unitholder" of FCOT and a "controlling shareholder" of the Manager) is an "interested person" of FCOT. Therefore, the entry into the Joint Venture Agreement by FCOT with FPI will constitute an "interested person transaction" under Chapter 9 of the Listing Manual. The value of the investment by FCOT into the Target Co, as the joint venture entity (the "**JV Entity**"), being approximately S$157.4 million, when aggregated with the existing interested person transactions with FCL and its associates for the current financial year would exceed 3.0% of the net tangible assets of FCOT and, accordingly under Rule 905 of the Listing Manual, the Manager must make an announcement of such interested person transactions. However, the entry into the Joint Venture Agreement falls within the exception under Rule 916(2) of the Listing Manual and, accordingly, the approval of the Unitholders for the entry into the Joint Venture Agreement is not required.

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1 The Property also includes five freehold reversions subject to long leaseholds and four listed buildings relating to British aviation history.

2 Includes a car showroom to be built, which is pre-let and expected to be completed by January 2019.

2.3 Purchase Consideration and Total Acquisition Cost

Pursuant to the Share Purchase Agreement, the Vendor shall sell the Sale Shares to the Purchasers and the Purchasers shall purchase the Sale Shares at a purchase consideration of £174.6[3] million (approximately S$314.8 million[4]) (the "**Purchase Consideration**"), which is to be satisfied fully by cash.

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis based on the estimated net asset value ("**NAV**") of the Target Co, the assets of which consist of but are not limited to the Property with an agreed property value of £175.0 million (approximately S$315.5 million) taking into account the independent valuation of the Property of £175.05 million (approximately S$315.6 million).

Based on the above, the estimated total cost of the Acquisition (the "**Total Acquisition Cost**") is approximately £176.0 million (approximately S$317.3 million), of which £88.0 million (approximately S$158.7 million) is payable by FCOT based on the Agreed Proportion, subject to closing adjustments, comprising:

(i) 50.0% of the Purchase Consideration, being £87.3 million (approximately S$157.4 million); and

(ii) 50.0% of the estimated professional and other fees and expenses incurred in connection with the Acquisition, being £0.7 million (approximately S$1.3 million),

plus an acquisition fee of S$1.6 million payable to the Manager in connection with the Acquisition (the "**Acquisition Fee**").

2.4 Valuation

The Property was independently valued as at 11 December 2017 by BNP Paribas Real Estate Advisory & Property Management UK Limited (the "**Valuer**") acting in the capacity of an external valuer (as jointly appointed by the Manager, British and Malayan Trustees Limited (in its capacity as trustee of FCOT (the "**Trustee**")) and FPI). The valuation was in accordance with the requirements of IFRS 13[5], FRS 102[6], and the RICS Valuation – Global Standards 2017[7] and subject to specific assumptions contained within the Valuer's valuation report[8].

2.5 Principal Terms of the Acquisition

2.5.1 The Share Purchase Agreement contains customary provisions relating to the Acquisition, including representations and warranties, indemnities and pre-completion covenants. Completion of the Acquisition is subject to the fulfilment or waiver (as the case may be) of,

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3 Based on the estimated NAV of the Target Co comprising the agreed property value of £175.0 million and working capital. The estimated NAV is subject to post-completion adjustments. The actual amount of Purchase Consideration payable to the Vendor will only be determined after the date of completion of the Acquisition.

4 In this announcement, unless otherwise stated, translations of amounts from the British Pound to Singapore dollars have been made on the basis of £1: S$1.8030 as at 11 December 2017.

5 International Financial Reporting Standard 13 Fair Value Measurement

6 Financial Reporting Standard 102 (UK) The Financial Reporting Standard applicable in the UK and Republic of Ireland

7 Royal Institution of Chartered Surveyors Valuation - Global Standards 2017

8 The Valuer has assumed that a car showroom, which is subject to an agreement for lease but has yet to be built, has indeed been constructed, fully at the Vendor's cost, and that all conditions in the agreement for lease have been satisfied.

among others, the following:

(i) transfers in agreed form in respect of the Sale Shares duly executed and completed in favour of the Purchasers or as the Purchasers may direct;

(ii) any documents required to give a good title to, and to enable the Purchasers' or the Purchasers' nominees to become the registered holders of the Sale Shares; and

(iii) the Vendor evidencing the redemption or cancellation of all preferred equity certificates of the Target Co which occurred up to completion.

