



FRASERS CENTREPOINT LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 196300440G)

POTENTIAL SUBSCRIPTION OF SHARES IN TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED

1. INTRODUCTION

The Board of Directors of Frasers Centrepoint Limited ("**FCL**", and together with its subsidiaries, the "**Group**") wishes to announce that Frasers Property Holdings (Thailand) Co., Ltd. ("**FPHT**"), a wholly-owned subsidiary of FCL, has entered into a conditional share subscription agreement (the "**Agreement**") with TICON Industrial Connection Public Company Limited ("**TICON**", and together with FPHT, the "**Parties**"), a public company listed on the Stock Exchange of Thailand (the "**SET**"), pursuant to which TICON has agreed to issue, and FPHT has agreed to subscribe for, up to 735,000,000 newly issued ordinary shares in TICON with a par value of Baht 1.00 each (the "**New Shares**", and such proposed subscription of the New Shares, being the "**Proposed Transaction**").

Unless indicated otherwise, translations of amounts in Baht into Singapore Dollars in this announcement have been made on the basis of S\$1.00 : Baht 25.42 as at 6 October 2016.

2. INFORMATION ON TICON

TICON (together with its subsidiaries, the "**Target Group**") is the leading developer and owner of industrial properties in Thailand. In over 25 years, TICON has developed and built factories and warehouses in 18 industrial estates and 33 logistics locations in strategic hubs and economic clusters throughout Thailand. TICON currently owns and manages approximately 2.5 million square meters of industrial space. TICON is also the sponsor of three (3) listed property funds and a listed real estate investment trust ("**REIT**") in Thailand with combined assets under management of approximately Baht 32.4 billion¹ (equivalent to approximately S\$1.3 billion).

Based on the unaudited consolidated interim financial statements of the Target Group for the six (6)-month period ended 30 June 2016 ("**Target 2QFY2016 Financial Statements**"), announced by TICON on the SET on 10 August 2016, the book value and net tangible asset value of the Target Group are approximately Baht 11.39 billion (equivalent to approximately S\$448 million) and approximately Baht 11.38 billion (equivalent to approximately S\$448 million), respectively. The Proposed Transaction, if completed, is expected to increase the Target Group's book value and net tangible asset value to approximately Baht 24.62 billion (equivalent to approximately S\$968 million) and approximately Baht 24.61 billion (equivalent to approximately S\$968 million), respectively.

¹ Based on the total assets of the respective funds and REIT as at 30 June 2016.

3. **SALIENT TERMS OF THE AGREEMENT**

3.1 Consideration

- (a) FPHT will subscribe for the New Shares at a subscription price of Baht 18 per New Share (the "**Subscription Price**"). Accordingly, the total consideration payable for all 735,000,000 New Shares (the "**Total Consideration**") is Baht 13.23 billion (equivalent to approximately S\$520 million), which will be fully satisfied in cash on the completion of the Proposed Transaction ("**Completion**"). The Total Consideration will be satisfied by FPHT utilising a combination of internal resources and bank borrowings. The Subscription Price represents a premium of 5.9% to the last closing price of TICON's shares on 3 October 2016 (being the last trading day prior to the date of this announcement) and a premium of 11.2% and 13.6% to the 15-day² and 30-day² volume weighted average price of TICON's shares respectively.
- (b) On the date of Completion (the "**Completion Date**"), if FPHT cannot subscribe for the New Shares in the full amount due to the foreign shareholding limit of 49% of TICON's enlarged total issued shares ("**Foreign Shareholding Limit**"), FPHT shall pay the Total Consideration according to the number of New Shares allowed to be subscribed for in compliance with the Foreign Shareholding Limit.
- (c) The Subscription Price shall be reduced by any dividend payment or distributions made or due to the shareholders of TICON (the "**TICON Shareholders**") from the date of the Agreement up to and including the Completion Date.
- (d) The Subscription Price was arrived at taking into account, *inter alia*, the earnings, financial position, value of assets and investment holdings, peer comparables, market price and management experience, as well as the prospects of TICON in the property sector in Thailand.

