



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

BID IMPLEMENTATION AGREEMENT RELATING TO THE ACQUISITION OF AUSTRALAND PROPERTY GROUP

1. INTRODUCTION

The Board of Directors of Frasers Centrepoint Limited ("**FCL**" or the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcements issued on 4 June 2014, 10 June 2014 and 11 June 2014 in connection with the proposal to acquire Australand Property Group, ("**Australand**") and wishes to announce the following:

- (a) the Company has satisfactorily completed its exclusive due diligence process on Australand;
- (b) the Company has entered into a binding Bid Implementation Agreement (the "**BIA**") today with Australand, which is a stapled group comprising:
 - (i) Australand Holdings Limited (ABN 12 008 443 696) ("**AHL**");
 - (ii) Australand Property Limited (ABN 90 105 462 137, AFS Licence No. 231130) ("**APL**") in its capacity as responsible entity of Australand Property Trust (ARSN 106 680 424); and
 - (iii) Australand Investments Limited (ABN 12 086 673 092, AFS Licence No. 228837) ("**AIL**") in its capacity as responsible entity of Australand Property Trust No.4 (ARSN 108 254 413) and Australand Property Trust No.5 (ARSN 108 254 771),

pursuant to which the Company has agreed to acquire up to 100% of the issued stapled securities of Australand (the "**Australand Securities**" and each an "**Australand Security**") via an off-market takeover offer (the "**Offer**") for cash consideration (the "**Proposed Acquisition**"); and

- (c) FCL has today announced the Offer for all the Australand Securities (the "**Offer Announcement**"), which will be made by Frasers Amethyst Pte. Ltd. (a wholly-owned subsidiary of FCL) (the "**Offeror**"). A copy of the Offer Announcement, attaching a copy of the BIA, is attached to this Announcement. The Offeror has lodged a bidder's statement containing the Offer (the "**Bidder's Statement**") with Australand, the Australian Securities and Investments Commission and the Australian Securities Exchange ("**ASX**"), a copy of which may be found on the ASX website (www.asx.com.au).

Unless indicated otherwise, translations of amounts in A\$ into S\$ in this announcement have been made on the basis of A\$1 : S\$1.1786 as at 27 June 2014.

2. **INFORMATION ON AUSTRALAND**

Listed on the ASX, Australand is one of Australia's leading diversified property groups. Australand has been involved in property development for more than 80 years, and its activities span across Australia and property segments. Australand's operations, which include development of residential land, housing and apartments, development of, and investment in income producing commercial and industrial properties, and property management, are located in Sydney, Melbourne, South East Queensland, Adelaide and Perth.

Based on the audited consolidated financial statements of Australand for the year ended 31 December 2013, announced by Australand on the ASX on 17 March 2014, the book value / net tangible asset ("**NTA**") value of the Australand Securities was A\$2.1 billion (approximately S\$2.4 billion). Based on the weighted average price of the Australand Securities on the ASX of A\$4.44 on 30 June 2014 (being the last market day on which the Australand Securities were traded on the ASX prior to the date of this Announcement), the latest available open market value of the Australand Securities is A\$2.6 billion (approximately S\$3.1 billion).

3. **SALIENT TERMS OF THE OFFER AND THE BIA**

3.1 **Consideration**

- (a) The Offer will be made for all the Australand Securities at A\$4.48 per Australand Security (the "**Offer Price**"). Assuming full acceptance of the Offer, the aggregate consideration payable for all the Australand Securities (the "**Aggregate Consideration**") is approximately A\$2.6 billion¹ (approximately S\$3.1 billion).
- (b) Australand's expected distribution for the half year ending 31 December 2014 is 12.75 Australian cents per Australand Security. Under the terms of the Offer, holders of the Australand Securities (the "**Australand Securityholders**") will be entitled to receive the Allowed Distribution. The Offer will not affect the entitlement of the Australand Securityholders to Australand's first half distribution for 2014, the record date for which was 30 June 2014.