Completion of the Acquisition under the Share Purchase Agreement is expected to take place no later than 29 January 2018 (or such other date as may be mutually agreed).

2.5.2 Under the Share Purchase Agreement, the Vendor shall complete the construction of a car showroom within the Property that has been pre-let. In connection therewith, £10.7 million of the Purchase Consideration (approximately S$19.3 million), is expected to be held in escrow, with £6.7 million (approximately S$12.1 million) (subject to a final budget) to be drawn down progressively to fund the construction, and £4.0 million (approximately S$7.2 million) to be released to the Vendor upon the car showroom obtaining practical completion.

2.6 Incentive Reimbursement and Rental Guarantees

Pursuant to the Share Purchase Agreement, the Vendor has agreed to reimburse to the Purchasers all outstanding rent free incentives granted by the Vendor in relation to leases of the Property prior to the completion date of the Acquisition, up to an aggregate value of £2.9 million (approximately S$5.2 million) ("**Incentives**").

Further to paragraph 2.5.2, the Vendor has also agreed to pay to the Purchasers, on a quarterly basis, the monthly contracted rent and service charges which the tenant of the car showroom has pre-committed to pay, from the date of completion of the Acquisition to the rent commencement date for the tenant. It is currently expected that the car showroom will be completed by January 2019[9]. The aggregate amount payable by the Vendor in connection with the above is up to £1.5 million (approximately S$2.7 million).

Pursuant to the rent guarantee deeds ("**Rent Guarantee Deeds**") entered into between the Vendor and the Purchasers, the Vendor has agreed to:

(i) pay certain minimum rental and void costs[10] for specified unlet units ("**Unlet Units**"), up to an aggregate value of £0.4 million (approximately S$0.7 million), for a period of up to 12 months from the date of completion or until such time the units are let and rent payment commences, whichever is the earlier ("**Unlet Units Guarantee**"); and

(ii) guarantee certain minimum rental and reimburse void costs[10] of certain leases with options to break or expiry dates in 2018 ("**Contingent Breaks and Expiries Units**"), up to an aggregate value of £2.0 million (approximately S$3.6 million) ("**Contingent Breaks and Expiries Guarantee**"), for a period of up to one year from the date of break or non-renewal (as the case may be) of a lease, payable quarterly.

9 Subject to a long stop date of 10 December 2019.

10 Includes service charge and rates payable to the local council and central government.

To support the Rent Guarantee Deeds, the aggregate amount of rent guaranteed above of £2.4 million (approximately S$4.3 million) will be deposited in an escrow account for withdrawal by the Purchasers in accordance with the terms of the Rent Guarantee Deeds. The Unlet Units Guarantee and Contingent Breaks and Expiries Guarantee account for relatively small areas, at 1.9% and 9.4% respectively of the total net lettable area of the Property. In addition, the Contingent Breaks and Expiries Guarantee are to provide for contingent events if the relevant tenants give up their leases. The Vendor in providing the Contingent Breaks and Expiries Guarantee would provide a certain level of certainty to the income derived by FCOT from the Acquisition.

The Board of Directors of the Manager is of the view that the Incentives and the Rent Guarantee Deeds are in the interest of FCOT as:

(i) the Incentives and the Breaks and Expiries Guarantee are based on the current actual rental rates for the leases with rent free incentives or which are due to break or expire in 2018, and which are consistent with market rates; and

(ii) the Unlet Units Guarantee is based on and in line with rental rates achieved for comparable units to the Unlet Units; and

(iii) the Rent Guarantee Deeds offer a certain level of income certainty to FCOT should additional time be required to lease the Unlet Units or should the relevant tenants not renew their leases, subject to the limits described above.

