

**PRESS RELEASE**

*For Immediate Release*

- I. FCOT completes the acquisition of 357 Collins Street in Melbourne, Australia**
- II. FCOT realises net proceeds of S\$44.1 million from the 16,000 sq m additional gross floor area for hotel use at China Square Central**

Completion of the 357 Collins Street acquisition

- Marks FCOT's maiden entry into the Melbourne CBD office market, the second largest office market in Australia
- Acquisition is funded by a combination of equity and bank borrowings
- 357 Collins Street will contribute towards the financial results from the fourth quarter of this financial year onwards
- Committed occupancy at 357 Collins Street rose to 98.4% as at 31 July 2015<sup>1</sup>

16,000 sq m of additional gross floor area for hotel use at China Square Central

- Besides utilising the net proceeds to prepay a portion of existing bank borrowings, the net proceeds will also be available as capital distributions and may be distributed to Unitholders through quarterly distributions
- Value of the 16,000 sq m of additional gross floor area unlocked through receipt of S\$44.1 million net proceeds

**Singapore – 18 August 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 the completion of the acquisition of 357 Collins Street in Melbourne, Australia today and this marks FCOT's maiden entry into the Melbourne Central Business District (“**CBD**”) office market, the second largest office market in Australia. The Manager is also pleased to announce that FCOT<sup>2</sup> and Frasers Hospitality China Square Trustee Pte. Ltd. (“**FHCS Trustee**”) have entered into a building agreement (“**Building Agreement**”) today for FHCS Trustee to utilise the additional gross floor area (“**Additional GFA**”) of 16,000 square metres (“**sq m**”) to undertake the development of a 16-storey hotel (“**Hotel**”) and commercial project at China Square Central (“**China Square Central Hotel Transaction**”)³.

**357 Collins Street acquisition**

The total acquisition cost of 357 Collins Street was approximately A\$237.7 million, comprising the purchase consideration of A\$222.5 million and transaction costs of A\$15.2 million. The total acquisition cost was mainly funded by net proceeds of S\$122.7 million from the private

<sup>1</sup> Committed occupancy was 95.0% as at 29 May 2015, being the Latest Practicable Date in the Circular dated 3 June 2015.

<sup>2</sup> Through British and Malayan Trustees Limited, trustee of FCOT.

<sup>3</sup> Refer to the Circular to Unitholders dated 3 June 2015 for details.

placement which was completed on 3 August 2015 and the drawdown of new term loan facilities of S\$40.0 million and A\$75.0 million which were entered into on 6 August 2015<sup>4</sup>.

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

With the entry into the Building Agreement, FCOT realises net proceeds (“Net Proceeds”) of S\$44.1 million today. This represents the hotel consideration of S\$44.8 million for granting a long lease of the Hotel to FHCS Trustee upon the issuance of the Temporary Occupancy Permit for the Hotel and commercial project, and net of fees and expenses incurred for the China Square Central Hotel Transaction of approximately S\$0.7 million<sup>5</sup>.

Besides utilising the Net Proceeds to prepay a portion of existing bank borrowings, as the Net Proceeds has been determined to be capital in nature, it will also be available as capital distributions (“Capital Distributions”) and may be distributed to Unitholders through quarterly distributions during the construction period for the Hotel and commercial project (“Construction Period”) at the discretion of the Manager. The Capital Distributions, if made, would supplement and mitigate the temporary loss of income from China Square Central during the Construction Period.

### **Proactive growth strategy for FCOT**

Mr Low Chee Wah, Chief Executive Officer of the Manager, said “The addition of 357 Collins Street to FCOT’s portfolio is in line with FCOT’s mission to build a strong and balanced portfolio of quality commercial properties. Following the acquisition, FCOT’s portfolio size will increase from S\$1.8 billion to S\$2.0 billion. With the addition of 357 Collins Street, FCOT will have an additional income stream and this will contribute towards the financial results from the fourth quarter of this financial year onwards. This yield accretive acquisition will also strengthen the distributions in the long term.”

He added, “It is also worth noting that the committed occupancy at 357 Collins Street has risen from 95.0% as at 29 May 2015<sup>6</sup> to 98.4% as at 31 July 2015. The high occupancy is a testament of the quality of the property which is well located in the heart of the Melbourne CBD, and has good connectivity and accessibility. The fixed rental escalation of between 3.75% to 4.00% per annum will also provide good organic growth and income stability.”

Commenting on the China Square Central Hotel Transaction, Mr Low said “Over the years, we have created value by enhancing and unlocking the values of our existing properties through refurbishment and redevelopment. China Square Central is an excellent example where our proactive asset management strategies enabled us to unlock and crystallise the value of the Additional GFA, which represents approximately 7.7% of the value of China Square Central<sup>7</sup>. In the long run, China Square Central is poised to benefit as the Hotel will raise its profile as an integrated development while the 1,081 sq m of new lettable spaces created with better frontage and visibility as part of the commercial project will lead to potential higher income in the future.”

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<sup>4</sup> Refer to the press release and announcement dated 24 July 2015 and 3 August 2015 for details of the private placement, and announcement dated 6 August 2015 for details of the term loan facilities.

<sup>5</sup> Consist of professional and other fees and expenses incurred of approximately S\$0.5 million and divestment fee of approximately S\$0.2 million which is payable in Units.

<sup>6</sup> Being the Latest Practicable Date in the Circular dated 3 June 2015.

<sup>7</sup> Based on the valuation of China Square Central as at 30 June 2015.

Following the completion of the acquisition of 357 Collins Street, FCOT's portfolio will now consist of six quality commercial buildings located in Singapore and Australia.

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**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 30 June 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 above S\$23 billion as at 30 June 2015. FCL has four core businesses focused on residential, commercial, hospitality and industrial properties spanning 77 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 (a stapled group comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business 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.