

**PRESS RELEASE***For Immediate Release*

- I. FCOT to realise S\$44.8 million from the 16,000 sq m additional gross floor area for hotel use**
- II. FCOT enters the Melbourne CBD office market with the proposed acquisition of 357 Collins Street**

**Realise the value of the 16,000 sq m gross floor area for hotel use**

- An entity of Frasers Centrepoint Limited to develop a 16 storey hotel (“Hotel”) at China Square Central
- Hotel will reposition China Square Central as an integrated development and further rejuvenate China Square Central
- A long lease of the Hotel to be granted for a consideration of S\$44.8 million

**Proposed Acquisition of 357 Collins Street, Melbourne, Victoria, Australia**

- FCOT’s maiden entry into the Melbourne CBD office market
- Addition of a Grade A office building located in the heart of the Melbourne CBD
- Collins Street is regarded as a prime office location in the Melbourne CBD
- Acquisition of 357 Collins Street is expected to be DPU accretive to Unitholders

**Singapore – 27 April 2015** – Frasers Centrepoint Asset Management (Commercial) Ltd (“**FCAMCL**” or the “**Manager**”), the manager of Frasers Commercial Trust (“**FCOT**”, SGX:Frasers Comm Tr), is pleased to announce that the Trust<sup>1</sup> has entered into a conditional agreement to facilitate an entity of Frasers Centrepoint Limited (“**FCL**”) to carry out the development of the Hotel (“**Hotel Project**”) with an additional gross floor area (“**GFA**”) of 16,000 square metres (“**sq m**”) (“**Additional GFA**”) at China Square Central and certain works at China Square Central (“**China Square Central Hotel Transaction**”). The Trust<sup>2</sup> has also entered into a conditional sale and purchase agreement with Australand Property Holdings (Collins St No.1) Pty Limited<sup>3</sup> to acquire 357 Collins Street, Melbourne (“**357 Collins Street Acquisition**”) for a purchase consideration of A\$222.5 million (“**Purchase Consideration**”).

Mr Low Chee Wah, Chief Executive Officer of the Manager, said “The China Square Central Hotel Transaction would enable FCOT to unlock and crystallise the value of the Additional GFA and minimise the exposure of FCOT to development risks. The Hotel to be developed by FCL will raise the profile of China Square Central as an integrated development with an exciting office accommodation, retail enclave and hospitality destination, all located within the heritage area of the Central Business District (“**CBD**”). The Hotel is expected to further rejuvenate and boost the value of China Square Central in the long run. These are in line with FCOT’s objective of achieving long term growth in distributions and net asset value per Unit.”

<sup>1</sup> Through British and Malayan Trustees Limited, the trustee of FCOT (“**Trustee**”).

<sup>2</sup> Through TFS Collins Pty Ltd, an indirect wholly-owned subsidiary of the Trustee incorporated in Australia, as trustee of Collins Street Landholding Trust.

<sup>3</sup> As trustee of APT (Collins St No.1) Trust, an indirect wholly-owned special purpose trust of Frasers Australand Pty Ltd, an indirect wholly-owned subsidiary of FCL.

Mr Low added “The 357 Collins Street Acquisition marks FCOT’s maiden entry into the Melbourne CBD office market, the second largest office market in Australia. This will complement and diversify FCOT’s exposure from its existing portfolio in Perth and Canberra in Australia. With Collins Street being regarded as a prime office location in the Melbourne CBD, good connectivity and Grade A specifications of the property, 357 Collins Street is set to be a strategic addition to FCOT’s portfolio. The 357 Collins Street Acquisition is expected to increase FCOT’s portfolio size by 14.2% from S\$1.8 billion to S\$2.0 billion as at 31 March 2015, and is expected to provide distribution per Unit (“DPU”) accretion to Unitholders.”

### **The China Square Central Hotel Transaction**

The conditional agreement entered into with Frasers Hospitality China Square Trustee Pte. Ltd. (“FHCS Trustee”)<sup>4</sup> would facilitate FHCS Trustee to carry out the development of the Hotel and certain works at China Square Central (“Commercial Project”). As part of the Commercial Project, new lettable spaces will be created with better frontage and visibility to provide a more efficient use of space. This is expected to benefit China Square Central in the long run.

