

**CIRCULAR DATED 18 JUNE 2012**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this circular dated 18 June 2012 (“**Circular**”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in Frasers Commercial Trust (“**FCOT**”, and units in FCOT, “**Units**”), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



(Constituted in the Republic of Singapore pursuant to a trust deed dated 12 September 2005  
(as amended or restated))

**MANAGED BY**

**FRASERS CENTREPOINT ASSET MANAGEMENT (COMMERCIAL) LTD.**

**CIRCULAR TO UNITHOLDERS**

**IN RELATION TO:**

- (1) THE PROPOSED SALE OF KEYPOINT;**
- (2) THE PROPOSED TRUST DEED SUPPLEMENT IN CONNECTION WITH THE UNIT BUY-BACK; AND**
- (3) THE PROPOSED UNIT BUY-BACK MANDATE.**

**IMPORTANT DATES AND TIMES FOR UNITHOLDERS**

Last date and time for lodgement of Proxy Forms	:	Tuesday, 10 July 2012 at 2.30 p.m.
Date and time of Extraordinary General Meeting	:	Thursday, 12 July 2012 at 2.30 p.m.
Place of Extraordinary General Meeting	:	Level 2, Alexandra Point 438 Alexandra Road Singapore 119958

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## CORPORATE INFORMATION

<b>Directors of Frasers Centrepoint Asset Management (Commercial) Ltd. (the manager of FCOT (the “Manager”))</b>	:	Dr Chua Yong Hai (Chairman & Independent Non-Executive Director) Mr Low Chee Wah (Chief Executive Officer & Executive Director) Mr Chay Wai Chuen (Independent Non-Executive Director) Mr Chia Khong Shoong (Non-Executive Director) Mr Lim Ee Seng (Non-Executive Director) Mr Tan Guong Ching (Independent Non-Executive Director) Mr Christopher Tang Kok Kai (Non-Executive Director)
<b>Registered Office of the Manager</b>	:	438 Alexandra Road #21-00 Alexandra Point Singapore 119958
<b>Trustee of FCOT (the “Trustee”)</b>	:	British and Malayan Trustees Limited 1 Coleman Street #08-01 The Adelphi Singapore 179803
<b>Legal Adviser for the Sale, the Trust Deed Supplement and the Unit Buy-Back Mandate (each as defined herein)</b>	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
<b>Unit Registrar and Unit Transfer Office</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place Singapore Land Tower #32-01 Singapore 048623
<b>Independent Valuer</b>	:	Savills Valuation and Professional Services (S) Pte Ltd 30 Cecil Street #20-03 Prudential Tower Singapore 049712

## SUMMARY

*The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 29 to 34 of this Circular.*

*Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.*

### SUMMARY OF APPROVALS SOUGHT

The Manager seeks approvals from unitholders of FCOT (“**Unitholders**”) for the resolutions stated below:

- (1) **Resolution 1: The Proposed Sale of KeyPoint (Ordinary Resolution<sup>1</sup>)**
- (2) **Resolution 2: The Proposed Trust Deed Supplement (Extraordinary Resolution<sup>2</sup>)**
- (3) **Resolution 3: The Proposed Unit Buy-Back Mandate (Ordinary Resolution) (Conditional Upon Passing of Resolution 2)**

### RESOLUTION 1: THE PROPOSED SALE OF KEYPOINT (ORDINARY RESOLUTION)

The Manager seeks approval from the Unitholders for the proposed sale of KeyPoint which is a commercial building located at 371 Beach Road, Singapore 199597 (“**KeyPoint**” or the “**Property**”, and the proposed sale of KeyPoint, the “**Sale**”), to Bayfront Ventures Pte Ltd (the “**Purchaser**”). The Purchaser is a company jointly owned by the Fragrance Group Ltd and World Class Land Pte Ltd, a subsidiary of Aspial Corporation Limited. On 23 April 2012, the Trustee entered into a conditional sale and purchase agreement with the Purchaser for the Sale (the “**SPA**”) at a consideration of S\$360.0 million (the “**Sale Consideration**”).

The initial deposit for the Sale of S\$10.8 million, being an amount equivalent to 3.0% of the Sale Consideration (the “**Initial Deposit**”), has been paid on 23 April 2012. The balance of the deposit of S\$16.2 million, being an amount equivalent to 4.5% of the Sale Consideration (the “**Balance Deposit**”), shall be paid no later than seven days after the Trustee informs the Purchaser that Unitholders’ approval has been obtained for the Sale. The balance of the Sale Consideration after deducting the Initial Deposit and the Balance Deposit shall be paid upon the completion of the Sale to the Purchaser (“**KeyPoint Completion**”).

KeyPoint is a 34-year old non-Grade A commercial building situated at the fringe of Singapore’s Central Business District. The land on which KeyPoint is situated has a leasehold tenure of approximately 62 years remaining and is currently zoned for “Commercial” development under the 2008 Master Plan approved by the Minister of National Development on 27 November 2008. The Property has a net lettable area of approximately 28,797 square metres (or 309,963 square feet) and 227 carpark lots. The occupancy rate of KeyPoint as at 31 March 2012 was 91.5%.

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1 “**Ordinary Resolution**” means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the trust deed dated 12 September 2005 constituting FCOT (as amended and restated) (the “**Trust Deed**”).

2 “**Extraordinary Resolution**” means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

The Manager had on 12 August 2011, through its consultation with the Urban Redevelopment Authority of Singapore (the “**URA**”), received an outline planning permission for the redevelopment of KeyPoint as a mixed commercial and residential development (“**OPP**”) based on a plot ratio of 5.0 subject to the terms and conditions under the OPP. The URA had also indicated in a letter dated 26 July 2010 (the “**URA Letter**”) that should the Property be redeveloped as a commercial development, the URA would consider a plot ratio of 5.45 subject to terms and conditions of the URA Letter. The plot ratio of 5.45 is not final and is subject to change by the URA.

The Singapore Land Authority (the “**SLA**”) (for and on behalf of the President of the Republic of Singapore (the “**Head Lessor**”)) had by letter dated 8 September 2011 (the “**SLA Letter**”) informed FCOT that in the event of the redevelopment of the Property, it had in-principle no objection to an extension of the term of the state lease to a fresh 99 year lease on the conditions, among others, that the Property is redeveloped as a commercial and residential development in accordance with the OPP and that any changes to such development be subject to the URA’s approval.

Taking into consideration the OPP, the URA Letter and the SLA Letter, the Manager was able to engage parties interested in KeyPoint resulting in several offers received, including the Sale proposed under this Circular.

The Manager was able to realise a greater and higher economic value through the sale of the Property for potential redevelopment as compared to the Property’s value based on its current use as a 34-year old commercial development comprising an office building with an ancillary retail mix.

#### **The Sale Consideration and the Estimated Net Sale Proceeds**

The Sale Consideration of S\$360.0 million was arrived at on a willing-buyer and willing-seller basis, after taking into account the Property’s fair value of S\$285.0 million as at 30 September 2011, comparable market transactions and its potential value as a redevelopment site. The valuation of the Property as at 30 September 2011 was carried out using the net income capitalisation approach and discounted cash flow analysis, the resultant value of which was verified by way of market comparisons with transactions in the market. In addition, in connection with the proposed Sale, the Trustee had commissioned Savills Valuation and Professional Services (S) Pte Ltd (the “**Independent Valuer**”), an independent property valuer, to ascertain the Current Use Valuation, the Mixed Use Valuation and the Single Use Valuation (all as defined below) of the Property.

The Independent Valuer has valued as at 31 May 2012 that the open market value of the Property is:

- (i) S\$285.0 million based on the current use of the site of the Property (“**Current Use Valuation**”);
- (ii) S\$326.0 million based on the redevelopment of the Property as a “mixed commercial and residential”<sup>1</sup> development at a plot ratio of 5.0 in accordance with the OPP (“**Mixed Use Valuation**”); and
- (iii) S\$346.0 million based on the redevelopment of the Property as a “commercial” development at a plot ratio of 5.45 as indicated in the URA Letter (“**Single Use Valuation**”),

(collectively, the “**Valuations**”).

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1 The term “mixed commercial and residential” is in accordance with what the URA has stipulated for a mixed commercial and residential development where up to 40.0% of the total gross floor area but not less than 20.0% of the total gross floor area can be used for commercial activities.

The estimated net proceeds from the Sale is approximately S\$357.8 million (the “**Net Sale Proceeds**”) after taking into consideration the estimated professional and other fees and expenses incurred by FCOT in connection with the Sale (which includes a divestment fee payable to the Manager of S\$1.8 million in accordance with the terms of the Trust Deed), which amount to approximately S\$2.2 million.

### **Rationale and Benefits of the Sale**

The Manager conducts active and constant review of its portfolio of properties in order to maximise its value, thereby unlocking value for Unitholders. This includes identifying assets within its portfolio which may have a higher and better economic use other than in its present state or its present use.

The Property was identified as an asset that has reached its optimal economic life cycle and is suitable for redevelopment.

The Manager believes that the Sale will bring, among others, the following benefits to Unitholders:

- the realisation of the value of KeyPoint above the Valuations; and
- the strengthening of the financial position of, and the provision of, financial flexibility to FCOT.

(See “Rationale and Benefits of the Sale” in paragraph 3 of the Letter to Unitholders for further details.)

### **RESOLUTION 2: THE PROPOSED TRUST DEED SUPPLEMENT (EXTRAORDINARY RESOLUTION)**

The Manager seeks approval from Unitholders for the proposed amendment of the Trust Deed to authorise the Manager to purchase Units for and on behalf of FCOT from time to time as well as the consequential amendments to the Trust Deed in relation thereto (the “**Trust Deed Supplement**”).

(See “The Proposed Trust Deed Supplement” in paragraph 5 of the Letter to Unitholders for further details.)

### **RESOLUTION 3: THE PROPOSED UNIT BUY-BACK MANDATE (ORDINARY RESOLUTION) (CONDITIONAL UPON PASSING OF RESOLUTION 2)**

The Manager seeks approval from Unitholders for the proposed mandate to be given to the Manager to exercise its powers to procure the purchase of Units for and on behalf of FCOT without the prior specific approval of Unitholders at a general meeting (the “**Unit Buy-Back Mandate**”).