2.7 Principal Terms and Conditions of the Joint Venture Agreement

Under the Joint Venture Agreement, each JV Partner shall be entitled to appoint such number of directors to the board of the Target Co which is proportional to the Agreed Proportion.

The Joint Venture Agreement contains a list of reserved matters in relation to key operational and management issues affecting the Target Co (including but not limited to the matters set out in paragraph 6.5(b) of the Property Funds Appendix), the distribution policy of the Target Co and customary provisions governing a transfer of the shares of the Target Co by the JV Partners.

2.8 Right of First Refusal

In connection with the expansion of FCOT's investment mandate, FCL has granted a right of first refusal ("**ROFR**") to the Trustee for so long as:

- FCOT is listed on and quoted on the Main Board of the SGX-ST;
- Frasers Centrepoint Asset Management (Commercial) Ltd. or any of its related corporations remains the manager of FCOT;
- FCL and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of FCOT; and
- FCL and/or any of its related corporations, alone or in aggregate, remains as a controlling unitholder of FCOT.

For the purposes of the ROFR:

- “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company, real estate investment trust or other entity (as the case may be);
- a “**controlling shareholder**” means a person who:
  - holds directly or indirectly 15.0% or more of the nominal amount of all voting shares of a company; or
  - in fact exercises control over a company;
- a “**controlling unitholder**” in relation to a real estate investment trust means:
  - a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the real estate investment trust; or
  - a person who in fact exercises control over the real estate investment trust;
- a “**related corporation**” has the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”);
- a “**Relevant Entity**” means FCL or any of its existing or future subsidiaries (which shall exclude any subsidiaries listed on any recognised stock exchange) or existing or future private funds managed by FCL (“**FCL Private Funds**”);
- a “**Relevant Asset**” refers to real estate assets located in Europe (including the United Kingdom) used for commercial purposes (comprising primarily office, business space and/or business park purposes). Where such real estate is held by a Relevant Entity through a special purpose company, vehicle or entity (a “**SPV**”) established solely to own such real estate, the term “**Relevant Asset**” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term “**Relevant Asset**” shall refer to the ownership share of the Relevant Entity in such real estate; and
- a “**subsidiary**” has the meaning ascribed to it in the Companies Act.

The ROFR shall cover any proposed offer (a “**Proposed Offer**”) by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity (“**Proposed Disposal**”). If the Relevant Asset is (i) owned jointly by a Relevant Entity together with one or more third parties and if consent from any of such third parties to offer the Relevant Asset to FCOT is required; or (ii) owned by FCL’s subsidiaries or FCL Private Funds which are not wholly-owned by FCL and whose other shareholder(s) or private fund investor(s) is/are third parties, and if consent from such shareholder(s) or private fund investor(s) to offer the Relevant Asset to FCOT is required, FCL shall use its best endeavours to obtain the consent from the relevant third party(ies), other shareholder(s) or private fund investor(s), failing which the ROFR will exclude the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any Relevant Entity of a lease (including a long term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The ROFR shall:

- be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or to the third parties that hold interests in these Relevant Assets;
- exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and
- be subject to the applicable laws, regulations and government policies and the Listing Manual.

In the event that:

- the Trustee fails to or does not indicate in writing to the Relevant Entity, its interest in purchasing the Relevant Asset within 15 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the written notice of an offer from FCL together with the relevant offer documents and other supporting documentation as required by the terms of the ROFR;
- the Trustee fails to or does not enter into a binding commitment (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) (the "**Binding Commitment**") for the purchase of the Relevant Asset within 60 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of written notice of an offer from FCL together with the relevant offer documents and other supporting documentation as required by the terms of the ROFR; or
- the proposed acquisition of the Relevant Asset is aborted by the Trustee,

the Trustee shall be deemed to be unable to, or not to have, exercised the ROFR. In the event that the Trustee fails or does not wish to exercise the ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee.

