



## FRASER AND NEAVE, LIMITED

(Incorporated in the Republic of Singapore)

(Registration No: 189800001R)

### PROPOSED DIVESTMENT OF BEDOK POINT

#### 1. INTRODUCTION

Fraser and Neave, Limited (“**F&N**”), wishes to announce that its subsidiary, Frasers Centrepoint Limited (“**FCL**”), has, through FCL’s wholly-owned subsidiary, Woodlands Complex Pte. Ltd. (“**WCPL**”), today entered into a conditional sale and purchase agreement (the “**Conditional S&P Agreement**”) with HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Frasers Centrepoint Trust (the “**Trustee**”), pursuant to which the Trustee has agreed to buy, and WCPL has agreed to sell the property known as Bedok Point, located at 799 New Upper Changi Road, Singapore 467351 (“**Bedok Point**”) to the Trustee together with the plant and equipment thereon (the “**Divestment**”).

As announced by Frasers Centrepoint Asset Management Ltd., as manager of Frasers Centrepoint Trust (FCT and as manager of FCT, the “**Manager**”) today, the Manager is in the process of determining the optimal debt and equity financing plan for the acquisition of Bedok Point. Equity financing is expected to be in the form of a private placement (the “**Private Placement**”). In the event that the Private Placement is not fully subscribed by other investors, FCL and/or its subsidiaries (collectively, the “**FCL Group**”) may subscribe for new units in FCT under the Private Placement, up to their pre-placement unitholdings in percentage terms (the “**FCL Group Placement**”). A copy of the announcement issued by the Manager today in connection with FCT’s acquisition of Bedok Point is attached for information.

#### 2. BACKGROUND OF FCT

FCT is a retail real estate investment trust sponsored by FCL and listed on the Main Board of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). FCT’s property portfolio comprises Northpoint, Causeway Point, Anchorpoint and Yew Tee Point, all of which are located in Singapore.

As at 28 July 2011, F&N holds through FCL an aggregate of 333,686,584 Units, which are held by FCL’s subsidiaries, being FCL Trust Holdings Pte. Ltd. and the Manager (in its own capacity), constituting 43.2% of the total number of units in FCT (“**Units**”) in issue, and is currently the controlling holder of Units (“**Unitholder**”) and single largest Unitholder of FCT.

### **3. RATIONALE FOR THE DIVESTMENT**

The Divestment is in line with F&N's strategy of unlocking value from its commercial properties at the appropriate time to recycle value. The net proceeds will be re-invested. Further, the Divestment is also in line with F&N's intent to build FCT into a substantial player in the retail real estate investment trust segment by procuring a pipeline of retail assets to support FCT's growth, subject to compliance with applicable legal and regulatory requirements and (where applicable) the approval of independent Unitholders of FCT.

The Divestment will enable F&N to continue to own a stake in Bedok Point through its interest in FCT, thereby maintaining its position as an owner and manager of quality retail properties in Singapore.

## **4 THE PROPOSED DIVESTMENT**

### **4.1 The Sale and Purchase Agreement**

WCPL and the Manager (on behalf of the Trustee) have negotiated the Conditional S&P Agreement with each other on arms' length basis and have agreed on the terms and conditions of the Conditional S&P Agreement, including all other agreements or documents thereunder required to give effect to the Conditional S&P Agreement and facilitate the completion of the Divestment.

Completion of the Divestment is conditional upon the conditions precedent in the Conditional S&P Agreement being fulfilled, including the obtaining of Unitholders' approval for FCT's acquisition of Bedok Point.

The Trustee will, pursuant to the Conditional S&P Agreement, pay to WCPL a deposit of 10% of the Purchase Consideration (as defined herein) no later than five business days after the date of the Conditional S&P Agreement. The Trustee shall, on completion of the Divestment, pay to WCPL the remaining 90.0% of the Purchase Consideration.

### **4.2 Valuation and Purchase Consideration for Bedok Point**

Pursuant to the terms and subject to the conditions of the Conditional S&P Agreement, the Trustee has agreed to acquire Bedok Point from WCPL at a purchase consideration of S\$127.0 million to be satisfied in cash (the "**Purchase Consideration**"). The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis and is the average of the two independent valuations of Bedok Point by Knight Frank Pte Ltd ("**Knight Frank**"), which relied on the investment method and discounted cash flow method, and Jones Lang LaSalle Property Consultants Pte Ltd ("**JLL**"), which relied on the capitalisation method and discounted cash flow method. Knight Frank has been appointed by the Manager while JLL has been appointed by the Trustee. The open market value of Bedok Point as at 1 July 2011 determined by Knight Frank and JLL is S\$128.0 million and S\$126.0 million, respectively.

### **4.3 Financial Effects**

The Divestment and, if it takes place, the FCL Group Placement, are not expected to have a material impact on the net tangible assets per share or earnings per share of F&N and its subsidiaries for the current financial year.

**5. OTHER INFORMATION**

**5.1 Interests of Directors and Controlling Shareholders of F&N**

Save for Mr Nicky Tan Ng Kuang who has direct interest in 300,000 Units and deemed interests in 580,000 Units, none of the other directors or the controlling shareholders of F&N has an interest, direct or indirect, in the Divestment.

**5.2 Director's Service Contracts**

No person is proposed to be appointed as a director of F&N in connection with the Divestment.

**6. DOCUMENTS FOR INSPECTION**

A copy of the Conditional S&P Agreement will be available for inspection during normal business hours at the registered office of F&N at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 for a period of three months commencing from the date of this announcement.

Anthony Cheong Fook Seng  
Group Company Secretary

29 July 2011