

## FRASERS PROPERTY LIMITED

*Incorporated in Singapore*

*Company Registration No. 196300440G*

### PROPOSED MERGER OF FRASERS LOGISTICS & INDUSTRIAL TRUST AND FRASERS COMMERCIAL TRUST AND PROPOSED DIVESTMENT OF 50% INTEREST IN FARNBOROUGH BUSINESS PARK IN THE UNITED KINGDOM

#### 1 INTRODUCTION

1.1 The board of directors of Frasers Property Limited (the “**Company**” and the board of directors of the Company, the “**Board**”) wishes to announce that the respective boards of directors of Frasers Logistics & Industrial Asset Management Pte. Ltd., as manager of Frasers Logistics & Industrial Trust (“**FLT**” and the manager of FLT, the “**FLT Manager**”), and Frasers Commercial Asset Management Ltd, as manager of Frasers Commercial Trust (“**FCOT**” and the manager of FCOT, the “**FCOT Manager**”), have today jointly announced the entry into an implementation agreement (the “**Implementation Agreement**”) in connection with the proposed merger (the “**Proposed Merger**”) of FLT and FCOT by way of a trust scheme of arrangement (“**Trust Scheme**”) in accordance with the Singapore Code on Take-overs and Mergers, pursuant to which FLT will acquire all the issued and paid-up units in FCOT (the “**FCOT Units**”) in exchange for a combination of cash and units in FLT (“**FLT Units**”). Each of the FLT Manager and the FCOT Manager is a wholly-owned subsidiary of the Company.

The Proposed Merger is subject to the approvals of the respective unitholders of FLT and FCOT. The Company is not a party to the Implementation Agreement. As the Company is a concert party to FLT, the Company and its relevant subsidiaries will abstain from voting on the Trust Scheme.

Details of the Proposed Merger are set out in the joint announcement (“**Merger Announcement**”), joint press release and investor presentation slides released by the FLT Manager and FCOT Manager on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), all of which are available at [www.sgx.com](http://www.sgx.com).

1.2 Further, pursuant to Rule 704(18)(c) of the Listing Manual of the SGX-ST, the Board wishes to announce that the Company, through its indirect wholly-owned subsidiary, Frasers Property HoldCo (Jersey) Limited (the “**Vendor**”), has today entered into a conditional share purchase agreement (“**Share Purchase Agreement**”) with, among others<sup>1</sup>, FLT Europe Pte. Ltd., a wholly-owned subsidiary of FLT (as purchaser) (the “**Purchaser**”), to divest the Vendor’s interest in one ordinary share (the “**Sale Share**”) of Farnborough Business Park Limited (the “**Property Company**”) (representing 50.0% of the entire issued share capital of the

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<sup>1</sup> Frasers Property International Pte. Ltd. is also a party to the Share Purchase Agreement as a guarantor to guarantee the performance of the obligations of the Vendor under the Share Purchase Agreement.

Property Company) (the “**Proposed Divestment**”). The Property Company is a property holding company which directly owns the legal and beneficial title to Farnborough Business Park, located at Farnborough, Thames Valley, west of London, the United Kingdom (the “**Property**”). The remaining 50% of the Property Company is currently held by a wholly-owned subsidiary of FCOT.

The FLT Manager has also released an announcement on the Purchaser’s proposed acquisition of the 50% interest in the Property Company from the Vendor (the “**Proposed Acquisition**”) on the SGX-ST, which is available at [www.sgx.com](http://www.sgx.com).

## **2 THE PROPOSED MERGER AND TRUST SCHEME**

### **Expected Impact of the Proposed Merger and the Trust Scheme on the Company**

- (a) As at the date of this announcement, the Company, through its wholly-owned subsidiaries, has an aggregate deemed interest of approximately 19.6% of the total number of FLT Units in issue, and a deemed interest in approximately 25.9% of the FCOT Units in issue.
- (b) Upon completion of the Proposed Merger, and based on the assumptions set out in the Merger Announcement, the Company, through its wholly-owned subsidiaries, expects to have an aggregate deemed interest of approximately 21.9% in the enlarged FLT (the “**Enlarged REIT**”).
- (c) Pursuant to the Proposed Merger, FLT will be acquiring the Company’s existing interest of approximately 25.9% in the FCOT Units. As the Company would, upon the completion of the Proposed Merger, continue to have a resultant unitholding interest in FLT of approximately 21.9%, the Company would, in effect, be indirectly re-acquiring the FCOT Units through FLT.
- (d) The Proposed Merger is not expected to have a material effect on the net tangible assets per share or earnings per share of the Company and its subsidiaries (the “**Group**”) for the current financial year.

## **3 THE PROPOSED DIVESTMENT**

### **3.1 Certain Terms and Conditions of the Share Purchase Agreement**

The principal terms of the Share Purchase Agreement include, among others, the following conditions precedent: (a) the completion of the Proposed Merger, (b) the passing at an extraordinary general meeting of the FLT unitholders of the resolution to approve the Proposed Acquisition and (c) the Purchaser having obtained adequate financing to fund the Proposed Acquisition.

The total amount payable by the Purchaser to the Vendor wholly in cash under the Share Purchase Agreement (the “**Purchase Consideration**”) is estimated to be approximately £45.5 million (approximately S\$79.6 million<sup>2</sup>) and was negotiated on a willing buyer and willing seller basis, based on the aggregate value of:

- (i) 50% of the adjusted net asset value of the Property Company as at the date of completion of the Proposed Divestment (“**Completion**” and the date of Completion, the “**Completion Date**”) which takes into account the agreed value of the Property of £181.0 million (approximately S\$316.8 million<sup>2</sup>), being the consideration for the Sale Share; and
- (ii) the entire amount outstanding as at the Completion Date under the existing shareholder’s loan extended by the Vendor to the Property Company of approximately £44.6 million (approximately S\$78.1 million<sup>2</sup>) which is to be fully discharged on the Completion Date.

The consideration for the Sale Share will be subject to post-Completion adjustments in accordance with the Share Purchase Agreement.

### **3.2 Rationale**

The Proposed Divestment is in line with the strategy of the Group to recycle capital as part of its active portfolio management initiatives from stabilised investment properties via its real estate investment trusts (“**REITs**”), which are of strategic importance to the Group. As 50% of the Property Company is currently held by a wholly-owned subsidiary of FCOT, the Proposed Divestment will result in the Enlarged REIT holding 100% interest in the Property Company.

### **3.3 Financial Effects of the Proposed Divestment**

The Proposed Divestment is in the ordinary course of the Company’s business and is not expected to have a material effect on the net tangible assets per share or earnings per share of the Group for the current financial year.

### **3.4 Document for Inspection**

A copy of the Share Purchase Agreement is available for inspection at the registered office of the Company at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958 during normal business hours for three (3) months from the date of this announcement.

By Order of the Board

Catherine Yeo  
Company Secretary  
2 December 2019

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<sup>2</sup> Based on the exchange rate of £1 = S\$1.75.