



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

ACQUISITION OF BUSINESS PARKS LOCATED IN THE UNITED KINGDOM

1. INTRODUCTION

- 1.1 The Board of Directors of Frasers Centrepoint Limited (“**FCL**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Frasers Property International Pte. Ltd. (“**Frasers Property**”), a wholly-owned subsidiary of FCL, has entered into four sale and purchase agreements with the relevant vendor (the “**Vendor**”, and collectively, the “**Vendors**”) each of which is a subsidiary of a fund or account managed by Oaktree Capital Management, L.P., for the acquisition (the “**Business Parks Acquisition**”) of four business parks located in the United Kingdom (the “**Properties**”). Frasers Property has also entered into a conditional sale and purchase agreement with the Vendor for the acquisition of a business park located at Bracknell, United Kingdom (the “**Maxis Acquisition**”, and together with the Business Parks Acquisition, the “**Acquisitions**”).

2. INFORMATION ON THE PROPERTIES

2.1 Winnersh Triangle, Reading

Winnersh Triangle, Reading (“**Winnersh Triangle**”) is a mixed-use, freehold park located in the Reading, United Kingdom. With a total built area of approximately 1.5 million square feet, Winnersh Triangle had an average occupancy rate of 90% and a weighted average lease expiry of 6.5 years as at 30 June 2017. It is served by a dedicated rail station and is within a 35-minute train ride from Central London and an approximately 8-minute train ride from Reading.

Winnersh Triangle is 100% owned by Winnersh Investments S.a.r.l (“**Winnersh Investments**”) and Winnersh Midco S.a.r.l (“**Winnersh Midco S.a.r.l**”). Winnersh Investments and Winnersh Midco S.a.r.l are 100% owned by Winnersh Holdings S.a.r.l. (“**Winnersh Holdings**”). Based on the sale and purchase agreement entered into in respect of Winnersh Triangle (the “**Winnersh Agreement**”), Frasers Property and/or its nominee(s) will be acquiring 100% interest in the shares of Winnersh Holdings.

Based on the unaudited group financials of Winnersh Holdings as at 30 June 2017, the net asset value of Winnersh Holdings was approximately £103 million (approximately S\$181 million¹).

¹ In this announcement, unless otherwise stated, translations of amounts from the British Pound to Singapore dollars have been made on the basis of £1: S\$1.7553 as at 8 September 2017.

2.2 Chineham Park

Chineham Park, Basingstoke (“**Chineham Park**”) is a mixed-used freehold park located in Basingstoke, United Kingdom, with a total built area of approximately 815,000 square feet. As at 30 June 2017, Chineham Park had an average occupancy rate of 79% and a weighted average lease expiry of 6.6 years. Chineham Park has excellent transport links and is located just off the A339 ring road which provides access to junction 6 of the M3 motorway.

Chineham Park is 100% held by Aviemore Chineham Park Unit Trust (“**Chineham Park Unit Trust**”). Based on the sale and purchase agreement entered into in respect of Chineham Park (the “**Chineham Agreement**”), Frasers Property and/or its nominee(s) will be acquiring (a) 100% interest in the units of Chineham Park Unit Trust and (b) 100% interest in shares of Aviemore Chineham Park General Partner Limited².

Based on the unaudited group financials of Chineham Park Unit Trust as at 30 June 2017, the net asset value of Chineham Park Unit Trust was approximately £66 million (approximately S\$116 million).

2.3 Watchmoor Park, Camberley

Watchmoor Park, Camberley (“**Watchmoor Park**”) is an office park located in Camberley, United Kingdom with a total built area of approximately 255,000 square feet. As at 30 June 2017, Watchmoor Park had an average occupancy rate of 75% and a weighted average lease expiry of 5.8 years. It enjoys excellent connectivity with easy access to M3 Junction 4 and is situated within four miles from four railway stations which offer connections to Central London.

Watchmoor Park is 100% held by Plymouth Sound (UK) Holdings LP through Watchmoor S.a.r.l. (“**Watchmoor S.a.r.l.**”). Based on the sale and purchase agreement entered into in respect of Watchmoor Park (the “**Watchmoor Agreement**”), Frasers Property and/or its nominee(s) will be acquiring 100% interest in the shares of Watchmoor S.a.r.l.

Based on the unaudited financials of Watchmoor S.a.r.l. as at 30 June 2017, the net asset value of Watchmoor S.a.r.l. was approximately £20 million (approximately S\$35 million).

2.4 Hillington Park

Hillington Park (“**Hillington Park**”) is a freehold mixed-use park located in Glasgow, Scotland with a total built area of approximately 2.3 million square feet. As at 30 June 2017, Hillington Park had an average occupancy rate of 86% and a weighted average lease expiry of 4.3 years. It is well connected to Glasgow International Airport and has a close proximity to Glasgow City Centre.