However, if the completion of the disposal of the Relevant Assets by the Relevant Entity to the third party does not occur within 12 months from the date of the written notice of the Proposed Disposal, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the ROFR.

3. RATIONALE AND BENEFITS OF THE JOINT VENTURE AND ACQUISITION

The Joint Venture and Acquisition are in line with the expansion of FCOT's investment mandate to Europe including the UK. The Manager believes that the Joint Venture and Acquisition will bring the following key benefits to FCOT and its Unitholders:

(i) Synergistic alignment and leverage on the local network of the Sponsor

The Acquisition will be undertaken through a joint venture with FCOT's sponsor, FCL. As the Acquisition is FCOT's maiden entry into the UK, the Joint Venture enables FCOT to leverage on FCL's local network and experience in the UK, a market that FCL is familiar with, having operated in this market for over 15 years. Europe/UK is FCL's third largest market behind Singapore and Australia[11]. With the expansion of FCOT's investment mandate and following the Acquisition, FCOT's geographical presence will be closely aligned with FCL's top three markets.

In addition, with the expansion of investment mandate and the ROFR, FCOT will benefit from an increased pipeline of more than S$4.0 billion[12] worth of commercial properties from FCL, which includes the cluster of business parks owned by FCL in the Thames Valley[13] and FCL's 50% stake in the Property, providing growth visibility.

(ii) High-quality and strategically located business park

The Property is a 46.5-hectare freehold high-quality business park comprising 14 commercial buildings[14] with a total net lettable area of approximately 555,000 square feet located in Thames Valley, west of London. It benefits from excellent connectivity including direct connections to key motorways and direct train service to Waterloo Station, London. Further, the Property is adjacent to the TAG Farnborough Airport and is approximately 40 km away from London's Heathrow Airport.

The Property is a defensive asset underpinned by long weighted average lease expiry ("**WALE**") of 8.3[15] years and a diversified tenant base of 36 tenants[16], which includes well-established corporations such as Fluor Limited, INC Research UK Ltd, Time Inc (UK) Ltd, Aetna Global Benefits (UK) Ltd and a unit of Regus.

The Property is designed as an integrated business campus with retail, hotel and other amenities. It enjoys high occupancy rate of 98.1%[17] and healthy tenant retention rate of around 89% since 2012.

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11 As at 30 September 2017.

12 Based on FCL's 2016 Annual Report and announcement dated 11 September 2017.

13 Refer to FCL's announcement dated 11 September 2017.

14 The Property also includes five freehold reversions subject to long leaseholds and four listed buildings relating to British aviation history.

15 By gross rental income as at 30 September 2017 after taking into account certain rent guarantees and reimbursement of rent free incentives from the Vendor for existing leases and potential lease breaks/ lease expirations in 2018. The weighted average lease to termination ("**WALT**") (after accounting for rights to break) is 5.9 years.

16 As at 30 September 2017 and after taking into account committed pre-leases by two new tenants.

17 As at 30 September 2017 and after adjusting for leases for which the tenants have exercised their rights to break.

Further, there are opportunities for additional future income growth through potential development of certain areas in the Property.

(iii) Strategic diversification into the UK business park market

The Acquisition will allow FCOT to establish a foothold in the UK. The UK is one of the largest economies in the world and one of the top destinations for foreign direct investment ("**FDI**") in Europe with a transparent legal, regulatory and tax framework.

The Property is located in the micro market of Blackwater Valley (part of Thames Valley), west of London. Blackwater Valley business parks generally provide cost-efficient alternative accommodation to city centre locations due to the good connectivity of the area. The total office occupier cost in Central London locations are significantly higher, at around 87% to 377% above that of Blackwater Valley's[18].

(iv) Distribution per Unit ("DPU") accretive acquisition and strengthens FCOT's portfolio

(a) Enlarge FCOT's portfolio size and diversify income

Following the completion of the Acquisition, FCOT's pro forma portfolio size is expected to increase by 7.6% from S$2.07 billion as at 30 September 2017 to S$2.23 billion[19] post-Acquisition.