**Unitholders should note that by voting in favour of Resolution 3 relating to the Unit Buy-Back Mandate, they will be authorising the Manager to procure the purchase of Units on the terms and conditions set out in paragraph 6 of the Letter to Unitholders in accordance with all applicable laws and regulations, including but not limited to the provisions of the Trust Deed and the Listing Manual of the SGX-ST (the “Listing Manual”).**

(See “The Proposed Unit Buy-Back Mandate” in paragraph 6 of the Letter to Unitholders for further details.)

**Important:**

**By voting in favour of Resolution 3, Unitholders are waiving their right to receive a general offer from another person, including but not limited to, the directors of the Manager (the “Directors”) and parties acting in concert with them (which, for the avoidance of doubt, includes Fraser and Neave, Limited (“F&NL”) and its subsidiaries) who, as a result of the Manager buying back the Units, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of FCOT’s voting rights, would increase their voting rights by more than 1.0% in any period of six months.**

(See “Interests of Directors and Substantial Unitholders” in paragraph 7 of the Letter to Unitholders for further details regarding the unitholdings of the Directors and Substantial Unitholders<sup>1</sup>.)

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<sup>1</sup> **“Substantial Unitholder”** means a Unitholder with an interest in Units constituting not less than 5.0% of all outstanding Units.



## INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the Extraordinary General Meeting (the “**EGM**”) is indicative only and is subject to change at the Manager’s absolute discretion.

<b>Event</b>	<b>Date and Time</b>
Last date and time for lodgement of Proxy Forms	: Tuesday, 10 July 2012 at 2.30 p.m.
Date and time of the EGM	: Thursday, 12 July 2012 at 2.30 p.m.

### **If the approval for the Sale is obtained at the EGM:**

Expected date for the KeyPoint Completion : 12 September 2012  
(if not earlier under the terms of the SPA).



(Constituted in the Republic of Singapore  
pursuant to a trust deed dated 12 September 2005 (as amended or restated))

## Directors of the Manager

Dr Chua Yong Hai (Chairman & Independent Non-Executive Director)  
Mr Low Chee Wah (Chief Executive Officer & Executive Director)  
Mr Chay Wai Chuen (Independent Non-Executive Director)  
Mr Chia Khong Shoong (Non-Executive Director)  
Mr Lim Ee Seng (Non-Executive Director)  
Mr Tan Guong Ching (Independent Non-Executive Director)  
Mr Christopher Tang Kok Kai (Non-Executive Director)

## Registered Office

438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

18 June 2012

To: Unitholders of Frasers Commercial Trust

Dear Sir/Madam

### 1. SUMMARY OF APPROVALS SOUGHT

The Manager is convening the EGM to seek approval from Unitholders in relation to the following resolutions:

- (i) Resolution 1: The Proposed Sale of KeyPoint (Ordinary Resolution);
- (ii) Resolution 2: The Proposed Trust Deed Supplement (Extraordinary Resolution); and
- (iii) Resolution 3: The Proposed Unit Buy-Back Mandate (Ordinary Resolution) (Conditional upon passing of Resolution 2).

### 2. THE PROPOSED SALE OF KEYPOINT

#### 2.1 Description of KeyPoint

KeyPoint is a 34-year old non-Grade A commercial building situated at the fringe of Singapore's Central Business District. The land on which KeyPoint is situated has a leasehold tenure of approximately 62 years remaining and is currently zoned for "Commercial" development under the 2008 Master Plan approved by the Minister of National Development on 27 November 2008. The Property has a net lettable area of approximately 28,797 square metres (or 309,963 square feet) and 227 carpark lots. The occupancy rate of KeyPoint as at 31 March 2012 was 91.5%.

As part of the Manager's active and constant review of its portfolio of properties, it has assessed the Property to derive greater and higher economic value through the redevelopment of the Property as compared to the Property's current use as a 34-year old commercial development comprising an office building with an ancillary retail mix. Any redevelopment of the Property could take the form of either a new commercial building or a mixed use development. On 12 August 2011, the Manager had received the OPP for the redevelopment of KeyPoint as a "mixed commercial and residential development" based on a plot ratio of 5.0 subject to the terms and conditions under the OPP. The URA had also in the URA Letter dated 26 July 2010 advised that should the Property be redeveloped as a commercial development, the URA would consider a plot ratio of 5.45 subject to terms and conditions of the URA Letter. The plot ratio of 5.45 is not final and is subject to change by the URA.

The SLA had informed FCOT through the SLA Letter that in the event of the redevelopment of the Property, it had in-principle no objection to an extension of the term of the state lease to a fresh 99 year lease on the conditions, among others, that the Property is redeveloped as a commercial and residential development in accordance with the OPP and that any changes to such development be subject to the URA's approval.

Taking into consideration the OPP, the URA Letter and the SLA Letter, the Manager was able to engage parties interested in KeyPoint resulting in several offers received, including the Sale proposed under this Circular.

## **2.2 The Sale Consideration**

The Sale Consideration of S\$360.0 million was arrived at on a willing-buyer and willing-seller basis, after taking into account the Property's fair value of S\$285.0 million as at 30 September 2011, comparable market transactions and its potential value as a redevelopment site. The valuation of the Property as at 30 September 2011 was carried out using the net income capitalisation approach and discounted cash flow analysis, the resultant value of which was verified by way of market comparisons with transactions in the market.

## **2.3 Valuation**

In connection with the proposed Sale, the Trustee had commissioned the Independent Valuer to ascertain the Current Use Valuation, the Mixed Use Valuation and the Single Use Valuation of the Property.

The Independent Valuer has valued as at 31 May 2012 that the open market value of the Property is:

- (i) S\$285.0 million based on the Current Use Valuation;
- (ii) S\$326.0 million based on the Mixed Use Valuation; and
- (iii) S\$346.0 million based on the Single Use Valuation.

The Current Use Valuation was carried out using the net income capitalisation approach and discounted cash flow analysis, the resultant value of which was verified by way of market comparisons with transactions in the market, whereas the Mixed Use Valuation and the Single Use Valuation were carried out using the residual valuation approach. (For further details on the Valuations, please refer to the Valuation Certificate enclosed as **Appendix B** of this Circular.)

Based on the Valuations, the Property's highest value is S\$346.0 million based on the redevelopment of the Property as a commercial development.

## **2.4 Estimated Net Sale Proceeds**

The estimated Net Sale Proceeds is approximately S\$357.8 million after taking into consideration the estimated professional and other fees and expenses incurred by FCOT in connection with the Sale (which includes a divestment fee payable to the Manager of S\$1.8 million in accordance with the terms of the Trust Deed), which amount to approximately S\$2.2 million.

## 2.5 Use of the Estimated Net Sale Proceeds

It is the intention of the Manager that the estimated Net Sale Proceeds from the Sale be applied towards one or more of the following:

- (i) reducing the debt liabilities of FCOT and/or its subsidiaries;
- (ii) funding the Unit Buy-Back (as defined herein) connected to the Unit Buy-Back Mandate (subject to Unitholders' approval being obtained in connection to Resolutions 2 and 3 of this Circular);
- (iii) partial redemption of Series A Convertible Perpetual Preference Units ("**Series A CPPUs**") (see paragraph 2.6 of the Letter to Unitholders for details); and
- (iv) general corporate and working capital purposes.

## 2.6 Use of Proceeds for the Series A CPPU Redemption

The use of the estimated Net Sale Proceeds for the redemption of Series A CPPUs (the "**Series A CPPU Redemption**") are subject to the terms of the Series A CPPUs, which include, but are not limited to that:

- (a) the Series A CPPUs are redeemable on a *pro rata* basis at the option of the Manager, in whole or in part, at the issue price of S\$1.00 per Series A CPPU, on the first Business Day<sup>1</sup> of each calendar quarter falling after 25 August 2012, being the expiry date of three years from the date of issue of the Series A CPPUs;
- (b) the Series A CPPUs shall not be redeemable at the option of Series A CPPU holders; and
- (c) in the event that the Manager and a Series A CPPU holder issue a Series A CPPU redemption notice and a notice of conversion<sup>2</sup> of the Series A CPPUs to Units (in accordance with the terms of the Series A CPPUs, of which may be found in the circular to Unitholders dated 3 July 2009), on the same day, the difference between the number of Series A CPPUs sought to be redeemed and the number of Series A CPPUs sought to be converted in respect of the Series CPPU holder shall be determined as follows:
  - (i) where the number of Series A CPPUs sought to be redeemed exceeds the number of Series A CPPUs sought to be converted, no Series A CPPUs shall be converted, and such number of Series A CPPUs sought to be redeemed and which is in excess of the number of Series A CPPUs sought to be converted shall be redeemed by the Manager on the relevant redemption date;

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1 "**Business Day**" means a day (other than a Saturday, Sunday or a gazetted public holiday in Singapore) on which commercial banks are open for business in Singapore.

2 Series A CPPUs shall be convertible at the option of Series A CPPU holders, in whole or in part, into Units at the conversion price equivalent to a premium of 35.0% above the volume weighted average price of the Units over the last five trading days immediately prior to the date of issuance of the Series A CPPU, on the first business day of each calendar quarter falling after the 25 August 2012, being the expiry date of three years from the date of issue of the Series A CPPUs subject to the terms of the Series A CPPUs, of which may be found in the circular to Unitholders dated 3 July 2009. As a result of the Unit Consolidation (as defined herein), the conversion price of the Series A CPPUs has been adjusted to S\$1.1845 with effect from 11 February 2011.

- (ii) where the number of Series A CPPUs sought to be converted exceeds the number of Series A CPPUs sought to be redeemed, no Series A CPPUs shall be redeemed by the Manager, and such number of Series A CPPUs sought to be converted and which is in excess of the number of Series A CPPUs sought to be redeemed shall be converted on the relevant conversion date; and
  - (iii) where the number of Series A CPPUs sought to be converted is equal to the number of Series A CPPUs sought to be redeemed, neither redemption nor conversion shall take place; and
- (d) fractional Series A CPPUs will be rounded up to the nearest whole number for the Series A CPPU Redemption.

