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## FRASERS COMMERCIAL TRUST

(Constituted in the Republic of Singapore)

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

### ANNOUNCEMENT

#### LAUNCH OF PRIVATE PLACEMENT OF 55,556,000 NEW UNITS IN FRASERS COMMERCIAL TRUST TO RAISE GROSS PROCEEDS OF NO LESS THAN S\$80 MILLION

##### 1. Introduction

The board of directors of Frasers Centrepoint Asset Management (Commercial) Ltd., in its capacity as manager of Frasers Commercial Trust ("FCOT" and as manager of FCOT, the "**Manager**"), wishes to announce the launch of a private placement of up to 55,556,000 new units in FCOT (the "**New Units**") (the "**Private Placement**") at an issue price (the "**Issue Price**") of between S\$1.44 and S\$1.48 per New Unit (both figures inclusive) (the "**Issue Price Range**") to raise gross proceeds of approximately S\$80 million.

Depending on market conditions, the Manager may in its discretion decide to increase the size of the Private Placement by up to an additional 12,011,000 New Units at the Issue Price (the "**Upsize Option**") to raise additional gross proceeds of up to S\$17.8 million.

##### 2. Details of the Private Placement

The Manager has appointed DBS Bank Ltd. and Merrill Lynch (Singapore) Pte. Ltd.

as the Joint Bookrunners and Underwriters in relation to the Private Placement (the “**Joint Bookrunners and Underwriters**”).

The Manager has today entered into a placement agreement (the “**Placement Agreement**”) with the Joint Bookrunners and Underwriters pursuant to which the Joint Bookrunners and Underwriters have been appointed to procure subscribers for, and failing which, to subscribe and pay for, the New Units (including any additional New Units to be issued pursuant to the Upsize Option) at the Issue Price to be determined, on the terms and subject to the conditions of the Placement Agreement.

The Issue Price Range of between S\$1.44 and S\$1.48 per New Unit (both figures inclusive) represents a discount of between:

- (i) 3.4% and 6.0% to the volume weighted average price of S\$1.5324 per unit in FCOT (“**Unit**”); and
- (ii) (for illustrative purposes only) 1.4% and 4.0% to the adjusted volume weighted average price<sup>1</sup> of S\$1.5004 per Unit,

for trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full Market Day<sup>2</sup> on 23 January 2018, being the date the Placement Agreement was signed.

The Issue Price will be determined by the Manager and the Joint Bookrunners and Underwriters, following an accelerated book-building process. The Manager will make an announcement via SGXNET once the Issue Price has been determined.

The Private Placement shall be subject to certain conditions precedent more particularly set out in the Placement Agreement, including the approval in-principle of the SGX-ST for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

### 3. **Eligibility to participate in the Private Placement**

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

The New Units have not been and will not be registered under 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 except pursuant to an applicable exemption

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1 The adjusted volume weighted average price is computed based on the volume weighted average price of all trades in the Units on the SGX-ST on the full Market Day on 23 January 2018 and excluding the Cumulative Distribution (as defined herein) of approximately 3.2000 cents per Unit. This amount is only an estimate based on information currently available to the Manager, and the actual Cumulative Distribution may differ.

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

from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Units are being offered and sold in offshore transactions as defined in and in reliance on Regulation S under the Securities Act.

The Manager, along with the Joint Bookrunners and Underwriters, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

#### 4. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately S\$80 million (assuming the Issue Price is based on the minimum of the Issue Price Range and the Upsize Option is not exercised) from the Private Placement in the following manner:

- (i) approximately S\$78.8 million (which is equivalent to 98.5% of the gross proceeds of the Private Placement) will be used to partially fund<sup>1</sup> the proposed acquisition of a 50.0% interest in the property known as Farnborough Business Park, which is located at Farnborough, Thames Valley, west of London, the United Kingdom (the “**Proposed Acquisition**”) (please refer to the announcement dated 14 December 2017 issued by the Manager for further details on the Proposed Acquisition); and
- (ii) approximately S\$1.2 million (which is equivalent to 1.5% of the gross proceeds of the Private Placement) will be used to pay (a) the underwriting and selling fees and related expenses payable to the Joint Bookrunners and Underwriters in relation to the Private Placement, and (b) professional and other fees and expenses to be incurred by FCOT in connection with the Private Placement.

Should the gross proceeds from the Private Placement exceed S\$80 million, such excess proceeds will be used to fund the Proposed Acquisition.

Notwithstanding its current intention, the Manager may, at its discretion and subject to applicable laws and regulations, use the net proceeds from the Private Placement for other purposes.

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.

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<sup>1</sup> Through the repayment of a bridge loan facility that will be used to fund the Proposed Acquisition.

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.

## **5. Rationale for the Private Placement**

FCOT will finance the Proposed Acquisition through a combination of equity and debt financing, so as to ensure that the Proposed Acquisition will provide overall distribution per Unit (“**DPU**”) accretion to unitholders of FCOT (the “**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 dated 14 December 2017 issued by the Manager for further details on the benefits of and rationale for the Proposed Acquisition.)

## **6. Authority to Issue New Units**

The issue of New Units under the Private Placement (including any additional New Units issued pursuant to the Upsize Option) are being carried out pursuant to the general mandate granted to the Manager at the annual general meeting of FCOT held on 22 January 2018. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

## **7. Cumulative Distribution**

FCOT’s policy is to distribute its distributable income on a quarterly basis to Unitholders. On 22 January 2018, the Manager announced a quarterly distribution of 2.4000 cents per Unit for the period from 1 October 2017 to 31 December 2017 (“**1QFY2018 Distribution**”).

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 January 2018 to 31 January 2018, being the day immediately prior to the date on which the New Units will be issued pursuant to the Private Placement (the “**Advanced Distribution**”, and together with the 1QFY2018 Distribution, the “**Cumulative Distribution**”).

The next distribution following the Cumulative Distribution will comprise FCOT's distributable income for the period from 1 February 2018 to 31 March 2018. Quarterly distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the distributable income accrued by FCOT before the 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 DPU under the Cumulative Distribution (comprising the 1QFY2018 Distribution and the Advanced Distribution) will be approximately 3.2000 cents per Unit<sup>1</sup>. The actual quantum of the DPU under the Cumulative Distribution will be announced on a later date after the management accounts of FCOT 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 FCOT prior to the date of issue of the New Units. The New Units are expected to be issued and commence trading on the SGX-ST on 1 February 2018.

(Please see the announcement dated 23 January 2018 issued by the Manager in relation to 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 Cumulative Distribution.)

## **8. Status of New Units**

The New Units are expected to be listed on or around 1 February 2018.

Other than the Cumulative 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 March 2018, as well as all distributions thereafter.

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<sup>1</sup> The estimated Advanced Distribution for the period from 1 January 2018 to 31 January 2018 (being the day immediately prior to the date on which the New Units will be issued pursuant to the Private Placement) is based on the Manager's pro-rated estimate of FCOT's revenue, expenses and distribution of capital returns for the relevant period. This amount is only an estimate based on information currently available to the Manager, and the actual Advanced Distribution may differ.

## **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.

The Private Placement is subject to, *inter alia*, the approval in-principle of the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST.

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

23 January 2018

### **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.