Hillington Park is 100% held by Aviemore Hillington Park Unit Trust (“**Hillington Park Unit Trust**”). Based on the sale and purchase agreement entered into in respect of Hillington Park (the “**Hillington Agreement**”), Frasers Property and/or its nominee(s) will be acquiring (a) 100% interest in the units of Hillington Park Unit Trust and (b) 100% interest in the shares of Aviemore Hillington GP Limited

² The acquisition of Aviemore Chineham Park General Partner Limited is at nominal consideration of £1.

and Aviemore Hillington 2013 GP Limited³.

Based on the unaudited group financials of Hillington Park Unit Trust as at 30 June 2017, the net asset value of Hillington Park Unit Trust was approximately £43 million (approximately S\$75 million).

2.5 Maxis, Bracknell

Maxis, Bracknell (“**Maxis**”) which is located in Western Road, Bracknell, United Kingdom, is a campus of prime, grade A offices totaling approximately 199,000 square feet in two buildings with planning consent for a further building of 79,000 square feet. It is well connected within five miles to the M4 motorway. As at 30 June 2017, Maxis had an average occupancy rate of 53% and a weighted average lease expiry of 9.3 years.

Based on the conditional sale and purchase agreement entered into in respect of Maxis (the “**Maxis Agreement**”), Frasers Property and/or its nominee(s) will be acquiring Maxis by way of an asset purchase.

3. SALIENT TERMS OF THE ACQUISITIONS

3.1 Consideration for the Business Parks Acquisition

The aggregate consideration (the “**Consideration**”) pursuant to the Winnersh Agreement, the Chineham Agreement, the Watchmoor Agreement and the Hillington Agreement (the “**Sale and Purchase Agreements**”) is an amount of approximately £686 million (approximately S\$1,204 million), as shown in the table below, comprising the purchase price computed based on the net asset value of Winnersh Holdings, Chineham Park Unit Trust, Watchmoor S.a.r.l. and Hillington Park Unit Trust (together, the “**Target Entities**”), and the amount required to discharge external loans and intercompany loans of the Target Entities. The aggregate valuation of the Properties as at 31 August 2017 by BNP Paribas Real Estate Advisory & Property Management UK Limited is £692 million (approximately S\$1,215 million).

Properties	Target Entities	Consideration on Net of Debt and Net of Cash Basis (£ million)
Winnersh Triangle	Winnersh Holdings	365
Chineham Park	Chineham Park Unit Trust	142
Watchmoor Park	Watchmoor S.a.r.l.	42
Hillington Park	Hillington Park Unit Trust	137
Total		686

The Consideration is payable in cash and will be funded from borrowings and internal resources. The Consideration is subject to post-completion adjustments in accordance with the terms of the Sale and Purchase Agreements.

³ The acquisition of Aviemore Hillington GP Limited and Aviemore Hillington 2013 GP Limited is at nominal consideration of £1 and £10 respectively.

3.2 **Completion**

Completion of the Business Parks Acquisition will take place within 60 days of the date of the Sale and Purchase Agreements.

3.3 **The Maxis Acquisition**

The Maxis Acquisition is subject to certain specific conditions separate from the Business Parks Acquisition. Based on the Maxis Agreement, Frasers Property and/or its nominee(s) will be obligated to purchase Maxis subject to conditions relating to, *inter alia*, net operating income yield and Maxis achieving an occupancy of at least 95%. If the conditions in the Maxis Agreement are satisfied, completion of the Maxis Acquisition will take place no later than 20 working days after 29 June 2018.

The net purchase price for the Maxis Acquisition is £57 million (approximately S\$100 million) (the “**Maxis Purchase Price**”), and Frasers Property or its nominee(s) intends to satisfy the Maxis Purchase Price in cash, funded from borrowings and internal resources. The Maxis Purchase Price is subject to price adjustment mechanisms in accordance with the Maxis Agreement. A further announcement will be made at the relevant time when the conditions in the Maxis Agreement are satisfied and Frasers Property or its nominee(s) proceeds with the Maxis Acquisition.

3.4 **Primary Obligor**

FCL is a party to the Sale and Purchase Agreements as a primary obligor to unconditionally complete the obligations of Frasers Property and/or its nominee(s) under the Sale and Purchase Agreements if Frasers Property and/or its nominee(s) fails to complete.

4. **RATIONALE**

4.1 The Acquisitions are in line with FCL's strategy and will deliver significant benefits to FCL, including:

- (a) growing FCL's overseas presence and recurring income in the United Kingdom and Europe through asset class diversification and reinforcing FCL's “network effect” and “grow with customers” strategy by increasing FCL's customer base and cross-marketing opportunities across various asset classes and geographies;
- (b) acquisition of a strategically located and high quality business park portfolio which offers a well-diversified tenant base and long weighted average lease expiry;
- (c) entry into the resilient business park sector in the United Kingdom supported by strong industry fundamentals, where rental and occupancy rates in the United Kingdom business park market has demonstrated resilience and continued growth post the Brexit vote; and
- (d) attractive future growth potential offered by the Properties, with 1.4 million square feet of development built area which is expected to generate rental upside.