**Important:**

**Unitholders should note that nothing in this Circular should be construed as a confirmation by the Manager that the estimated Net Sale Proceeds will be used towards the partial redemption of any Series A CPPU, as such redemption is subject to the terms of the Series A CPPUs and other relevant regulatory requirements. The use of the estimated Net Sale Proceeds for such redemption is only one of the possible uses referred to under paragraph 2.5 of the Letter to Unitholders that the Manager shall consider.**

## **2.7 Principal Terms of the Sale**

The KeyPoint Completion is subject to and conditional upon:

- (i) the approval of Unitholders for the Sale at the Sale Consideration upon the terms and conditions contained in the SPA; and
- (ii) the consent of the existing lenders of FCOT, where applicable, to the Sale and the discharge of the existing mortgage connected to the Property; and
- (iii) the issue of a letter by the Head Lessor (or the SLA or the Commissioner of Lands on behalf of the Head Lessor) that it has in-principle no objection to:
  - (a) an extension of the Head Lessor's in-principle approval to extend the term of the state lease to a fresh 99 year lease as set out in a previous letter from the SLA to FCOT; or
  - (b) extend the term of the state lease to a fresh 99 year lease, on such terms and conditions as may be specified by the Head Lessor (or by the SLA or Commissioner of Lands on behalf of the Head Lessor),

(collectively, the "**Conditions Precedent**").

Subject to the Conditions Precedent being fulfilled, the KeyPoint Completion is scheduled to take place (i) on the Business Day falling two months after the Trustee serves notice on the Purchaser to complete the purchase or (ii) one month after the Purchaser issues written notice to the Trustee that it requires early completion, whichever is earlier. In the event that any of the Conditions Precedent are not satisfied or waived by 31 October 2012 in accordance with the terms of the SPA, either party may elect, by notice in writing to the other party, to terminate the Sale, and upon such written notice being delivered, the Initial Deposit and the Balance Deposit (if applicable) shall be refunded to the Purchaser and neither party shall have any claim or demand against the other for damages, costs or otherwise whatsoever save in respect of any antecedent breaches.

## **2.8 Undertaking to Vote in Favour**

The Manager has indicated that it intends to vote in favour of all resolutions that it is entitled to vote under this Circular, including Resolution 1 in relation to the Sale. In support of the Sale, the Manager has procured FCL Trust Holdings (Commercial) Pte. Ltd., a wholly-owned subsidiary of Frasers Centrepoint Limited (“FCL”), to vote in favour of Resolution 1 to approve the Sale.

## **3. RATIONALE AND BENEFITS OF THE SALE**

The Manager conducts active and constant review of its portfolio of properties in order to maximise its value, thereby unlocking value for Unitholders. This includes identifying assets within its portfolio which may have a higher and better economic use other than in its present state or use.

KeyPoint was identified as an asset that has reached its optimal economic life cycle and is suitable for sale as a property for redevelopment for the following reasons:

- (a) it is a 34-year old building which faces design and structural obsolescence compared with other competing office buildings in the market;
- (b) the short remaining 62 years leasehold tenure may impact the future value of the Property; and
- (c) a significant amount of additional capital expenditure is required to upgrade and rejuvenate the Property in order to achieve higher rentals and occupancy.

The Manager believes that the Sale will bring, among others, the following benefits to Unitholders:

### **3.1 The Realisation of the Value of KeyPoint above the Valuations**

As at 31 May 2012, the Sale Consideration is 26.3% or S\$75.0 million above the Property’s Current Use Valuation of S\$285.0 million and 4.0% or S\$14.0 million above the Property’s Single Use Valuation of S\$346.0 million.

Taking into consideration the annualised Net Property Income (as defined herein) of the Property for the financial half year ended 31 March 2012, the Sale Consideration will represent a Net Property Income yield of 3.11%. This is significantly lower than the market capitalisation of 4.50% to 4.75% used in the market by valuers for their capitalisation method of valuation for a comparable property.

The estimated gain from the Sale is approximately S\$72.8 million based on the estimated Net Sale Proceeds and the latest Current Use Valuation of the Property as at 31 May 2012.

### **3.2 The Strengthening of the Financial Position of, and the provision of, Financial Flexibility to FCOT**

In the event that the estimated Net Sale Proceeds is used to partially prepay the S\$500.0 million Term Loan Facility (as defined herein), the Aggregate Leverage<sup>1</sup> of FCOT will be

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1 “**Aggregate Leverage**” means the ratio of the value of borrowings and deferred payments (if any) to the value of the total assets of FCOT, including all its authorised investments held or deemed to be held by the trust under the Trust Deed.

reduced, thereby providing FCOT with greater financial flexibility and debt headroom to allow it to acquire better quality assets and realise the Manager's strategy to strengthen FCOT's asset portfolio. The table below sets out the change in Aggregate Leverage upon the utilisation of the estimated Net Sale Proceeds based on certain different scenarios.

The pro forma financial effects of the Sale on the Aggregate Leverage of FCOT as at 31 March 2012 are presented in the table below strictly for illustrative purpose only, and were prepared based on the assumption that (i) the acquisition by FCOT of the other 50.0% interest in Caroline Chisholm Centre was completed on 31 March 2012<sup>1</sup>, (ii) the Sale was completed on 31 March 2012 and (iii) the estimated Net Sale Proceeds had been applied towards each of the following scenarios:

- (a) the partial prepayment of the S\$500.0 million Term Loan Facility (the "**Term Loan Partial Prepayment**") ("**Scenario 1**");
- (b) the funding of the successful redemption of 171,250,000 Series A CPPUs, being 50.0% of the issued Series A CPPUs as at 12 June 2012, being the latest practicable date prior to the printing of the Circular (the "**Latest Practicable Date**"), under a Series A CPPU Redemption (the "**Partial Series A CPPU Redemption**"), with the balance of the estimated Net Sale Proceeds, if any, applied towards the Term Loan Partial Prepayment ("**Scenario 2**"); and
- (c) the funding of the purchase of 22,431,998 Units under the Unit Buy-Back, being the maximum number of Units possible under the Unit Buy-Back Mandate referred to in paragraph 6.3.1 and the Partial Series A CPPU Redemption, with the balance of the estimated Net Sale Proceeds, if any, applied towards the Term Loan Partial Prepayment ("**Scenario 3**", together with Scenario 1 and Scenario 2, the "**Scenarios**").

	Unaudited 31 March 2012 <sup>(1)</sup>	Unaudited Pro forma 31 March 2012 <sup>(2)</sup>	Unaudited Pro forma 31 March 2012 (Scenario 1) <sup>(3)</sup>	Unaudited Pro forma 31 March 2012 (Scenario 2) <sup>(3)</sup>	Unaudited Pro forma 31 March 2012 (Scenario 3) <sup>(3)</sup>
Total assets (S\$'000)	2,067,181	2,195,117	1,910,117	1,910,117	1,910,117
Gross borrowings (S\$'000)	746,171	860,362	502,562	673,812	695,616
Aggregate leverage (%)	36.1	39.2	26.3	35.3	36.4

**Notes:**

- (1) Based on FCOT's unaudited financial statements for the financial half year ended 31 March 2012.
- (2) Based on FCOT's unaudited financial statements for the financial half year ended 31 March 2012 and adjusted as though the acquisition by FCOT of the other 50.0% interest in Caroline Chisholm Centre was completed on 31 March 2012 (actual completion took place on 13 April 2012).
- (3) Based on FCOT's unaudited financial statements for the financial half year ended 31 March 2012 and adjusted as though (a) the acquisition by FCOT of the other 50.0% interest in Caroline Chisholm Centre was completed on 31 March 2012 (actual completion took place on 13 April 2012) and (b) the Sale was completed on 31 March 2012.

1 The acquisition of the 50.0% interest in Caroline Chisholm Centre was completed on 13 April 2012.

## 4. DETAILS OF THE SALE

### 4.1 Gain on the Sale

The gain on the Sale is set out in the table below.

	Value
Current Use Valuation of KeyPoint/Book Value	S\$285.0 million
Excess of the estimated Net Sale Proceeds over the Current Use Valuation of KeyPoint	S\$72.8 million <sup>(1)</sup>
Net Property Income attributable to KeyPoint (for the six months ended 31 March 2012)	S\$5.6 million <sup>(2)</sup>
Gain on the Sale	S\$72.8 million <sup>(1)</sup>

**Notes:**

- (1) Based on the estimated Net Sale Proceeds of S\$357.8 million against the Current Use Valuation of the Property of S\$285.0 million as at 31 May 2012. No tax is payable in connection with the gain on the Sale.
- (2) The Net Property Income of the Property as disclosed in the unaudited financial statements of FCOT for the financial half year ended 31 March 2012.

### 4.2 Pro Forma Financial Effects of the Sale

**FOR ILLUSTRATIVE PURPOSE ONLY:** The pro forma financial effects of the Sale on the Unitholders' funds per Unit and the distributable income per Unit ("DPU") presented below are strictly for illustrative purpose and were prepared based on the audited financial statements of FCOT for the financial year ended 30 September 2011 ("FY2011", and the audited financial statements of FCOT for FY2011, the "FY2011 Audited Financial Statements"), assuming that the estimated Net Sale Proceeds had been applied towards the Scenarios.

#### 4.2.1 Pro Forma Unitholders' Funds per Unit

**FOR ILLUSTRATIVE PURPOSE ONLY:** The pro forma financial effects of the Sale on the Unitholders' funds per Unit as at 30 September 2011 as if (i) the Sale was completed on 30 September 2011 and (ii) assuming that the estimated Net Sale Proceeds had been applied towards the Scenarios are as follows:

	Audited 30 September 2011	Pro forma 30 September 2011 (Scenario 1)	Pro forma 30 September 2011 (Scenario 2)	Pro forma 30 September 2011 (Scenario 3)
Unitholders' funds (S\$'000)	877,626	943,795	946,969	925,569
Unitholders' funds (excluding distributable income) (S\$'000)	849,830	915,999	919,173	897,773
Issued and issuable Units ('000)	634,338	634,338	634,338	611,906
Unitholders' funds per Unit (S\$)	1.38	1.49	1.49	1.51
Unitholders' funds per Unit (excluding distributable income) (S\$)	1.34	1.44	1.45	1.47



#### 4.2.2 Pro Forma DPU

**FOR ILLUSTRATIVE PURPOSE ONLY:** The pro forma financial effects of the Sale on DPU for FY2011 as if (i) the Sale was completed on 1 October 2010 and (ii) assuming that the estimated Net Sale Proceeds had been applied towards the Scenarios are as follows:

	<b>Audited FY2011</b>	<b>Pro forma FY2011 (Scenario 1)</b>	<b>Pro forma FY2011 (Scenario 2)</b>	<b>Pro forma FY2011 (Scenario 3)</b>
Distributable Income attributable to Unitholders (S\$'000)	36,324	39,129	41,988	41,152
DPU (cents)	5.75	6.19	6.64	6.75

#### 4.2.3 Pro Forma Capitalisation

**FOR ILLUSTRATIVE PURPOSE ONLY:** The following table sets forth the pro forma capitalisation of FCOT as at 30 September 2011 as if (i) the Sale was completed on 30 September 2011 and (ii) assuming that the estimated Net Sale Proceeds had been applied towards the Scenarios.

