



## SGX-ST Announcement

For immediate release

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**LAUNCH OF PRIVATE PLACEMENT OF 84,000,000 NEW UNITS IN FRASERS COMMERCIAL TRUST (THE "NEW UNITS") WITH AN OPTION TO INCREASE THE SIZE OF THE PRIVATE PLACEMENT BY UP TO AN ADDITIONAL 12,000,000 NEW UNITS**

### 1. Introduction

Further to the announcement dated 3 June 2015 on the issue and despatch of the Circular to Unitholders dated 3 June 2015 and the approvals granted at the extraordinary general meeting of Frasers Commercial Trust ("**FCOT**") held on 22 June 2015 (the "**EGM**") in relation to, among others, the acquisition of 357 Collins Street, Melbourne, Victoria, Australia by FCOT (the "**357 Collins Street Acquisition**") and the private placement to part finance the 357 Collins Street Acquisition, Frasers Centrepont Asset Management (Commercial) Ltd., as manager of FCOT (the "**Manager**"), wishes to announce the launch of a private placement (the "**Private Placement**") of 84,000,000 New Units at an issue price (the "**Issue Price**") of between S\$1.46 and S\$1.48 per New Unit (both figures inclusive) (the "**Issue Price Range**").

Depending on market conditions, the Manager may in its discretion decide to increase the size of the Private Placement by up to an additional 12,000,000 New Units (the "**Additional Units**") at the Issue Price (the "**Upsize Placement**") to pay down existing debt and/or for general working capital purposes.

Based on an illustrative Issue Price of S\$1.48 per New Unit (which is the higher end of the Issue Price Range) and assuming a full Upsize Placement, the gross proceeds from the Private Placement will amount to approximately S\$142.1 million and the net proceeds will amount to approximately S\$140.2 million, after deducting (i) the financial advisory commission and related expenses payable to DBS Bank Ltd. as the financial adviser in relation to the Private Placement, (ii) the underwriting and selling fees and related expenses payable to Barclays Bank PLC, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd. (together, the "**Joint Placement Agents and Underwriters**") in relation to the Private Placement, and (iii) professional and other fees and expenses to be incurred by FCOT in connection with the Private Placement.

## 2. Details of the Private Placement

The Manager has appointed Barclays Bank PLC, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd. as the Joint Placement Agents and Underwriters in relation to the Private Placement.

The Manager has today entered into a placement agreement with the Joint Placement Agents and Underwriters (the “**Placement Agreement**”), pursuant to which the Joint Placement Agents and Underwriters have been appointed to procure subscribers for the Underwritten New Units (as defined below) at the Issue Price, on the terms and subject to the conditions of the Placement Agreement. The New Units less the FCL New Units (as defined below) (the “**Underwritten New Units**”), are fully underwritten by the Joint Placement Agents and Underwriters on the terms and subject to the conditions of the Placement Agreement.

The Issue Price Range of between S\$1.46 and S\$1.48 per New Unit (both figures inclusive) represents a discount of between:

- (i) 3.6% and 4.9% to the volume weighted average price (“**VWAP**”) of S\$1.5359 per unit in FCOT (“**Unit**”), of trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the preceding Market Day<sup>1</sup> on 22 July 2015, up to the time the Placement Agreement was signed on 23 July 2015; and
- (ii) (for illustrative purposes only) 1.6% and 3.0% to the adjusted volume weighted average price<sup>2</sup> (“**Adjusted VWAP**”) of S\$1.5046 per Unit.

The Issue Price will be determined by the Manager and the Joint Placement Agents and Underwriters following a book-building process. The Manager will make an announcement via SGXNET<sup>3</sup> 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. Subscription by the FCL Group under the Private Placement

To demonstrate the support and alignment of interest of the FCL Group for FCOT, FCL Trust Holdings (Commercial) Pte. Ltd., a wholly-owned subsidiary of Frasers Centrepoint Limited, has also today provided an irrevocable undertaking (the “**Undertaking**”) to the Joint Placement Agents and Underwriters and the Manager, pursuant to which FCL Trust Holdings (Commercial) Pte. Ltd. has agreed to subscribe for 23,100,000 New Units (the “**FCL New Units**”) at the Issue Price under the Private Placement.