The Acquisition will also provide diversification from FCOT's current presence beyond Singapore and Australia. The Acquisition is expected to result in income diversification with contribution from a new geographical location and reduce the reliance of income contribution from any single property. Following the completion of the Acquisition, FCOT's pro forma net property income ("**NPI**") is expected to increase by 8.7% from S$113.8 million as at 30 September 2017 to S$123.8[20] million post-Acquisition.

(b) Enhance income defensiveness

The Property has a favourable lease expiry profile as there are no significant expiries from FY2018 to FY2021 and more than 84.0% of leases by gross rental income expire in FY2022 and beyond, as at 30 September 2017. The Acquisition is expected to lengthen FCOT's portfolio WALE to 3.8 years[21] post-Acquisition from 3.4 years[22] as at 30 September 2017. Further, the

18 Based on the valuation report by the Valuer dated 11 December 2017.

19 Based on FCOT's 50.0% share of the valuation of the Property.

20 Based on FCOT's 50.0% share of the NPI of the Property, which is based on headline rent of £12.1 million per annum (inclusive of reimbursement of rent free incentives and rent guarantees from the Vendor as set out in paragraph 2.6), adjusted for the estimated net operating expenses of the Property.

21 Based on committed gross rental income and excluding lease incentives and turnover rent, if any, and taking into account rent guarantees and reimbursements of rent free incentives from the Vendor for existing leases and potential lease breaks/ lease expirations in 2018, as set out in paragraph 2.6. The WALT (after accounting for rights to break) is 3.6 years.

22 Adjusted for, among others, space committed by an entity of Rio Tinto Limited at Central Park on a new 12-year lease commencing in FY2018 and leases constituting 6.8% portfolio GRI which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd at Alexandra Technopark upon lease expirations on 30 September 2017 and 30 November 2017 (refer to FCOT's announcement dated 22 September 2017 for further details). On 3 November 2017, FCOT announced that premises constituting a further 1.5% of portfolio GRI would not be renewed by Hewlett-Packard

occurrence of breaking or expiring leases up to and including 31 December 2018 are backed by the rental guarantees from the Vendor for 12 months from the date of occurrence, as set out in paragraph 2.6.

(c) Enlarge and diversify tenant base

The Acquisition is expected to enlarge and further diversify FCOT's tenant base with the addition of 36[23] tenants, including well-established multinational corporations, from across various industries. With a foothold in the UK market, FCOT is expected to be better positioned to address the real estate requirements of international tenants as well as enhance the marketing reach for its portfolio.

(d) DPU-accretive acquisition

Based on the assumptions outlined below herein, the Acquisition is expected to be accretive based on the pro forma historical financial impact to FCOT's DPU for the financial year ended 30 September 2017. FCOT's illustrative pro forma DPU is expected to increase by 1.6% from 9.82 cents per Unit to 9.97 cents per Unit for the financial year ended 30 September 2017.

(v) Consistent with Manager's Investment Strategy

The Acquisition and expansion of investment mandate is in line with the Manager's strategy to build a balanced and diversified portfolio of quality commercial properties to achieve long-term growth and deliver stable distributions to Unitholders.

4. METHOD OF FINANCING AND PRO FORMA FINANCIAL EFFECTS

4.1 Method of Financing

The Manager intends to finance the Agreed Proportion of the Total Acquisition Cost payable by FCOT, being £88.0 million (S$158.7 million), through a combination of debt and equity fund raising.

The final decision regarding the timing and proportion of debt and equity for funding will be made by the Manager at the appropriate time taking into account market conditions, with a view to provide overall DPU accretion to Unitholders while maintaining an optimum level of aggregate leverage.

For purposes of completion certainty, the Manager intends to arrange a bridging loan facility, which can be drawn upon to fully fund the Acquisition, if required. Assuming the Acquisition is fully funded by debt, FCOT Group's (as defined below) pro forma gearing[24] would be 39.2% as at 30 September 2017.