	<b>Audited 30 September 2011 (S\$'000)</b>	<b>Pro forma 30 September 2011 (Scenario 1) (S\$'000)</b>	<b>Pro forma 30 September 2011 (Scenario 2) (S\$'000)</b>	<b>Pro forma 30 September 2011 (Scenario 3) (S\$'000)</b>
<b>Long term debt:</b>				
Secured debt	747,964	390,164	561,414	583,218
Total debt	747,964	390,164	561,414	583,218
Unitholders' funds	877,626	943,795	946,969	925,569
Series A CPPU holders' funds	342,500	342,500	171,250	171,250
<b>Total Capitalisation</b>	<b>1,968,090</b>	<b>1,676,459</b>	<b>1,679,633</b>	<b>1,680,037</b>

#### 4.3 Requirement of Unitholders' Approval — Major Transaction

- (i) Chapter 10 of the Listing Manual governs the acquisition or sale of assets by FCOT. Such transactions are classified into the following categories:
- (a) non-discloseable transactions;
  - (b) discloseable transactions;
  - (c) major transactions; and
  - (d) very substantial acquisitions or reverse takeovers.

- (ii) A transaction by FCOT may fall into any of the categories set out in sub-paragraph 4.3.1(i) above depending on the size of the relative figures computed on the following bases of comparison:
- (a) the net asset value of the assets to be disposed of, compared with FCOT's net asset value;
  - (b) the net profits attributable to the assets acquired or disposed of, compared with FCOT's net profits;
  - (c) the aggregate value of the consideration given or received, compared with FCOT's market capitalisation; and
  - (d) the number of Units issued by FCOT as consideration for an acquisition, compared with the number of Units previously in issue.

Rule 1014(3) of the Listing Manual requires disposal of properties by real estate investment trusts be made conditional upon approval by Unitholders in a general meeting in the event that any of the relative figures computed on the bases set out above exceeds 50.0% (based on the aggregate value of all disposals in the last twelve months).

The relative figures for the Sale using the applicable bases of comparison described in sub-paragraphs 4.3.1(ii)(a) to 4.3.1(ii)(c) are set out in the table below. The relative figure for sub-paragraph 4.3.1(ii)(d) is not applicable.

<b>Comparison of:</b>	<b>The Sale</b>	<b>FCOT</b>	<b>Relative figure</b>
<b>Net asset value</b>	S\$285.0 million	S\$1,225.7 million <sup>(1)</sup>	23.3%
<b>Net profits</b>	S\$5.6 million	S\$22.4 million <sup>(1)</sup>	25.0%
<b>Consideration against market capitalisation</b>	S\$360.0 million	S\$570.4 million <sup>(2)</sup>	63.1%

**Notes:**

- (1) Based on FCOT's unaudited financial statements for the financial half year ended 31 March 2012.
- (2) Based on FCOT's market capitalisation on 23 April 2012, being the date the SPA was signed.

#### **4.4 Directors' Service Contracts**

No person is proposed to be appointed as a Director in connection with the Sale or any other transactions contemplated in relation to the Sale.

### **5. THE PROPOSED TRUST DEED SUPPLEMENT**

#### **5.1 The Proposed Amendment to the Trust Deed in connection with the Unit Buy-Back**

In respect of the Unit Buy-Back, the Trust Deed currently provides, among others, that for so long as FCOT is listed:

- (a) in the event that the Manager decides to make any offer to repurchase Units, the repurchase price for a Unit shall be the Current Unit Value<sup>1</sup>; and

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1 "Current Unit Value" means at any time, the net asset value of all the assets of FCOT at that time divided by the number of Units in issue and deemed to be in issue at that time.

- (b) any offer of repurchase shall be offered to on a *pro rata* basis to all Unitholders.

In connection with the proposed adoption of the Unit Buy-Back Mandate, the Manager is seeking Unitholders' approval under article 29(b) of the Trust Deed with the Trust Deed Supplement for the purposes of:

- (a) allowing the Manager to purchase Units under a unit buy-back mandate approved by Unitholders by way of (i) purchases of Units made by way of on-market purchases (each a "**Market Purchase**") on the SGX-ST, or (ii) "off-market" acquisitions of Units on an Equal Access Scheme (as defined herein); and
- (b) setting out other general terms and conditions for the purchase of Units by the Manager under a unit buy-back mandate.

The full text of the Trust Deed Supplement is set out in **Appendix A** of this Circular, showing insertions in underline and deletions in strikethrough.

## 5.2 Rationale for the Future Purchases of Units

The Trust Deed Supplement is necessary for the adoption of the Unit Buy-Back Mandate as it would allow the Manager the ability and the flexibility to undertake purchases of Units, under a unit buy-back mandate, during the period such mandate is in force and in accordance with all applicable laws and regulations, including but not limited to the provisions of the Trust Deed and the Listing Manual.

In line with the Manager's aim to adopt an active approach to capital management, the Unit Buy-Back Mandate is a flexible and cost-effective capital management strategy to enhance return on equity for Unitholders and/or the Unitholders' funds per Unit. Furthermore, the Unit Buy-Back Mandate will assist to mitigate short-term market volatility, off-set the effects of short-term speculation in the Units and instil market confidence in the Units.

Unitholders should note that purchases of Units under the Unit Buy-Back Mandate as approved by Unitholders may not necessarily be carried out to the full limit as permitted under the Trust Deed, all applicable laws and regulations and as authorised by Unitholders. Purchases of Units will be made only:

- (a) when the Manager considers it to be in the best interests of FCOT and/or Unitholders;
- (b) in the event that the Manager believes that such purchases will not result in any material adverse effect on the financial position of FCOT; and/or
- (c) when such purchases would not result in FCOT being delisted from the SGX-ST.

The Manager will use its best efforts to ensure that after a purchase of Units under the Unit Buy-Back Mandate, the number of Units remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Units on the SGX-ST.

## 5.3 Unitholders' Approval

The Manager is seeking Unitholders' approval under Resolution 2 for the proposed Trust Deed Supplement in the manner set out in **Appendix A** of this Circular to allow the Manager to seek future mandates from Unitholders to purchase Units in accordance with all applicable laws and regulations, including but not limited to the provisions of the Trust Deed and the Listing Manual.

## 6. THE PROPOSED UNIT BUY-BACK MANDATE

### 6.1 The Proposed Unit Buy-Back Mandate

Subject to Unitholders' approval by way of an Ordinary Resolution and adoption of Resolution 2, the Manager intends to seek the approval of Unitholders for the proposed Unit Buy-Back Mandate at the EGM under Resolution 3.

#### **Important:**

**Unitholders should note that by voting in favour of Resolution 3 relating to the Unit Buy-Back Mandate, they will be authorising the Manager to procure the purchase of Units on the terms and conditions set out in this Paragraph 6 and in accordance with all applicable laws and regulations, including but not limited to the provisions of the Trust Deed and the Listing Manual.**

### 6.2 Rationale for the Unit Buy-Back Mandate

The approval of the Unit Buy-Back Mandate authorising the Manager to purchase Units would give the Manager the flexibility to undertake Unit Buy-Backs of up to the 3.5% limit described in paragraph 6.3.1 of the Letter to Unitholders at any time, during the period when the Unit Buy-Back Mandate is in force.

In line with the Manager's aim to adopt an active approach to capital management, the Unit Buy-Back Mandate is a flexible and cost-effective capital management strategy to enhance return on equity for Unitholders and/or the Unitholders' funds per Unit. Furthermore, the Unit Buy-Back Mandate will help mitigate short-term market volatility, off-set the effects of short-term speculative trading of the Units and instil market confidence in the Units.

While the Unit Buy-Back Mandate would authorise Unit Buy-Backs of up to the said 3.5% limit during the Mandate Duration (as defined below), Unitholders should note that Unit Buy-Backs may not necessarily be carried out to the full 3.5% limit as permitted under the Trust Deed, all applicable laws and regulations and as authorised by Unitholders. Purchases of Units will be made only:

- (a) when the Manager considers it to be in the best interests of FCOT and/or Unitholders;
- (b) in the event that the Manager believes that such purchases will not result in any material adverse effect on the financial position of FCOT; and/or
- (c) when such purchases would not result in FCOT being delisted from the SGX-ST.

The Manager will use its best efforts to ensure that after a purchase of Units pursuant to the Unit Buy-Back Mandate, the number of Units remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of Units on the SGX-ST.

Rule 723 of the Listing Manual requires FCOT to ensure that at least 10.0% of its Units are held by the public (the "**Public Float**"). As at the Latest Practicable Date, the Public Float is approximately 72.89%, and accordingly, the orderly trading and the listing status of the Units on the SGX-ST is not likely to be affected by Unitholders' grant of the Unit Buy-Back Mandate and purchases of Units thereunder.

### 6.3 Authority and Limits on the Unit Buy-Back Mandate

The authority and limits placed on purchases of Units by the Manager under the Unit Buy-Back Mandate are summarised below:

#### 6.3.1 Maximum Limit

The total number of Units which may be purchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 3.5% of the total number of issued Units as at the date of the EGM.

**FOR ILLUSTRATIVE PURPOSE ONLY:** On the basis of 640,914,228 Units in issue as at the Latest Practicable Date, when the Manager purchases Units under the Unit Buy-Back Mandate, not more than 22,431,998 Units (representing 3.5% of the issued Units) may be purchased by the Manager pursuant to the Unit Buy-Back Mandate during the Mandate Duration.

#### 6.3.2 Duration of Authority

The Unit Buy-Back Mandate, if approved by Unitholders, will be in force from the period commencing from the date on which the EGM is held and the Unit Buy-Back Mandate is approved and will expire on the earliest of the following dates:

- (a) the date on which the next annual general meeting of Unitholders (“**AGM**”) is held;
- (b) the date by which the next AGM is required by law or the provisions of the Trust Deed to be held; or
- (c) the date on which the purchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated (the “**Mandate Duration**”).