For the purpose of this paragraph 3.1(b):

- (i) "**Allowed Distribution**" means a distribution to be paid to the Australand Securityholders on the Australand register of members on the Allowed Distribution Record Date. The Allowed Distribution will be an amount equal to (A) the proportion of Australand's expected second half distribution for 2014 (being 12.75 Australian cents per Australand Security) that is referable to the period from 1 July 2014 until the Offer becomes unconditional (as a proportion of the entire half year ending 31 December 2014 and calculated on a *pro-rata* basis), up to a maximum of 12.75 Australian cents per Australand Security, or (B) if the Offer is not unconditional before 31 December 2014, 12.75 Australian cents per Australand Security; and
- (ii) "**Allowed Distribution Record Date**" means the record date for the Allowed Distribution as determined by the boards of directors of AHL, APL and AIL (the "**Australand Board**"), which date will (A) be announced at the time of announcement of the Allowed Distribution, within two (2) business days of the Offer becoming unconditional, or if the Offer is not unconditional before 18 December 2014, within two (2) business days of that date, and (B) fall on the date that is five (5) business days after it is announced.

¹ This is calculated based on the number of Australand's issued stapled securities being 578,984,528 as at the date of this Announcement.

- (c) Any distributions in excess of the Allowed Distribution or Australand's first half distribution for 2014 will be deducted from the consideration payable under the Offer.
- (d) The Aggregate Consideration was arrived at taking into account, *inter alia*, the earnings, financial position, market price and management experience as well as the prospects of Australand in the property sector in Australia.
- (e) The Aggregate Consideration will be fully satisfied in cash and is proposed to be funded by a combination of internal and external funding arrangements that have been put in place by FCL. For more details on the method of financing the Proposed Acquisition, please refer to paragraph 5 below.
- (f) The consideration payable under the Offer will be paid in full to the Australand Securityholders who accept the Offer by the later of (i) 15 business days after the date that the Offer becomes unconditional, and (ii) 10 business days after the date that the Offer is accepted thereafter.

3.2 Offer Period

The Offer is currently scheduled to open on 7 July 2014 and close at 7.00 pm (Sydney time) on 7 August 2014 (the "**Offer Period**"), unless extended by the Offeror at its discretion or automatically, in each case in accordance with the Corporations Act 2001 (Cwth) of Australia (the "**Corporations Act**").

3.3 Minimum Acceptance, FIRB Approval and Other Conditions

The Proposed Acquisition is subject, *inter alia*, to certain defeating conditions (the "**Conditions**") having been fulfilled (or waived by FCL in its sole discretion).

In particular, completion of the Proposed Acquisition is conditional on a minimum acceptance of the Offer being reached. During, or at the end of, the Offer Period, the number of Australand Securities in which the Offeror and its Associates (as defined in Division 2 of Part 1.2 of the Corporations Act) together have relevant interests must be more than 50% of all the Australand Securities (on a fully diluted basis).

The Proposed Acquisition is further subject to the condition that prior to the end of the Offer Period, either (a) the Treasurer of the Commonwealth of Australia (the "**Treasurer**") (or his delegate) must have provided written advice with or without conditions that there are no objections under Australia's foreign investment policy to the Proposed Acquisition or (b) following notice of the Proposed Acquisition having been given by FCL or the Offeror to the Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cwth) of Australia ("**FATA**"), the Treasurer should have ceased to be empowered to make any order under Part II of the FATA because of the lapse of time.

FCL has lodged its application to the Foreign Investment Review Board ("**FIRB**") and will update the market on the progress of its application in due course.

The Conditions are set out in full in Appendix A to the Offer Announcement. Within three (3) business days of the specific two (2) Conditions described above in this paragraph 3.3 both being satisfied, the Offeror will waive all defeating Conditions (other than any defeating Condition in respect of which the Offeror has publicly announced a breach or suspected breach before that time).