Singapore Pte Ltd at Alexandra Technopark upon lease expiration on 30 November 2017 (refer to FCOT's announcement dated 3 November 2017 for details).

23 As at 30 September 2017 and after taking into account committed pre-leases by two new tenants.

24 Computed as gross borrowings over total assets.

4.2 Pro Forma Financial Effects of the Acquisition and the Joint Venture

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition and the Joint Venture (the "**Transactions**") on the DPU, NAV per Unit and capitalisation presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of FCOT and its subsidiaries ("**FCOT Group**") for the financial year ended 30 September 2017 ("**FY2017**") based on the following assumptions:

(i) 58.0 million new Units are issued under an equity fund raising to part finance the Agreed Proportion of Total Acquisition Cost payable by FCOT and new borrowings at an assumed interest rate are used to finance the balance funding requirements;

(ii) the Manager's Acquisition Fee is paid in the form of approximately 1.1 million new Units; and

(iii) the exchange rate of £1: S$1.8030 as at 11 December 2017 is used.

4.3 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transactions on FCOT's DPU for FY2017 as if the Transactions were completed on 1 October 2016 and the FCOT Group held the Target Co and the Property through to 30 September 2017, are as follows:

	Effects of the Transactions	
	Before the Transactions	**After the Transactions(1)**
Total return for the year (S$'000)	111,444	114,525(2)
Distributable income (S$'000)	78,600	85,756
Weighted average number of issued Units ('000)	800,718(3)	860,244(4)
DPU (cents)	9.82	9.97
DPU accretion	-	1.6%

Notes:

(1) The pro forma total return for the year would be S$112.5 million if FCOT's share of the Property's actual returns for the period from 1 October 2016 to 30 September 2017 was applied. The pro forma distributable income would be S$82.9 million and pro forma DPU would be 9.64 cents per unit. However, the foregoing would not be reflective of the Acquisition, taking into account, among others, the existing leases and the reimbursement of rent free incentives and rent guarantee arrangements as set out in paragraph 2.6.

(2) Taking into account FCOT's 50% share of headline rent of £12.1 million per annum (inclusive of reimbursement of rent free incentives and rent guarantee arrangements as set out in paragraph 2.6), adjusted for the estimated net operating expenses and taxes of the Property, assuming that the Acquisition took place on 1 October 2016. Straight-lining adjustments on the Property's leases were not taken up in the computation of the pro forma total return. Assumes the acquisition funding structure was in place for the entire financial year ended 30 September 2017. Expenses comprising borrowing costs and other trust expenses incurred in connection with the operation of the Property have been deducted.

(3) Based on the weighted average number of issued Units for the financial year ended 30 September 2017.

(4) The total number of weighted average number of issued units includes (a) approximately 58.0 million New Units issued in connection with an equity fund raising to partially fund the Acquisition as well as (b) approximately 1.1 million new Units issued in aggregate as Acquisition Fee payment to the Manager and (c)

the average 0.8 million new Units issued in aggregate as payment to the Manager for 100% of the base fee and performance fee components for the Manager's management fee in connection with the Property.

4.4 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transaction on FCOT Group's NAV per Unit as at 30 September 2017, as if the Transactions were completed on 30 September 2017, are as follows:

	Effects of the Transactions	
	Before the Transactions	**After the Transactions**
NAV (S$'000)	1,289,349	1,367,087
Units in issue as at 30 September 2017 ('000)	805,364	864,496[(1)]
NAV per Unit (S$)	1.60	1.58

Note:

(1) Based on the assumption that 58.0 million Units are issued from an equity fund raising exercise to partially fund the Acquisition as well as approximately 1.1 million new Units issued in aggregate for payment of the Acquisition Fee to the Manager.