Under the Trust Deed and the prevailing laws and regulations of Singapore, FCOT is required to convene an annual general meeting once every calendar year and not more than 15 months after the holding of the last preceding annual general meeting.

The authority conferred on the Manager under the Unit Buy-Back Mandate to purchase Units may be renewed at the next AGM of Unitholders. When seeking the approval of Unitholders for any subsequent Unit buy-back mandate, the Manager shall disclose details of each Unit buy-back made during the Mandate Duration in respect of the Unit buy-back mandate immediately preceding such Unit buy-back mandate being sought, including the total number of Units purchased, the purchase price per Unit or the highest and lowest prices paid for such purchases of Units, where relevant, and the total consideration paid for such purchases.

#### 6.3.3 Manner of Purchase

Market Purchases refer to on-market purchases of Units by the Manager, transacted on the SGX-ST through the ready market and which may be transacted through one or more duly licensed stock brokers appointed by the Manager for this purpose in accordance with all applicable laws and regulations, including but not limited to the provisions of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and the Listing Manual, as any of them may for the time being be applicable.

#### 6.3.4 Purchase Price

The Manager has the discretion to determine the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) for a repurchase of Units under a unit buy-back mandate, subject to such purchase price not exceeding 105.0% of the Average Closing Market Price (as defined herein) in accordance with Rule 884 of the Listing Manual (the “**Maximum Price**”) excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Market Price**” means the average of the closing market prices of a Unit over the last five Market Days<sup>1</sup>, on which transactions in Units were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period in accordance with Rule 884 of the Listing Manual.

#### 6.4 Status of Purchased Units

Under the Trust Deed Supplement, a Unit purchased by way of a Unit buy-back shall be deemed cancelled immediately on purchase (and all rights and privileges attached to the Unit will expire on such cancellation).

#### 6.5 Reporting Requirements

The Listing Manual specifies that an issuer shall notify the SGX-ST of all purchases of its Units not later than 9.00 a.m. in the case of a Market Purchase on the Market Day following the day on which the Market Purchase was made.

The notification of any such purchases of Units to the SGX-ST (in the form of an announcement on the SGXNET) shall be in such form and shall include such details as the SGX-ST may prescribe.

The Manager shall make arrangements with the appointed stockbrokers and/or custodians to ensure that they provide the Manager in a timely fashion the necessary information which will enable the Manager to make the notifications to the SGX-ST.

#### 6.6 Sources of Funds

The Manager may only apply funds for the purchase of Units as provided in the Trust Deed and in accordance with the applicable laws and regulations in Singapore. The Manager may not purchase Units of FCOT for a consideration other than in cash.

The Manager intends to use FCOT’s internal sources of funds to finance the Manager’s purchase of Units on behalf of FCOT pursuant to the Unit Buy-Back Mandate. Each time the Manager effects the purchase of Units on behalf of FCOT, pursuant to the Unit Buy-Back Mandate and in accordance with a resolution passed by the board of Directors, at least two Directors of the Manager will confirm that:

- (a) FCOT is able to pay its debts in full at the time of any purchase of Units and will be able to pay its debts as they fall due in the normal course of business during the period 12 months immediately following the date of any purchase of Units; and

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<sup>1</sup> “**Market Day**” means a day on which the SGX-ST is open for trading in securities.

- (b) the value of FCOT's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase of Units, become less than the value of its liabilities (including contingent liabilities).

The Manager does not propose to exercise the Unit Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of FCOT. The purchase of Units will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of FCOT as well as the prevailing market conditions. The Unit Buy-Back Mandate will be exercised with a view to enhance the DPU and/or the Unitholders' funds per Unit and will only be effected if the Manager is satisfied on reasonable grounds that, for the purposes of any purchases of Units, FCOT is solvent.

## 6.7 Financial Effects

It is not possible for the Manager to calculate realistically or quantify the impact of purchases of Units that may be made pursuant to the Unit Buy-Back Mandate on the Unitholders' funds per Unit and DPU as the resultant effect would depend on, among others, the aggregate number of Units purchased and the purchase prices paid for such Units.

FCOT's total number of issued Units will be diminished by the total number of Units purchased by way of a Unit Buy-Back as such Units will be cancelled.

**FOR ILLUSTRATIVE PURPOSE ONLY:** The financial effects of a Unit Buy-Back on FCOT are based on the assumptions set out below:

- (a) 22,431,998 Units (representing approximately 3.5% of the issued Units as at the Latest Practicable Date) are purchased by the Manager pursuant to the Unit Buy-Back Mandate on 1 October 2010;
- (b) 640,914,228 Units are in issue as at the Latest Practicable Date (assuming no further Units are issued on or prior to the EGM at which the Unit Buy-Back Mandate is approved); and
- (c) Units are purchased at the Maximum Price of S\$0.972 per Unit (being 105.0% of the Average Closing Market Price of a Unit immediately preceding the Latest Practicable Date), and accordingly, the maximum amount of funds required (excluding related expenses) is approximately S\$21.8 million.

Based on the assumptions set out above, the financial effects of the purchase of 22,431,998 Units (representing approximately 3.5% of the issued Units as at the Latest Practicable Date) by the Manager pursuant to the Unit Buy-Back Mandate are set out below based on the FY2011 Audited Financial Statements and as if FCOT had completed the proposed sale of KeyPoint on 1 October 2010 and the estimated Net Sale Proceeds had been applied under Scenario 3 as referred to in paragraph 3.2(c) of the Letter to Unitholders:

	Audited FY2011	Unaudited Pro forma FY2011 (Scenario 3 before the Unit Buy-Back)	Unaudited Pro forma FY2011 (Scenario 3 after the Unit Buy-Back)
	(S\$'000)	(S\$'000)	(S\$'000)
Current assets	99,657	121,461	99,657
Current liabilities	(31,398)	(31,398)	(31,398)
Working capital	68,259	90,063	68,259
Net asset value	1,220,126	1,118,623	1,096,819
Unitholders' funds	877,626	947,373	925,569
No. of issued and issuable Units ('000)	634,338	634,338	611,906
<b>Financial indicators</b>			
Unitholders' funds per Unit (excluding distributable income) (\$)	1.34	1.45	1.47
DPU (cents)	5.75	6.51	6.75
Aggregate leverage (%)	36.6	32.8	33.2
Current ratio (times)	3.17	3.87	3.17

Unitholders should note that the financial effects set out above in the table above are based on the FY2011 Audited Financial Statements and are presented strictly for illustrative purpose only. The results of FCOT for FY2011 may not be representative of future performance. Although the Unit Buy-Back Mandate would authorise the Manager to purchase up to 3.5% of the total number of issued Units, the Manager may not necessarily purchase or be able to purchase the entire 3.5% of the total number of issued Units at any time while the Unit Buy-Back Mandate is valid.

## 6.8 Taxation

Unitholders who are in doubt as to their respective tax positions or the tax implications of Unit purchases by the Manager, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

## 6.9 Take-over Implications

The circumstances under which Unitholders and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "Code") after a purchase of Units by the Manager are set out in Appendix 2 of the Code. The take-over implications which may arise from any purchase by the Manager of Units by way of a Unit buy-back are set out below.

### 6.9.1 Obligation to make a Take-over Offer

If, as a result of any purchase by the Manager of the Units, the proportionate interest in the voting rights of a Unitholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or a group of Unitholders acting in concert could obtain or consolidate effective control of FCOT and become obliged to make an offer under Rule 14 of the Code.



## 6.9.2 Persons Acting in Concert

Applying the Code to FCOT, to the extent possible, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of FCOT.

Unless the contrary is established, the following persons, among others, will be presumed to be acting in concert, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of (i) the adviser and the persons controlling, controlled by or under the same control as the adviser and all those funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and (ii) any of those funds in the client total 10.0% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of the foregoing, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and entities, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and entities for the purchase of voting rights.

For this purpose, a company is an “**associated company**” (as defined in the Code) of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

### 6.9.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted, Unitholders and/or persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Manager purchasing Units by way of a Unit buy-back, the voting rights of such Unitholders and/or their concert parties would increase to 30.0% or more, or in the event that such Unitholders and/or their concert parties hold between 30.0% and 50.0% of the voting rights in FCOT, if the voting rights of such Unitholders and/or their concert parties would increase by more than 1.0% in any period of six months.

Under Appendix 2 of the Code, a Unitholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Manager purchasing Units by way of a Unit buy-back, the voting rights of such Unitholder would increase to 30.0% or more, or, if such Unitholder holds between 30.0% and 50.0% of the voting rights in FCOT, the voting rights of such Unitholder would increase by more than 1.0% in any period of six months. Such Unitholder need not abstain from voting in respect of the resolution authorising the Unit Buy-Back Mandate.

### 6.9.4 Voting rights of Directors and Substantial Unitholders

The Manager is not aware of any Director or Substantial Unitholder holding between 30.0% and 50.0% of the voting rights of FCOT or such number of Units which voting rights could increase to 30.0% or more as a result of purchases of Units by the Manager pursuant to the Unit Buy-Back Mandate.

**Important:**

**Unitholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Unit purchases by the Manager.**

### 6.10 Units Purchased by the Manager

The Manager has not made any Unit buy-backs in the 12 months preceding the date of this Circular.

### 6.11 Unitholders' Approval

In view of the foregoing, the Manager is seeking Unitholders' approval under Resolution 3 relating to the Unit Buy-Back Mandate.

**Important:**

**By voting in favour of Resolution 3, Unitholders are waiving their right to receive a general offer from another person, including but not limited to, the Directors and parties acting in concert with them (which, for the avoidance of doubt, includes F&NL and its subsidiaries) who, as a result of the Manager buying back the Units, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of FCOT's voting rights, would increase their voting rights by more than 1.0% in any period of six months.**

(See "Interests of Directors and Substantial Unitholders" in paragraph 7 of the Letter to Unitholders for further details regarding the unitholdings of the Directors and Substantial Unitholders.)