3.4 Termination:

The BIA may be terminated in the following circumstances:

- (a) by either FCL or Australand by notice to the other party if:
 - (i) the other party is in material breach of the BIA and that breach is not remedied by that other party within five (5) business days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
 - (ii) FCL withdraws the Offer as permitted by the Corporations Act for any reason including non-satisfaction of a Condition;
 - (iii) there is a material breach of a representation or warranty contained in Clause 11.1 or 11.3 of the BIA by the other party (as the case may be);
 - (iv) a court or other Regulatory Authority (as defined in the BIA) has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Offer; or
 - (v) the Offer is not made:
 - (A) before the earliest of:
 - (1) the date of termination of the BIA in accordance with its terms;
 - (2) the end of the Offer Period or any earlier date on which the Offer lapses or is withdrawn; and
 - (3) 15 August 2014; or
 - (B) such later date as may be agreed by the parties;
- (b) by FCL by notice in writing to Australand if:
 - (i) a Superior Proposal (as defined in the BIA) is made or publicly announced for Australand by a third party; or
 - (ii) a majority of the Australand Board does not recommend that the Offer be accepted by the Australand Securityholders or having recommended the Offer, withdraws or adversely modifies its recommendation of the Offer; or
 - (iii) any entity comprising Australand becomes insolvent; and
- (c) by Australand by notice in writing to FCL if Australand has notified FCL of a Superior Proposal or potential Superior Proposal under Clause 9.5 of the BIA, and either FCL does not propose a matching offer in accordance with Clause 9.6 of the BIA or FCL does propose such a matching offer but the Australand Board determines that the proposed matching offer would provide an outcome which is less favourable to the Australand Securityholders than the Superior Proposal.

3.5 Further information on the terms of the Offer and the BIA can be found in the Offer Announcement and the BIA attached thereto.

4. RATIONALE FOR THE PROPOSED ACQUISITION

- 4.1 FCL is a full-fledged international real estate company and one of Singapore's top property companies with total assets of approximately S\$11.4 billion as at 31 March 2014. FCL has three (3) core businesses focused on residential, commercial and hospitality properties spanning over 30 cities across Asia, Australasia, Europe, and the Middle-East. FCL is also the sponsor of two (2) real estate investment trusts listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), Frasers Centrepoint Trust and Frasers Commercial Trust, which are focused on retail, and office and business space properties, respectively.
- 4.2 As stated in paragraph 2 above, Australand is one of Australia's leading diversified property groups with activities that span across Australia and property segments. The Proposed Acquisition, if implemented, is in line with FCL's strategy and it is expected that the Proposed Acquisition will be a transformational transaction that delivers significant benefits to FCL, including:
- (a) substantial increase in Group assets and profits outside of Singapore;
 - (b) improving the sustainability of FCL's earnings through an increase in recurring income;
 - (c) a quality platform with immediate scale in Australia, a core market;
 - (d) ownership of an attractive commercial and industrial portfolio with development capabilities; and
 - (e) enhancing FCL's residential development capabilities in Australia.
- 4.3 FCL is of the view that the Proposed Acquisition helps fulfil its vision of providing solutions to all real estate needs globally.

5. THE OFFEROR AND FINANCING THE PROPOSED ACQUISITION

- 5.1 The Offeror is a special purpose vehicle incorporated in Singapore and formed by FCL specifically to make the Offer.

5.2 External Loan Facility

For the purpose of financing the Proposed Acquisition, the Offeror and FCL have entered into a facility agreement with, *inter alia*, Standard Chartered Bank, Deutsche Bank and Sumitomo Mitsui Banking Corporation (the "**Lenders**"), pursuant to which the Lenders have agreed to provide the loan facilities to the Offeror (the "**Loan Facility Agreement**"). Subject to the terms of the Loan Facility Agreement, the Offeror will be able to borrow an amount to be applied towards payment of the consideration payable under the Offer and meeting the Offeror's associated transaction costs.