5. FINANCIAL EFFECTS OF THE ACQUISITIONS

5.1 For illustrative purposes only, the financial effects of the Business Parks Acquisition and the Acquisitions on FCL respectively as set out below are prepared based on the Group's latest announced consolidated audited financial statements for the financial year ended 30 September 2016 ("FY2016"), and are subject to the following key assumptions:

- (a) the effect of the Business Parks Acquisition and the Acquisitions on the Group's earnings per ordinary share ("**Share**") of FCL ("**EPS**") for FY2016 is based on the assumption that the Business Parks Acquisition and the Acquisitions had been effected at the beginning of FY2016;
- (b) the effect of the Business Parks Acquisition and the Acquisitions on the Group's net tangible asset ("**NTA**") and net asset value ("**NAV**") per Share for FY2016 is based on the assumption that the Business Parks Acquisition and the Acquisitions had been effected at the end of FY2016;
- (c) the effect of the Business Parks Acquisition is based on the aggregated financial statements of Winnersh Holdings, Chineham Park Unit Trust, Watchmoor S.a.r.l. and Hillington Park Unit Trust for the financial year ended 31 December 2016;
- (d) the effect of the Acquisitions is based on the effect of the Business Parks Acquisition as set out in paragraph 5.1(c) above and the Maxis Acquisition assuming net operating income based on 6% of the Maxis Purchase Price; and
- (e) the pro forma financial information set out in this paragraph 5 have been prepared based on an illustrative exchange rate of S\$1: £0.5653 as at 30 September 2016.

5.2 The financial effects 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 Acquisitions	After the Business Parks Acquisition	After the Acquisitions
Profit after tax and non-controlling interests (before fair value change and exceptional items) (S\$' million)	480	506	510
Weighted average number of issued Shares ('000)	2,898,893	2,898,893	2,898,893
EPS (before fair value change and exceptional items) (Singapore cents) ⁽¹⁾	14.33	15.25	15.37

Note:

(1) The EPS is computed after adjusting for distributions to perpetual securities holders of S\$64 million.

(b) NTA per Share

	Before the Acquisitions	After the Business Parks Acquisition⁽¹⁾	After the Acquisitions⁽¹⁾
NTA (S\$' million)	5,927	5,920	5,918
No. of issued Shares ('000)	2,899,996	2,899,996	2,899,996
NTA per Share (S\$)	2.04	2.04	2.04

Note:

(1) The NTA has been adjusted for the transaction costs of the Business Parks Acquisition / the Acquisitions.

(c) NAV per Share

	Before the Acquisitions	After the Business Parks Acquisition⁽¹⁾	After the Acquisitions⁽¹⁾
NAV (S\$' million)	6,661	6,654	6,653
No. of issued Shares ('000)	2,899,996	2,899,996	2,899,996
NAV per Share (S\$)	2.30	2.29	2.29

Note:

(1) The NAV has been adjusted for the transaction costs of the Business Parks Acquisition / the Acquisitions.

6. RELATIVE FIGURES OF THE BUSINESS PARKS ACQUISITION AND THE ACQUISITIONS UNDER CHAPTER 10 OF THE LISTING MANUAL (THE "LISTING MANUAL") OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

6.1 Based on the Group's latest announced unaudited consolidated financial statements for the nine months ended 30 June 2017, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006

Relative Figure for the Business Parks Acquisition **Relative Figure for the Acquisitions**

(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value

Not applicable

Not applicable

(b)	The net profits attributable to the assets to be acquired, being the sum of approximately S\$19.0 million and S\$23.5 million for the Business Parks Acquisition and the Acquisitions respectively, compared with the Group's net profits of approximately S\$784.2 million	2.4%	3.0%
(c)	The aggregate value of the consideration given, compared with FCL's market capitalisation of approximately S\$6.1 billion (calculated based on the weighted average price of S\$2.11 per Share and 2,905,324,694 Shares (excluding treasury shares)) as at 8 September 2017 being the market day immediately preceding the date of the Sale and Purchase Agreements and the Maxis Agreement	19.6%	21.2%
(d)	The number of equity securities issued by FCL as consideration for the Business Parks Acquisition and Acquisitions respectively, compared with the number of equity securities previously in issue	Not applicable	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	Not applicable

6.2 The Acquisitions are in the ordinary course of business of FCL in line with its strategy for growth of recurring income and strengthening its presence in United Kingdom and Europe.

7. DIRECTORS AND CONTROLLING SHAREHOLDERS

7.1 No person is proposed to be appointed to the board of FCL in connection with the Acquisitions, and hence no director's service contract is proposed to be entered into by FCL with any person in connection with the Acquisitions.

7.2 None of the directors or controlling shareholders of FCL have any interest, direct or indirect, in the Acquisitions other than in their capacity as directors or shareholders of FCL.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents 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:

- (i) the Winnersh Agreement;
- (ii) the Chineham Agreement;
- (iii) the Watchmoor Agreement;
- (iv) the Hillington Agreement;
- (v) the Maxis Agreement; and
- (vi) the summary valuation reports for the Properties and Maxis issued by BNP Paribas Real Estate Advisory & Property Management UK Limited.

BY ORDER OF THE BOARD

Catherine Yeo
Company Secretary

11 September 2017