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Based on the Register of Director's unitholdings and the Register of Substantial Unitholders, as at the Latest Practicable Date, and as at the date of the EGM (on the assumption that their voting rights will not change between the Latest Practicable Date and the date of the EGM), the direct and deemed interests and voting rights of the Directors and the Substantial Unitholders (inclusive of the holders of Series A CPPUs) before and after the purchase or acquisition by any other means of Units pursuant to the Unit Buy-Back Mandate, assuming that (a) the Manager purchases the maximum amount of 3.5% of the total number of issued Units pursuant to the Unit Buy-Back Mandate and (b) there is no change in the number of Units held by the Directors and the Substantial Unitholders or which they are deemed interested in, will be as follows:

Name of Directors	Direct Interest (No. of Units/Series A CPPUs)	Deemed Interest (No. of Units/Series A CPPUs)	Total no. of Units/Series A CPPUs held (Direct and Deemed Interest)	% Interest Before Unit Buy-Back <sup>(1)</sup>	% Interest After Unit Buy-Back <sup>(2)</sup>
Dr Chua Yong Hai					
• Units	112,000	112,000	224,000	0.03	0.04
• Series A CPPUs	28,000	28,000	56,000	NA	NA
Tan Guong Ching					
• Units	160,000	—	160,000	0.02	0.03
• Series A CPPUs	40,000	—	40,000	NA	NA
Christopher Tang Kok Kai					
• Units	—	200,000	200,000	0.03	0.03
Low Chee Wah					
• Units	—	60,000	60,000	0.01	0.01

### Notes:

- (1) The percentage is based on 640,914,228 Units in issue in FCOT as at the Latest Practicable Date.
- (2) Based on the 640,914,228 Units in issue as at the Latest Practicable Date and the following assumptions:
  - (a) no further Units are issued on or prior to the EGM at which the Unit Buy-Back Mandate is approved;
  - (b) 22,431,998 Units (representing 3.5% of the issued Units as at the Latest Practicable Date) were purchased by the Manager pursuant to the Unit Buy-Back Mandate; and
  - (c) all the 22,431,998 Units purchased under the Unit Buy-Back Mandate were cancelled, and accordingly, 618,482,230 Units remain in issue after such purchase of Units by the Manager.

Name of Substantial Unitholders	Direct Interest (No. of Units/Series A CPPUs)	Deemed Interest (No. of Units/Series A CPPUs)	Total no. of Units/Series A CPPUs held (Direct and Deemed Interest)	% Interest Before Unit Buy-Back <sup>(1)</sup>	% Interest After Unit Buy-Back <sup>(2)</sup>
F&NL <sup>(3)</sup>					
• Units	—	173,756,649	173,756,649	27.11	28.09
• Series A CPPUs	—	306,157,884	306,157,884	NA	NA
FCL <sup>(3)</sup>					
• Units	—	173,756,649	173,756,649	27.11	28.09
• Series A CPPUs	—	306,157,884	306,157,884	NA	NA
FCL Trust Holdings (Commercial) Pte. Ltd.					
• Units	100,521,055	—	100,521,055	15.68	16.25
• Series A CPPUs	208,000,000	—	208,000,000	NA	NA
Frasers Centrepoint Asset Management (Commercial) Ltd.					
• Units	72,371,670	863,924	73,235,594	11.43	11.84
• Series A CPPUs	—	—	—	NA	NA

**Notes:**

- (1) The percentage is based on 640,914,228 Units in issue in FCOT as at the Latest Practicable Date.
- (2) Based on the 640,914,228 Units in issue as at the Latest Practicable Date and the following assumptions:
  - (a) no further Units are issued on or prior to the EGM at which the Unit Buy-Back Mandate is approved;
  - (b) 22,431,998 Units (representing 3.5% of the issued Units as at the Latest Practicable Date) were purchased by the Manager pursuant to the Unit Buy-Back Mandate; and
  - (c) all the 22,431,998 Units purchased under the Unit Buy-Back Mandate were cancelled and accordingly, 618,482,230 Units remain in issue after such purchase of Units by the Manager.
- (3) F&NL and FCL are deemed to be interested in an aggregate of 173,756,649 Units held by the Manager, Frasers Centrepoint Property Management (Commercial) Pte. Ltd. and FCL Trust Holdings (Commercial) Pte. Ltd. (which are each a wholly-owned subsidiary of FCL, which is in turn a subsidiary of F&NL).

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Sale.

## **8. RECOMMENDATIONS**

### **8.1 The Proposed Sale**

The Directors having considered the relevant factors, including the rationale for the proposed Sale as set out in paragraph 3 of the Letter to Unitholders, recommend that Unitholders vote at the EGM in favour of Resolution 1 relating to the proposed Sale.

### **8.2 The Trust Deed Supplement**

The Directors having considered the relevant factors, including the rationale for the proposed Trust Deed Supplement as set out in paragraph 5 of the Letter to Unitholders, recommend that Unitholders vote at the EGM in favour of Resolution 2 relating to the proposed Trust Deed Supplement.

### **8.3 The Unit Buy-Back Mandate**

The Directors having considered the relevant factors, including the rationale for the proposed Unit Buy-Back Mandate as set out in paragraph 6 of the Letter to Unitholders, recommend that Unitholders vote at the EGM in favour of Resolution 3 relating to the proposed Unit Buy-Back Mandate.

## **9. EXTRAORDINARY GENERAL MEETING**

The EGM will be held on Thursday, 12 July 2012 at 2.30 p.m. at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages C-1 to C-3 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions.

Approval by way of an Ordinary Resolution is required in respect of the resolutions relating to the proposed Sale (Resolution 1) and the proposed Unit Buy-Back Mandate (Resolution 3). Approval by way of an Extraordinary Resolution is required in respect of the resolution relating to the Trust Deed Supplement (Resolution 2).

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited (“**CDP**”) as at 48 hours before the time fixed for the EGM.

## **10. ABSTENTION FROM VOTING**

Pursuant to the Code, (i) the Directors, (ii) F&NL and its subsidiaries, (iii) parties acting in concert with F&NL and its subsidiaries (as determined for the purpose of the Unit Buy-Back Mandate) and (iv) parties who may be obliged to make a general offer as a result of the Unit Buy-Back but for the waiver described in paragraph 6.11 of the Letter to Unitholders, are required to abstain from voting on the Unit Buy-Back Mandate (Resolution 3).

## **11. ACTION TO BE TAKEN BY UNITHOLDERS**

Unitholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Manager's registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 not later than Tuesday, 10 July 2012 at 2.30 p.m., being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolutions.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Sale, the Trust Deed Supplement, the Unit Buy-Back Mandate, FCOT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

## **13. CONSENT**

The Independent Valuer, being Savills Valuation and Professional Services (S) Pte Ltd, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the valuation certificate and all references thereto, in the form and context in which they are included in this Circular.

#### 14. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager<sup>1</sup> at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the SPA;
- (ii) the valuation report dated 1 June 2012 on KeyPoint issued by Savills Valuation and Professional Services (S) Pte Ltd; and
- (iii) the FY2011 Audited Financial Statements.

The Trust Deed will also be available for inspection at the registered office of the Manager.

Yours faithfully

FRASERS CENTREPOINT ASSET MANAGEMENT (COMMERCIAL) LTD.  
(Company Registration No. 200503404G)  
as manager of Frasers Commercial Trust

Dr Chua Yong Hai  
Chairman & Independent Non-Executive Director

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<sup>1</sup> Prior appointment with the Manager will be appreciated.

## IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of FCOT is not necessarily indicative of the future performance of FCOT.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States of America ("**United States**" or "**U.S.**"). It is not an offer of securities for sale into the United States. The Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

## DISCLOSURE NOTE

### Issue of Series A CPPUs in FCOT and compliance with disclosure requirements in Note 2 Section 2 of Appendix 1 of the Code.

In an extraordinary general meeting held on 22 July 2009, Unitholders approved, among others, (1) a rights issue of 2,252 million new Units (the “**Rights Units**”) on a fully underwritten and renounceable basis (the “**Rights Issue**”), and (2) a Whitewash Resolution (as defined below). In connection with the Whitewash Resolution, the disclosures required under Note 2 Section 2 of Appendix 1 of the Code are set out below:

- (a) the Unitholders approved a whitewash resolution waiving their rights to receive a mandatory offer made pursuant to Rule 14 of the Code from and parties acting in concert with FCL (the “**Concert Parties**”) for all the remaining issued Units not already owned or controlled by them, in the event that FCL and the Concert Parties incur a mandatory bid obligation under the Code as a result of:
- (i) FCL and/or certain of its wholly-owned subsidiaries subscribing for Rights Units to be issued pursuant to the Rights Issue; and/or
  - (ii) the conversion of Series A CPPUs held by Orrick Investments Pte Limited (or its nominees) into Units,
- (the “**Whitewash Resolution**”).

The Whitewash Resolution is subject to the acquisition of the Rights Units and the Series A CPPUs being completed within three months of the date of approval of the Whitewash Resolution (being 22 July 2009) and the acquisition of the new Units upon the conversion of the Series A CPPUs being completed within five years of the date of the issue of the Series A CPPUs (being 26 August 2009);

- (b) as at the Latest Practicable Date, FCL and the Concert Parties hold in aggregate:
- (i) 181,782,249<sup>1</sup> Units representing 28.36% of voting rights in FCOT<sup>2</sup>; and
  - (ii) 306,443,884 Series A CPPUs;
- (c) the maximum potential voting rights of FCL and the Concert Parties in FCOT, assuming that only FCL and the Concert Parties (but not other Unitholders) exercise their Series A CPPUs<sup>3</sup> in full is 48.96% of the total number of Units in issue as at the Latest Practicable Date (including all Units converted from the Series A CPPUs);
- (d) having approved the Whitewash Resolution on 22 July 2009, Unitholders have waived their rights to a mandatory offer from FCL and the Concert Parties at the highest price paid by FCL and the Concert Parties for Units in the six months preceding the commencement of the offer; and
- (e) having approved the Whitewash Resolution on 22 July 2009, Unitholders could be foregoing an opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Series A CPPUs.

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<sup>1</sup> Consolidated Units pursuant to the unit consolidation approved by the Unitholders at the extraordinary general meeting held on 28 January 2011 and which became effective with effect from 11 February 2011 (the “**Unit Consolidation**”).

<sup>2</sup> The computation of percentage voting rights is based on the total number of Units in issue, as at the Latest Practicable Date, being 640,914,228.