3.2 Conditions Precedent

The Proposed Transaction is conditional upon the completion (or where applicable, the waiver by either FPHT or by the Parties jointly) of certain conditions precedent (the "**Conditions**"), which include, but are not limited to the following:

- (a) the passing of the resolutions by the TICON Shareholders at an extraordinary general meeting of TICON ("**EGM**") to authorise, approve, implement and effect the Completion, including but not limited to the following matters:
 - (i) the increase of TICON's registered capital from Baht 1,099,142,375 to Baht 1,834,142,375 and the amendment of TICON's memorandum of association in line with such increase;
 - (ii) the issuance and allocation of the New Shares to FPHT; and
 - (iii) the waiver for the subscription of the New Shares by FPHT from making a mandatory tender offer of all securities of TICON (the "**Outstanding Securities**") through whitewash to be given to FPHT; and
- (b) the obtaining of all authorisations, if any, required by TICON or FPHT for the Proposed Transaction, including without limitation, the capital increase of TICON, the acquisition by FPHT of any New Shares, the consummation of the transactions contemplated by

²

As at 3 October 2016 from SET

the Agreement, and a waiver of the requirement to make a mandatory tender offer for the Outstanding Securities granted to FPHT by the Office of the Securities and Exchange Commission of Thailand with respect to the subscription of the New Shares by FPHT under the Agreement.

3.3 Nomination of Nominee Directors of TICON by FPHT

Under the Agreement, three (3) existing directors of TICON ("**Existing Directors**") will resign on the Completion Date, and FPHT shall nominate three (3) persons to be considered for appointment to the board of directors of TICON in replacement of the Existing Directors.

3.4 Completion

Completion shall take place on the Completion Date which is intended to be within 45 days from the date of the EGM (the "**EGM Date**"), on the condition that all the Conditions are completed or, where permitted and as applicable, waived by either FPHT or by the Parties jointly, or such other date as the Parties may mutually agree in writing. The EGM has been scheduled on 19 December 2016.³

If FPHT cannot subscribe for the New Shares in the full amount on the Completion Date due to the Foreign Shareholding Limit, it shall subscribe for the New Shares which are allowed to be subscribed for on the Completion Date at the Subscription Price. However, for the period of three (3) months from the EGM Date, the Parties shall monitor the Foreign Shareholding Limit and notify the other Parties if there is available room in the Foreign Shareholding Limit. Upon becoming aware of such available room in the Foreign Shareholding Limit, FPHT shall subscribe for the unsubscribed New Shares up to such available room. Within such three (3)-month period, the Parties agree in good faith to determine the most appropriate method permitted by the relevant laws for the subscription of the unsubscribed New Shares by FPHT at the Subscription Price. The Parties agree that FPHT shall have no further obligation to subscribe for any unsubscribed New Shares and TICON shall have no further obligation to issue any unsubscribed New Shares to FPHT, after three (3) months from the EGM Date.

3.5 Other provisions

The Agreement also contains customary provisions such as those relating to representations and warranties, pre-completion undertakings and termination.

4. **RATIONALE FOR THE PROPOSED TRANSACTION INCLUDING BENEFITS EXPECTED TO ACCRUE TO FCL AS A RESULT OF THE PROPOSED TRANSACTION**

The Proposed Transaction is in line with FCL's strategic direction to grow its business overseas and its recurring income. The Proposed Transaction will allow FCL to extend the Group's exposure to the industrial market sector in Thailand, which FCL believes to offer positive growth prospects as a secondary market. TICON occupies a leading market position in Thailand as a developer and owner of industrial properties and provides a platform for FCL to harness its industrial know-how to capture opportunities in the industrial properties sector in Thailand and the ASEAN Economic Community ("**AEC**") region. The Thai government is in the midst of planning a roll-out of mega-infrastructure investment programs worth approximately US\$98 billion⁴ to improve efficiency, capacity and connectivity of key rail, road and sea transportation networks within Thailand and the surrounding ASEAN economic corridors. In addition, the Thai

³ or such other date if the same is adjourned according to the consideration of the Board of Directors of TICON, which shall not be later than 30 January 2017.

⁴ Baht 3.38 trillion Investment Budget under Thailand's Infrastructure Development Master Plan (2015 – 2022), 17 December 2015, National Economic and Social Development Board of Thailand (NESDB)

government is planning to introduce access grants and tax-break incentives from the Board of Investment of Thailand for investment, ownership and occupation of industrial developments within key logistics hubs and corridors. Thailand is the centre of a key economic corridor linking South-West China to Malaysia, and Myanmar to Laos, Cambodia and Vietnam. The completion of intra-regional railway and high-way transport networks will open up long-term opportunities for TICON and the Group to tap into the growth of AEC markets.

The new capital from the Proposed Transaction will significantly lower TICON's pro forma net debt-to-equity ratio to 0.34x as of 30 June 2016, and its strengthened balance sheet will equip TICON with enhanced financial flexibility to take advantage of market prospects in Thailand and the AEC markets.