5.3 Internal Funding Arrangements of the Offeror

FCL has irrevocably and unconditionally undertaken to provide the Offeror with an amount that is equal to the amount by which the Aggregate Consideration and associated transaction costs exceed the facilities under the Loan Facility Agreement. Such funds will be sourced from FCL's existing cash resources (namely, cash or cash equivalents) and contributed to the Offeror by equity subscription and/or debt. FCL has confirmed that funds of an amount greater than the amount by which the Aggregate Consideration and associated transaction costs exceed the facilities under the Loan Facility Agreement are immediately available and not subject to security interests or rights of set off and are not required for other arrangements.

Under the terms of the internal funding arrangements, FCL is obliged to advance funds on request by the Offeror to enable the Offeror to satisfy its payment obligations to the Australand Securityholders under the Offer as well as to meet transaction costs.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 For illustrative purposes only, the financial effects of the Proposed Acquisition on FCL as set out below are prepared based on the Group's consolidated audited financial statements for the financial year ended 30 September 2013 ("**FY2013**") and subject to the following key assumptions:

- (a) the effect of the Proposed Acquisition on the Group's net asset value ("**NAV**") per FCL share ("**Share**") and NTA per Share for FY2013 are based on the assumption that the Proposed Acquisition had been effected at the end of FY2013;
- (b) the effect of the Proposed Acquisition on the Group's earnings per Share ("**EPS**") for FY2013 is based on the assumption that the Proposed Acquisition had been effected at the beginning of FY2013; and
- (c) the effect of the Proposed Acquisition is based on Australand's audited financial statements for the year ended 31 December 2013.

6.2 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.

The financial effects as set out below are based on an exchange rate of A\$1: S\$1.174 as at 31 December 2013.

- (a) EPS

	Before the Proposed Acquisition	Pre-Proposed Acquisition (Post Company's Listing)⁽¹⁾	Post-Proposed Acquisition (Post Company's Listing)⁽¹⁾
Profit after tax and non-controlling interests (before fair value change and exceptional items) (S\$'000,000)	401	401	424
No. of issued Shares ('000)	753,292	2,889,813	2,889,813

EPS (before fair value change and exceptional items) (Singapore cents)	53.2	13.9	14.7
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Note:

- (1) Post Company's Listing assumes that (i) the NAV of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document of FCL and the announcement released by FCL on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.

(b) NAV per Share

	Before the Proposed Acquisition	Pre-Proposed Acquisition (Post Company's Listing)⁽¹⁾	Post-Proposed Acquisition (Post Company's Listing)⁽¹⁾
NAV (S\$'000,000)	5,451 ⁽²⁾	6,121	6,018 ⁽³⁾
No. of issued Shares ('000)	753,292	2,889,813	2,889,813
NAV per Share (S\$)	6.80	2.12	2.08

Notes:

- (1) Post Company's Listing assumes that (i) the NAV of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document of FCL and the announcement released by FCL on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.
- (2) This figure takes into account the redeemable preference shares of S\$330,000,000 as at the end of FY2013.
- (3) The NAV of the Group has been adjusted for the transaction costs of the Proposed Acquisition.

(c) NTA per Share

	Before the Proposed Acquisition	Pre-Proposed Acquisition (Post Company's Listing)⁽¹⁾	Post-Proposed Acquisition (Post Company's Listing)⁽¹⁾
NTA (S\$'000,000)	5,384 ⁽²⁾	6,054	5,212 ⁽³⁾
No. of issued Shares ('000)	753,292	2,889,813	2,889,813
NTA per Share (S\$)	6.71	2.09	1.80

Notes:

- (1) Post Company's Listing assumes that (i) the NTA of the Group was adjusted for the capitalisation events as disclosed in the Introductory Document of FCL and the announcement released by FCL on 8 January 2014, and (ii) the number of Shares in issue has increased from 753,291,782 Shares to 2,889,812,572 Shares.
- (2) This figure takes into account the redeemable preference shares of S\$330,000,000 as at the end of FY2013.
- (3) The NTA of the Group has been adjusted for the transaction costs and provisional intangibles arising from the Proposed Acquisition.