<sup>3</sup> As a result of the Unit Consolidation, the conversion price of the Series A CPPUs has been adjusted to S\$1.1845 with effect from 11 February 2011.



## GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

<b>%</b>	:	Per centum or Percentage
<b>Aggregate Leverage</b>	:	The ratio of the value of borrowings and deferred payments (if any) to the value of total assets of FCOT, including all its authorised investments held or deemed to be held by the trust under the Trust Deed
<b>AGM</b>	:	Annual general meeting of Unitholders
<b>Average Closing Market Price</b>	:	Means the average of the closing market prices of a Unit over the last five Market Days, on which transactions in Units were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period in accordance with Rule 884 of the Listing Manual
<b>Balance Deposit</b>	:	Means the sum of S\$16.2 million, being an amount equivalent to 4.5% of the Sale Consideration
<b>Business Day</b>	:	Means a day (other than a Saturday, Sunday or a gazetted public holiday in Singapore) on which commercial banks are open for business in Singapore
<b>CDP</b>	:	The Central Depository (Pte) Limited
<b>Circular</b>	:	This circular to Unitholders dated 18 June 2012
<b>Code</b>	:	The Singapore Code on Take-overs and Mergers
<b>Companies Act</b>	:	Companies Act, Chapter 50 of Singapore
<b>Concert Parties</b>	:	FCL and the parties acting in concert with FCL
<b>Conditions Precedent</b>	:	The conditions precedent pursuant to which the KeyPoint Completion is subject and conditional upon
<b>Current Use Valuation</b>	:	The method of valuation used to value the open market value of the Property based on the current use of the site of the Property
<b>Directors</b>	:	Directors of the Manager
<b>DPU</b>	:	Distributable income per Unit

<b>EGM</b>	:	The extraordinary general meeting of Unitholders to be held on Thursday, 12 July 2012 at 2.30 p.m. at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, to approve the matters set out in the Notice of Extraordinary General Meeting on pages C-1 to C-3 of this Circular
<b>Equal Access Scheme</b>	:	A scheme whereby: <ul style="list-style-type: none"> <li>(i) the offers under such scheme are to be made to Unitholders to purchase or acquire the same percentage of their Units;</li> <li>(ii) all such Unitholders have a reasonable opportunity to accept the offers made to them; and</li> <li>(iii) the terms of all the offers to such Unitholders are the same save for (a) differences in consideration attributable to accrued distribution entitlements between Unitholders and amounts of Units that remain unpaid and (b) offers introduced to solely ensure that each Unitholder is left with a whole number of Units</li> </ul>
<b>Extraordinary Resolution</b>	:	Means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
<b>F&amp;NL</b>	:	Fraser and Neave, Limited
<b>FCL</b>	:	Frasers Centrepoint Limited
<b>FCOT</b>	:	Frasers Commercial Trust
<b>FY2011</b>	:	The financial year ended 30 September 2011
<b>FY2011 Audited Financial Statements</b>	:	The audited financial statements of FCOT for FY2011
<b>Head Lessor</b>	:	Means the President of the Republic of Singapore
<b>Independent Valuer</b>	:	Savills Valuation and Professional Services (S) Pte Ltd
<b>Initial Deposit</b>	:	Means the sum of S\$10.8 million, being an amount equivalent to 3.0% of the Sale Consideration
<b>KeyPoint or Property</b>	:	The property, located at 371 Beach Road, Singapore 199597, which is the subject of the Sale
<b>KeyPoint Completion</b>	:	The Completion of the Sale to the Purchaser

<b>Latest Practicable Date</b>	:	12 June 2012, being the latest practicable date prior to the printing of this Circular
<b>Letter to Unitholders</b>	:	The letter to Unitholders as set out from pages 6 to 26 of this Circular
<b>Listing Manual</b>	:	The Listing Manual of the SGX-ST
<b>Manager</b>	:	Frasers Centrepoint Asset Management (Commercial) Ltd., in its capacity as manager of FCOT
<b>Mandate Duration</b>	:	The period commencing from the date on which the EGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates: <ul style="list-style-type: none"> <li>(a) the date on which the next AGM is held;</li> <li>(b) the date by which the next AGM is required by law or the provisions of the Trust Deed to be held; or</li> <li>(c) the date on which the purchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated</li> </ul>
<b>Market Day</b>	:	Means a day on which the SGX-ST is open for trading in securities
<b>Market Purchase</b>	:	Purchases of Units made by way of on-market purchases
<b>Maximum Price</b>	:	Has the meaning ascribed to it in paragraph 6.3.4 of the Letter to Unitholders
<b>Mixed Use Valuation</b>	:	The method of valuation used to value the open market value of the Property based on the redevelopment of the Property as a “mixed commercial and residential” development at a plot ratio of 5.0 in accordance with the OPP
<b>Net Property Income</b>	:	Means the property revenue less the property operating expenses
<b>Net Sale Proceeds</b>	:	The net proceeds from the Sale
<b>OPP</b>	:	The outline planning permission that the Manager had on 12 August 2011 received through its consultation with the URA for the redevelopment of KeyPoint as a “mixed commercial and residential” development
<b>Ordinary Resolution</b>	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed

<b>Partial Series A CPPU Redemption</b>	:	The funding of the successful redemption of 171,250,000 Series A CPPUs, being 50.0% of the issued Series A CPPUs, under a Series A CPPU Redemption
<b>Public Float</b>	:	Refers to the percentage of Units held by the public
<b>Purchaser</b>	:	Bayfront Ventures Pte Ltd, a company jointly owned by the Fragrance Group Ltd and World Class Land Pte Ltd, a subsidiary of Aspial Corporation Limited
<b>Rights Issue</b>	:	The right issue on a fully underwritten and renounceable basis of the Rights Units, as approved by the Unitholders in an extraordinary general meeting held on 22 July 2009
<b>Rights Units</b>	:	The 2,252 million new Units issued pursuant to the Rights Issue
<b>S\$ and cents</b>	:	Singapore dollars and cents
<b>S\$500.0 Million Term Loan Facility</b>	:	Means the S\$500.0 million term loan facility, dated 22 September 2009, granted by Commonwealth Bank of Australia, Singapore Branch, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and Standard Chartered Bank and (where applicable) and any additional or substituted lenders under the facility agreement connected to such facility
<b>Sale</b>	:	The proposed sale of KeyPoint, which is located at 371 Beach Road, Singapore 199597
<b>Sale Consideration</b>	:	The sale consideration for the Sale of S\$360.0 million
<b>Scenarios</b>	:	Scenario 1, Scenario 2 and Scenario 3
<b>Scenario 1</b>	:	The event that the estimated Net Sale Proceeds are applied towards the Term Loan Partial Prepayment
<b>Scenario 2</b>	:	The event that the estimated Net Sale proceeds are applied towards the Partial Series A CPPU Redemption, with the balance of the estimated Net Sale Proceeds, if any, applied towards the Term Loan Partial Prepayment
<b>Scenario 3</b>	:	The event that the estimated Net Sale Proceeds are applied towards the funding of the purchase of 22,431,998 Units under the Unit Buy-Back, being the maximum number of Units possible under the Unit Buy-Back Mandate referred to in paragraph 6.3.1 of the Letter to Unitholders and the Partial Series A CPPU Redemption, with the balance of the estimated Net Sale Proceeds, if any, applied towards the Term Loan Partial Prepayment

<b>Series A CPPUs</b>	:	Series A Convertible Perpetual Preference Units issued by FCOT
<b>Series A CPPU Redemption</b>	:	The use of the estimated Net Sale Proceeds for the redemption of Series A CPPUs
<b>SGX-ST</b>	:	Singapore Exchange Securities Trading Limited
<b>Single Use Valuation</b>	:	The method of valuation used to value the open market value of the Property based on the redevelopment of the Property as a commercial development at a plot ratio of 5.45 as indicated in the URA Letter
<b>SLA</b>	:	Singapore Land Authority
<b>SLA Letter</b>	:	A letter by the SLA (for and on behalf of the Head Lessor) dated 8 September 2011
<b>SPA</b>	:	The conditional sale and purchase agreement entered into between the Trustee and the Purchaser for the Sale
<b>Substantial Unitholder</b>	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
<b>Term Loan Partial Prepayment</b>	:	The partial prepayment of the S\$500.0 million Term Loan Facility
<b>Trust Deed</b>	:	The trust deed dated 12 September 2005 constituting FCOT, (as amended by the amending and restating deeds on 23 February 2006, 20 March 2006 and 27 July 2010, and supplemental deeds of amendments dated 30 April 2007, 31 March 2009, 29 July 2009, 26 August 2009, 25 November 2009, 28 January 2010 and 20 January 2011)
<b>Trust Deed Supplement</b>	:	The proposed amendment of the Trust Deed to authorise the Manager to purchase Units for and on behalf of FCOT from time to time as well as the consequential amendments to the Trust Deed in relation thereto
<b>Trustee</b>	:	British and Malayan Trustees Limited, in its capacity as trustee of FCOT
<b>Unit</b>	:	A unit representing an undivided interest in FCOT
<b>Unitholder</b>	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units

<b>Unit Buy-Back</b>	:	The buy-back of Units connected to the Unit Buy-Back Mandate
<b>Unit Buy-Back Mandate</b>	:	The proposed unit buy-back mandate to be given to the Manager to exercise its powers to procure the purchase of Units for and on behalf of FCOT without the prior specific approval of Unitholders at a general meeting
<b>Unit Consolidation</b>	:	The unit consolidation approved by the Unitholders at the extraordinary general meeting held on 28 January 2011 and which became effective with effect from 11 February 2011
<b>United States or U.S.</b>	:	United States of America
<b>URA</b>	:	Urban Redevelopment Authority of Singapore
<b>URA Letter</b>	:	A letter from the URA dated 26 July 2010
<b>Valuations</b>	:	The Current Use Valuation, the Mixed Use Valuation and the Single Use Valuation
<b>Whitewash Resolution</b>	:	The whitewash resolution as approved by Unitholders and described in the Disclosure Note on page 28

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

## THE PROPOSED TRUST DEED SUPPLEMENT

The proposed amendments to the Trust Deed upon Unitholders' approval of Resolution 2 are as follows:

1. that a new Clause 7A be inserted immediately after Clause 7 of the Trust Deed:

### **7A Purchase of Units by the Manager**

This Clause 7A shall apply to all Units, currently in issue or to be issued, including any Units which are issued, or to be issued, with preferred rights, and shall apply subject to, and in accordance with, this deed, the Listing Rules, the Property Funds Appendix and any other applicable laws and/or regulations in force at the relevant time.