A long lease of the Hotel (“Lease”) will be granted to the FHCS Trustee upon the issuance of the Temporary Occupancy Permit for the Hotel and Commercial Projects. The consideration of S\$44.8 million for granting the Lease will be paid by FHCS Trustee on the entry of the building agreement on or before 1 October 2015 (“Hotel Consideration”). The Hotel Consideration is in line with the two independent valuations of S\$44.6 million by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“Colliers”) and S\$45.0 million by Savills Valuation and Professional Services (S) Pte Ltd (“Savills”).

The Hotel Consideration was arrived at on a willing buyer and willing-seller basis, after taking into account the above independent valuations. FHCS Trustee will bear the costs and expenses of the development of the Hotel and certain works under the Commercial Project and payment of the differential premium, including the good and services tax and stamp duty. FCOT will bear the remaining costs and expenses of the Commercial Project estimated to be approximately S\$7.0 million which will be funded through internal resources.

The estimated net proceeds from the grant of the Lease is approximately S\$44.4 million (“Net Proceeds”), after taking into consideration the S\$0.4 million estimated professional and other fees and expenses incurred by FCOT in connection with the grant of the Lease. The Net Proceeds will be used towards one or more of the following: repay existing bank borrowings, for any asset enhancement initiatives and general corporate and working capital purposes.

The Hotel will be operated by Frasers Hospitality Pte Ltd under the ‘Capri by Fraser’ brand. Photographs of the artist’s impression of the Hotel is set out in Appendix A.

### **The 357 Collins Street Acquisition**

Located in the heart of the Melbourne CBD, 357 Collins Street is a 25 storey freehold office building with Grade A specifications with a total NLA of 31,920 sq m, comprising office space of 30,095 sq m and retail space of 1,825 sq m. 357 Collins Street occupies a central position in the financial precinct of Melbourne CBD with Collins Street regarded as a prime office location in the Melbourne CBD. Being strategically located in the heart of Melbourne’s CBD, the property

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<sup>4</sup> Trustee-manager of Frasers Hospitality China Square Trust, an indirect wholly-owned special purpose trust of FCL.

boasts good connectivity and accessibility. 357 Collins Street is expected to enhance FCOT's existing portfolio with the following strengths:

- (i) Building with Grade A specifications;
- (ii) Strategic location with good connectivity;
- (iii) Well-established and quality tenants with a high committed occupancy rate of 95.5% as at 31 March 2015;
- (iv) Long weighted average lease expiry ("WALE") (by gross rental income) of 6.0 years as at 31 March 2015 will provide stability of income and increase the WALE of FCOT's existing portfolio; and
- (v) 5 star NABERS<sup>5</sup> Energy rating.

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the location, occupancy and rental income generated by the property. The Purchase Consideration is in line with the two independent valuations of A\$227.0 million by Jones Lang LaSalle Advisory Services Pty Limited ("Jones Lang LaSalle") and A\$224.0 million by Knight Frank (Valuations Services (Vic) Pty Ltd ("Knight Frank").

Following the 357 Collins Street Acquisition, the properties in Australia is expected to consist approximately 40% of the enlarged portfolio size as at 31 March 2015.

The Manager intends to finance the 357 Collins Street Acquisition with a combination of equity and debt financing, so as to ensure that the 357 Collins Street Acquisition will provide overall DPU accretion to Unitholders while maintaining an optimum level of gearing. Details of the financing will be set out in the circular ("Circular") to unitholders of FCOT ("Unitholders") which will be sent to Unitholders in due course.

Further details and photographs of 357 Collins Street are set out in Appendix B.

### **Unitholders' approval**

The China Square Central Hotel Transaction and 357 Collins Street Acquisition are subject to the approval of the Unitholders of FCOT at an extraordinary general meeting. Please refer to the announcement dated 27 April 2015 for further details. Further details on the China Square Central Hotel Transaction and 357 Collins Street Acquisition will be set out in a Circular to be issued to Unitholders in due course, together with a notice of extraordinary general meeting of Unitholders, for the purpose of seeking Unitholders' approval in relation to the China Square Central Hotel Transaction and 357 Collins Street Acquisition.

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<sup>5</sup> National Australian Built Environment Rating System.