7. RELATIVE FIGURES OF THE PROPOSED ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

7.1 Based on FCL's latest announced unaudited consolidated financial statements and dividend announcement for the second quarter ended 31 March 2014, 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\$37.2 million, compared with the Group's net profits of S\$308.0 million. ⁽¹⁾	12.1%
(c) The aggregate value of the consideration to be given, compared with FCL's market capitalisation of approximately S\$5.4 billion (calculated based on the weighted average price of S\$1.86 per Share and 2,889,812,572 Shares (excluding treasury shares)) as at 30 June 2014 being the market day immediately preceding the date of the BIA.	56.8%
(d) The number of equity securities issued by FCL as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	Not applicable

Note:

- (1) The net profits attributable to the assets to be acquired are derived from Australand's net profits for FY2013 after deducting its net profits for the half year ended 30 June 2013, based on Australand's audited full year and half year results for FY2013 as released on ASX. The net profits of the Group reflected here are for the six (6) months ended 31 March 2014.

7.2 In view of the foregoing, the Proposed Acquisition constitutes a major transaction under Chapter 10 of the Listing Manual.

8. SHAREHOLDERS' APPROVAL OF THE PROPOSED ACQUISITION – SGX WAIVER

- 8.1 As the Proposed Acquisition is a major transaction under Chapter 10 of the Listing Manual, FCL will be convening an extraordinary general meeting of its shareholders (the "**FCL Shareholders**") to seek retroactive approval for the Proposed Acquisition.
- 8.2 As announced by FCL on 10 June 2014 (the "**Waiver Announcement**"), FCL had applied for, and obtained, a conditional waiver (the "**Waiver**") from the SGX-ST from strict compliance with the requirements of Rule 1014 of the Listing Manual and that FCL may instead seek the FCL Shareholders' ratification in a general meeting for the Proposed Acquisition after the Offer is made. Please refer to the Waiver Announcement for the grounds in support of the said application.
- 8.3 In satisfaction of the conditions of the Waiver as set out in the Waiver Announcement:
- (a) FCL has
- (i) obtained the unanimous approval of the Offer from the Directors following the receipt of the Waiver; and
 - (ii) submitted a written undertaking to the SGX-ST that it will seek the FCL Shareholders' ratification of the Offer at an extraordinary general meeting (the "**EGM**"); and
- (b) TCC Assets Ltd has provided a written undertaking to FCL (i) to vote in favour of approving the Offer at the EGM to be convened, and (ii) not to dispose of its equity stake in FCL before and up to the date of the EGM.

9. DIRECTORS AND CONTROLLING SHAREHOLDERS

- 9.1 No person is proposed to be appointed to the board of FCL in connection with the Offer, and hence no director's service contract is proposed to be entered into by FCL with any person in connection with the Offer.
- 9.2 None of the Directors or the controlling shareholders of FCL has any interest, direct or indirect, in the Proposed Acquisition other than in their capacity as directors or shareholders of FCL.

10. DOCUMENTS FOR INSPECTION

A copy of the BIA 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. A copy of the BIA is also attached to the Offer Announcement.

11. FURTHER DETAILS

A circular to the FCL Shareholders, together with a notice of the EGM, to seek the FCL Shareholders' ratification of the Offer will be despatched in due course.

BY ORDER OF THE BOARD

Piya Treruagrachada
Company Secretary
1 July 2014

The admission and listing of Frasers Centrepoint Limited on the Singapore Exchange Securities Trading Limited (the "Listing") was sponsored by DBS Bank Ltd. as the Sole Issue Manager. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. were the Joint Financial Advisers for the Listing. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. assume no responsibility for the contents of this announcement.