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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 preceding Market Day on 22 July 2015, up to the time the Placement Agreement was signed on 23 July 2015 and subtracting the distribution for the period from 1 April 2015 to 30 June 2015 of 2.3510 cents per Unit and the Advanced Distribution (as defined herein) of approximately 0.7805 cents per Unit. The Advanced Distribution of approximately 0.7805 cents per Unit is an estimate only 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.

As at the date of this announcement, the FCL Group holds 188,138,608 Units, which is equivalent to approximately 27.5% of the total number of Units in issue. Therefore, the FCL New Units will comprise 23,100,000 New Units issued under the Private Placement. The FCL Group's percentage unitholding in FCOT will not increase after the Private Placement.

Pursuant to Rule 805(1) and 812(2) of the Listing Manual of the SGX-ST, approval for the subscription by FCL Trust Holdings (Commercial) Pte. Ltd. of the FCL New Units has been granted by an Ordinary Resolution at the EGM.

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

The 357 Collins Street Acquisition will be financed by a combination of equity and debt financing, so as to ensure that the 357 Collins Street Acquisition will provide overall distribution per Unit accretion to Unitholders while maintaining an optimum level of gearing. The Manager believes that the Private Placement is an efficient and overall beneficial method of raising funds to finance the 357 Collins Street Acquisition.

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

Save for the subscription for the FCL New Units by FCL Trust Holdings (Commercial) Pte. Ltd., 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 from, or in a transaction not subject to, the registration requirements of the Securities Act.

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

#### **6. Use of Proceeds**

Subject to relevant laws and regulations, the Manager intends to allocate the gross proceeds of approximately S\$142.1 million (based on the maximum Issue Price and assuming a full Upsize Placement) from the Private Placement in the following manner:

- (i) approximately S\$122.7 million (which is equivalent to 86.4% of the maximum gross proceeds of the Private Placement) to part finance the estimated total Acquisition cost of A\$237.7 million (the "**Total Acquisition Cost**")<sup>4</sup>;
- (ii) approximately S\$1.9million (which is equivalent to 1.3% of the maximum gross proceeds of the Private Placement) to pay (a) the financial advisory commission and related expenses payable to DBS Bank Ltd. as the financial adviser in relation to the Private Placement, (b) the underwriting and selling fees and related expenses payable

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4 The Total Acquisition Cost comprises (i) the purchase consideration of A\$222.5 million (the "**Purchase Consideration**"); (ii) the acquisition fee payable to the Manager for the 357 Collins Street Acquisition (which is equal to 1.0% of the Purchase Consideration) in connection with the 357 Collins Street Acquisition and which will be fully paid in Units; (iii) the estimated stamp duty payable thereon of approximately A\$12.2 million; and (iv) estimated professional and other fees and expenses of approximately A\$0.8 million in connection with the 357 Collins Street Acquisition.

- to the Joint Placement Agents and Underwriters, and (c) professional and other fees and expenses to be incurred by FCOT in connection with the Private Placement; and
- (iii) the remaining proceeds of approximately S\$17.5 million (which is equivalent to 12.3% of the maximum gross proceeds of the Private Placement) to pay down existing debt and/or for general working capital purposes.

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.

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.

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.

## **7. Authority to issue Units**

The issue of 84,000,000 New Units under the Private Placement is being carried out pursuant to approval granted by an Ordinary Resolution at the EGM and the issue of the 12,000,000 Additional Units under the Upsize Placement (if carried out) is being carried out pursuant to the general mandate granted to the Manager at the annual general meeting of FCOT held on 22 January 2015.

## **8. Advanced Distribution**

FCOT's policy is to distribute its distributable income on a quarterly 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 ("**Existing Units**"), a distribution of the distributable income for the period from 1 July 2015 to 2 August 2015, 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 FCOT's distributable income for the period from 3 August 2015 to 30 September 2015. 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 the distribution per Unit (“**DPU**”) under the Advanced Distribution will be approximately 0.7805 Singapore cents per Unit<sup>5</sup>. The actual quantum of the DPU under the Advanced 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 3 August 2015.

(Please see the announcement dated 23 July 2015 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 Advanced Distribution.)

## **9. 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 3 August 2015 to 30 September 2015 as well as all distributions thereafter.

## **10. 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 Centrepont Asset Management (Commercial) Ltd.

(Company Registration No: 200503404G)

As manager of Frasers Commercial Trust

Piya Treruengrachada

Company Secretary

23 July 2015

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5 The estimated advanced distribution for the period from 1 July 2015 to 2 August 2015 (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 and expenses 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.

**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.