4.5 Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transaction on FCOT Group's capitalisation as at 30 September 2017, as if the Transactions were completed on 30 September 2017, are as follows:

	Effects of the Transactions	
	Before the Transactions	**After the Transactions**
Current		
Unsecured loans and borrowings (S$'000)	183,194	183,194
Non-Current		
Unsecured loans and borrowings (S$'000)	564,756	644,022[(1)]
Total loans and borrowings (S$'000)	747,950	827,216
Unitholders' funds (S$'000)	1,289,349	1,367,087
Total Capitalisation (S$'000)	2,037,299	2,194,303
Gearing[(2)]	34.7%	35.8%

Notes:

(1) It is assumed that the Acquisition is partially financed through long-term unsecured borrowings.

(2) Computed as gross borrowings over total assets.

5. AUDIT, RISK AND COMPLIANCE COMMITTEE STATEMENT

The Manager wishes to announce that FCL does not have an existing equity interest in the Target Co prior to the participation of FCOT in the Target Co.

In relation to Rule 916(2) of the Listing Manual, the Audit, Risk and Compliance Committee of the Manager has considered the Joint Venture relating to the Target Co and is of the view that the risks and rewards of the JV Partners in the Target Co are in proportion to the equity of each JV Partner and the terms of the Joint Venture Agreement are not prejudicial to the interests of FCOT and its minority Unitholders.

6. OTHER INFORMATION

6.1 Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by FCOT into (i) non-disclosable transactions, (ii) disclosable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*¸ the following applicable bases of comparison set out in Rule 1006(b) and 1006(c) of the Listing Manual:

(i) the net profits attributable to the assets acquired, compared with FCOT's net profits; and

(ii) the aggregate value of the consideration given, compared with FCOT's market capitalisation.

Rule 1006(d) of the Listing Manual does not apply in relation to the Acquisition as no Units will be issued as consideration for the Acquisition. The relative figures for the Acquisition computed on the bases set out above are as follows:

Comparison of:	The Property	FCOT	Relative Figure
Total return for the year (S$ million)	9.0(1)	111.4	8.1%
Purchase Consideration against FCOT's market capitalisation (S$ million)	157.4(2)	1,164.8(3)	13.5%

Notes:

(1) With reference to FCOT's 50% share of headline rent of £12.1 million per annum (inclusive of rent free incentives reimbursement and rent guarantee arrangements as set out in paragraph 2.6), adjusted for the estimated net operating expenses and taxes of the Property, assuming that the Acquisition took place on 1 October 2016. Straight-lining adjustments on the Property's leases were not taken up in the computation of the total return.

(2) Based on the Agreed Proportion of the Total Acquisition Cost Payable by FCOT. Based on the exchange rate of £1.00: S$1.8030 as at 11 December 2017.

(3) FCOT's market capitalisation as at 11 December 2017.

None of the relative figures in relation to the Acquisition computed on the bases set out above exceed 20.0%.

6.2 Interests of the Directors and Controlling Unitholders

Save as disclosed in this announcement and based on information available to the Manager as at the date hereof, none of the Directors or Substantial Unitholders has an interest, direct or indirect, in the Acquisition or the Joint Venture.

6.3 Director's Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or the Joint Venture.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager[25] at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 for a period of three months from the date of this announcement:

(i) the Share Purchase Agreement;

(ii) the Joint Venture Agreement;

(iii) the ROFR agreement;

(iv) the Rent Guarantee Deeds; and

(v) the valuation report on the Property issued by the Valuer.

The Trust Deed will also be available for inspection at the registered office of the Manager.

25 Prior appointment with the Manager would be appreciated.

BY ORDER OF THE BOARD

Frasers Centrepoint Asset Management (Commercial) Ltd.

(as manager of Frasers Commercial Trust)

(Company Registration No: 200503404G)

Catherine Yeo

Company Secretary

14 December 2017

For further information, kindly contact:

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IMPORTANT NOTICE

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.

The value of Units and the income derived from them, if any, may fall or 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 should note that they 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 publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of FCOT and the Manager is not necessarily indicative of the future performance of FCOT and the Manager.