## Appendix A

### Hotel



An aerial view of the artist's impression of the Hotel<sup>6</sup>



Artist's impression of the Hotel<sup>6</sup>

<sup>6</sup> Artist's impression of the Hotel is subject to changes.

## **Appendix B**

### **357 Collins Street**

Located in the heart of the Melbourne CBD, 357 Collins Street is a 25 storey freehold office building with Grade A specifications with a total NLA of 31,920 sq m, comprising office space of 30,095 sq m and retail space of 1,825 sq m. 357 Collins Street occupies a central position in the financial precinct of Melbourne CBD with Collins Street regarded as a prime office location in the Melbourne CBD. 357 Collins Street is also close to the retail core of Melbourne which offers numerous arcades and malls, speciality shopping and department stores.

Being strategically located in the heart of Melbourne's CBD, the property boasts good connectivity and accessibility. The property has well established pedestrian, vehicle and public transport access. 357 Collins Street is well served by public transport infrastructure such as the Flinders Street Station, which serves the entire Melbourne metropolitan rail network, whilst the Southern Cross Station, the major railway station and transport hub for Melbourne, is the terminus of the State's regional railway network, suburban rail services and a coach terminal. Trams also run through Collins Street with tram stops located at several intersections on Collins Street.

357 Collins Street has various amenities such as car park and bicycle bays, end of trip facilities such as showers, changing rooms and lockers and retail and food and beverage offerings for the convenience of tenants and visitors. Key office tenants of 357 Collins Street include the Commonwealth Bank of Australia, Meridian Lawyers Limited and Wilson HTM Services Pty Ltd. 357 Collins Street has a high committed occupancy rate of 95.5% as at 31 March 2015.

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| <b>Description</b>                                 | 25-storey office building with Grade A specifications                    |
| <b>Tenure</b>                                      | Freehold   |
| <b>NLA</b>   | 31,920 sq m (30,095 sq m office; 1,825 sq m retail)                      |
| <b>Floor plates</b>                                | Majority greater than 1,000 sq m   |
| <b>Key office tenants</b>                          | Commonwealth Bank of Australia, Meridian Lawyers, Wilson HTM Services    |
| <b>Car park lots</b>                               | 41   |
| <b>Occupancy</b>                                   | 95.5% <sup>7</sup>   |
| <b>WALE by gross rental income</b>                 | 6.0 years  |
| <b>NABERS rating</b>                               | 5 star NABERS Energy rating  |
| <b>Independent valuation of 357 Collins Street</b> | Jones Lang LaSalle – A\$227.0 million<br>Knight Frank – A\$224.0 million |

<sup>7</sup> Committed occupancy as at 31 March 2015.

**357 Collins Street**



357 Collins Street



Food court at the lower ground floor of 357 Collins Street

## **About Frasers Commercial Trust**

Frasers Commercial Trust (FCOT) is a commercial real estate investment trust (REIT) focused on growing shareholder value for its unitholders through active asset management, sound financial management and strategic investments. FCOT is sponsored by Frasers Centrepoint Limited (FCL).

FCOT invests primarily in quality income-producing commercial properties. As at 31 March 2015, its portfolio includes five quality commercial buildings located in Singapore and Australia, representing a combined appraised value of approximately S\$1.8 billion.

FCOT, formerly known as Allco Commercial REIT, was listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on 30 March 2006.

On 14 August 2008, Frasers Centrepoint Limited acquired the manager of FCOT and units in FCOT and renamed the manager of FCOT, Frasers Centrepoint Asset Management (Commercial) Ltd.

For more information on FCOT, please visit [www.fraserscommercialtrust.com](http://www.fraserscommercialtrust.com)

## **About Frasers Centrepoint Limited**

Frasers Centrepoint Limited ("FCL") is a full-fledged international real estate company and one of Singapore's top property companies with total assets of approximately S\$21 billion as at 31 December 2014. FCL has four core businesses focused on residential, commercial, hospitality and industrial properties spanning 50 cities across Asia, Australasia, Europe, and the Middle-East.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is also the sponsor of three real estate investment trusts listed on the Main Board of the SGX-ST. They are Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Hospitality Trust, which are focused on retail properties, office and business space properties, and hospitality properties, respectively.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com).

## **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 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.