5. **FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION**

5.1 For illustrative purposes only, the financial effects of the Proposed Transaction on FCL as set out below are prepared based on the Group's latest announced consolidated audited financial statements for the financial year ended 30 September 2015 ("**FY2015**") and are subject to the following key assumptions:

- (a) FPHT will subscribe for 735,000,000 New Shares and pay the Total Consideration of Baht 13.23 billion (equivalent to approximately S\$520 million) in consideration for such New Shares;
- (b) there is no reduction in the Subscription Price in accordance with the terms of the Agreement;
- (c) the Group equity-accounts for TICON's results and financial position;
- (d) the effect of the Proposed Transaction on the Group's earnings per ordinary share of FCL ("**EPS**") for FY2015 is based on the assumption that the Proposed Transaction had been effected at the beginning of FY2015;
- (e) the effect of the Proposed Transaction on the Group's net tangible asset ("**NTA**") and net asset value ("**NAV**") per ordinary share of FCL ("**Share**") for FY2015 is based on the assumption that the Proposed Transaction had been effected at the end of FY2015; and
- (f) the effect of the Proposed Transaction is based on the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2015 (the "**Target FY2015 Financial Statements**").

5.2 The financial effects as set out below are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of FCL or the Group.

- (a) EPS

	Before the Proposed Transaction	After the Proposed Transaction
Profit after tax and non-controlling interests (before fair value change and exceptional	544	544

items) (S\$'000,000)		
No. of issued Shares ('000)	2,893,873	2,893,873
EPS (before fair value change and exceptional items)(Singapore cents)	17.2	17.2

(b) NTA per Share

	Before the Proposed Transaction	After the Proposed Transaction
NTA (S\$'000,000)	5,619	5,620
No. of issued Shares ('000)	2,895,010	2,895,010
NTA per Share (S\$)	1.94	1.94

(c) NAV per Share

	Before the Proposed Transaction	After the Proposed Transaction
NAV (S\$'000,000)	6,510	6,511
No. of issued Shares ('000)	2,895,010	2,895,010
NAV per Share (S\$)	2.25	2.25

6. RELATIVE FIGURES OF THE PROPOSED TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1 Based on the Group's latest announced unaudited consolidated financial statements for the third quarter ended 30 June 2016, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "Listing Manual") are as follows:

Rule 1006

Relative Figure

- (a) The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable

(b)	The net profits attributable to the assets to be acquired, being the sum of S\$16 million, compared with the Group's net profits of S\$496 million. ⁽¹⁾	3.3%
(c)	The aggregate value of the consideration to be given ⁽²⁾ , compared with the Group's market capitalisation of approximately S\$4.34 billion (calculated based on the weighted average price of S\$1.4966 per Share and 2,899,996,444 Shares (excluding treasury shares)) as at 7 October 2016, being the market day immediately preceding the date of the Agreement.	12.0%
(d)	The number of equity securities issued by FCL as consideration for the Proposed Transaction, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Notes:

- (1) As the financial year end of TICON (being 31 December) is different from that of FCL (being 30 September), the net profits attributable to the assets to be acquired are derived from the Target Group's net profits for the six (6)-month period ended 30 June 2016 and the three (3)-month period ended 31 December 2015, as extracted from TICON's results announcements released on the SET. The net profits of the Group reflected here are for the nine (9) months ended 30 June 2016.
- (2) Based on the Total Consideration for 735,000,000 New Shares.

6.2 In view of the foregoing, the Proposed Transaction constitutes a discloseable transaction under Chapter 10 of the Listing Manual.

7. DIRECTORS AND CONTROLLING SHAREHOLDERS

- 7.1 No person is proposed to be appointed to the board of FCL in connection with the Proposed Transaction, and hence no director's service contract is proposed to be entered into by FCL with any person in connection with the Proposed Transaction.
- 7.2 Save as disclosed in this paragraph 7.2, none of the directors or controlling shareholders of FCL has any interest, direct or indirect, in the Proposed Transaction other than in their capacity as directors or shareholders of FCL. Weerawong Chittmitrapap, a non-executive and independent director of FCL, is the senior partner of Weerawong, Chinnavat & Peangpanor Ltd, the legal firm acting for FPHT and FCL in the Proposed Transaction.

8. DOCUMENTS FOR INSPECTION

A copy of the Agreement will be made available for inspection at the registered office of FCL at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 during normal business hours for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

Catherine Yeo
Company Secretary

10 October 2016