#### **7A.1 Holders' Approval**

For so long as the Trust is Listed, the Manager may purchase Units if it has obtained the prior approval of Holders in a general meeting by passing an Ordinary Resolution (the "**Unit Buy-Back Mandate**"), in accordance with the provisions of this deed but subject thereto and to other requirements of the Listing Rules, the Property Funds Appendix and any other applicable laws and/or regulations in force at the relevant time.

#### **7A.2 Purchase Price**

For so long as the Trust is Listed and the Manager decides to purchase Units, the purchase price to be paid for the Units will be determined by the board of directors of the Manager in its absolute discretion, subject to the requirements of the applicable laws and/or regulations in force at the relevant time.

#### **7A.3 Authority and Limits on the Purchase of Units**

##### **7A.3.1 Maximum Limit**

The total number of Units which may be purchased pursuant to any Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.

##### **7A.3.2 Duration of Authority**

Purchases of Units may be made during the Relevant Period. For the purpose of this Clause 7A.3.2, "**Relevant Period**" is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on the earlier of:

- (i) the date on which the next Annual General Meeting of Holders is held;
- (ii) the date by which the next Annual General Meeting of Holders is required by law or the provisions of this deed to be held; or

(iii) the date on which the purchases of Units by the Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to purchase Units may be renewed at the next Annual General Meeting of Holders.

#### **7A.4 Solvency of the Trust**

The Manager may purchase Units out of the Assets by paying a sum sufficient to satisfy the purchase price of the Units calculated in accordance with Clause 7A.2. Each time the Manager effects the purchase of Units on behalf of the Trust, pursuant to the Unit Buy-Back Mandate and in accordance with a resolution passed by the board of directors of the Manager, at least two directors of the Manager will confirm that:

- (a) the Trust is able to pay its debts in full at the time of any purchase of Units and will be able to pay its debts as they fall due in the normal course of business during the period 12 months immediately following the date of any purchase of Units; and
- (b) the value of the Assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase of Units, become less than the value of its liabilities (including contingent liabilities).

#### **7A.5 Dealing with Purchased Units**

Units which are purchased shall be cancelled and shall not thereafter be reissued or dealt with in any manner, subject to the requirements of the applicable laws and/or regulations in force at the relevant time. For the avoidance of doubt, this Clause 7A.5 shall not limit or restrict the right of the Manager to cause the creation and/or issue of further or other Units. On the cancellation of any Unit under this Clause 7A.5, the rights and privileges attached to that Unit expire.

#### **7A.6 Source of Funds**

The Manager may not purchase Units of the Trust for a consideration other than in cash. The Manager may utilise any source of funds available to it, including any financing, to finance the Manager's purchase of Units on behalf of the Trust pursuant to any Unit Buy-back Mandate, subject always to the requirements of the applicable laws and/or regulations in force at the relevant time.

#### **7A.7 Manner of Purchase**

**7A.7.1** For so long as the Trust is Listed, the Manager may purchase Units in the following manner:

- (i) purchase or acquire Units on the SGX-ST ("**Market Purchase**"); or
- (ii) make an offer to purchase Units, otherwise than on the SGX-ST and by way of an "off-market" acquisition of the Units on an equal access scheme ("**Off-Market Purchase**").

subject always to the requirements of the applicable laws and/or regulations in force at the relevant time.



**7A.7.2** For the purpose of this Clause 7A, an “**equal access scheme**” is a scheme which satisfies the following criteria:

- (i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
  - (a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;
  - (b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and
  - (c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

#### **7A.8 Procedure for Purchase of Units via a Market Purchase**

**7A.8.1** For so long as the Trust is Listed, where Units are purchased via a Market Purchase, the notice of general meeting of Holders specifying the intention to propose a resolution to authorise a Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units of the Trust authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing, if any, and its impact on the Trust’s financial position, if any.

**7A.8.2** The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7A.8.1(i) to 7A.8.1(iv).

**7A.8.3** The authority for a Market Purchase may, from time to time, be varied or revoked by Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion.

## **7A.9 Procedure for Purchase of Units via an Off-Market Purchase**

**7A.9.1** For so long as the Trust is Listed, where Units are purchased via an Off-Market Purchase, the notice of general meeting of Holders specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units of the Trust authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing, if any, and its impact on the Trust's financial position, if any.

**7A.9.2** The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7A.9.1(i) to 7A.9.1(iv).

**7A.9.3** The authority for an Off-Market Purchase may, from time to time, be varied or revoked by Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

**7A.9.4** For so long as the Trust is Listed, in the event that the Manager decides to make any offer to purchase Units via an Off-Market Purchase, the Manager will send an offer notice to Holders in the event of any such offer to purchase Units. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the purchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Manager will purchase, in accordance with this Clause 7A and the applicable laws and/or regulations in force at the relevant time, such number of Units as are required by the Holder to be purchased from Units entered against such person's name in the Register or the Depository Register (as the case may be).

## **7A.10 Amendments to Register**

Where a number of Units held by a Holder have been purchased by the Manager, the Manager shall amend, or procure the amendment of, the details of the Register, in respect of such number of Units.

## **7A.11 Reporting Requirements**

Subject to the relevant laws, regulations and guidelines, for so long as the Trust is Listed, the Manager shall notify the SGX-ST (in the form of an announcement on the SGX-ST) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe.”;

2. that Clause 1.1 of the Trust Deed be amended by inserting the following definitions of “equal access scheme”, “Market Purchase”, “Off-Market Purchase” and “Unit Buy-Back Mandate” and immediately after the definitions of “Divestment Fee”, “Market Price”, “Net Tax-Exempt Income” and “Unit”, respectively:

“equal access scheme has for the purpose of Clause 7A, the meaning ascribed to it in Clause 7A.7.2;”

“Market Purchase means the purchase of, or the acquisition of Units on a the SGX-ST;”

“Off-Market Purchase means an offer to purchase Units, otherwise than on the SGX-ST and by way of an “off-market” acquisition of the Units on an equal access scheme;”

“Unit Buy-Back Mandate means the mandate given to the Manager to purchase Units, provided that it has obtained the mandate of Holders to do so in a general meeting by the passing of an Ordinary Resolution;”;

3. that the definitions of “Repurchase Charge” and “Repurchase Price” in Clause 1.1 of the Trust Deed be deleted in their entirety:

~~“Repurchase Charge means a charge upon the repurchase or redemption of a Unit of such amount as may from time to time be fixed by the Manager generally or in relation to any specific class of transaction pursuant to Clause 7.5;”~~

~~“Repurchase Price means the repurchase price referred to in Clause 7.5;”;~~

4. that Clause 1.1 of the Trust Deed be amended by inserting the following definitions of “Redemption Charge” and “Redemption Price” immediately after the definition of “Record Date”:

“Redemption Charge means a charge upon the redemption of a Unit of such amount as may from time to time be fixed by the Manager generally or in relation to any specific class of transaction pursuant to Clause 7.5;”

“Redemption Price means the redemption price referred to in Clause 7.5;”; and

5. that Clause 7 of the Trust Deed be amended in accordance with the following insertions and deletions indicated by the underlined and deleted text, respectively, below:

~~“7~~ **Repurchase and Redemption of Units by Manager**

~~7.1~~ **Repurchase and Redemption Restrictions when Trust is Listed**

- (a) This clause only applies if the Trust is Listed, and is subject to the relevant Preferred Unit Terms attached to such classes of Preferred Units as may be in issue from time to time.
- (b) The Manager is not obliged to ~~repurchase or~~ cause the redemption of Units so long as the Trust is Listed.
- (c) If the Manager decides to make any offer to ~~repurchase or~~ redeem Units, the ~~Repurchase~~Redemption Price for a Unit shall be the Current Unit Value per Unit.
- (d) If the Manager decides to permit the redemption of Units, the redemption must comply with the SF (CIS) Regulations, the Code, the Property Funds Appendix and the Listing Rules.

- (e) Any offer to redeem Units is required to be made known publicly to investors through the SGX-ST at least 14 calendar days before the offer is posted.
- (f) The Manager may, subject to the Listing Rules, suspend the ~~repurchase or~~ redemption of Units for any period when the issue of Units is suspended pursuant to Clause 4.16.
- (g) Any offer of ~~repurchase or~~ redemption of Units under this Clause 7.1 must be offered on a pro rata basis to all Unitholders.

## **7.2 ~~Repurchase and Redemption when Quotation is Suspended or the Trust De-Listed~~**

- (a) if:
  - (1) Quotation of Units is suspended for at least 60 consecutive calendar days; or
  - (2) the Trust is removed from the Official List,

the Manager must offer to redeem the Units in accordance with the provisions of this deed and the Second Schedule to the SF(CIS) Regulations.
- (b) If paragraph 11 of the Second Schedule to the SF(CIS) Regulations applies, the Trust will be an unlisted property fund pursuant to the Property Funds Appendix.

## **7.3 ~~Repurchase and Redemption when Trust is Unlisted~~**

- (a) This clause only applies if the Trust is Unlisted.
- (b) If the Trust is Unlisted, the Manager must offer to redeem Units at least once a year (or at such other frequency required from time to time by the Property Funds Appendix).
- (c) Any Units of which the Manager is or is deemed to be the Holder shall be treated on the same basis as Units held by other Unitholders.
- (d) The Manager must send an offer notice to Unitholders if it proposes to redeem Units. The offer notice must comply with the Property Funds Appendix.
- (e) Unitholders (or, in the case of Joint-All Holders, all the Joint-All Holders and in the case of Joint-Alternate Holders, any one of the Joint-Alternate Holders) wishing to take up the offer must respond by sending, within the time specified in the offer notice, a request in writing for the ~~repurchase or~~ redemption of their Units.
- (f) After receipt of a written request by a Unitholder, the Manager will ~~repurchase or~~ cause to be ~~repurchased or~~ redeemed, in accordance with this Clause 7 and the Property Funds Appendix, such of the Units as are required by the Unitholder to be ~~repurchased or~~ redeemed.

## **7.4 Minimum Holding**

- (a) A Unitholder shall not be entitled to the ~~repurchase or~~ redemption of part only of his holding of Units if as a result his Unit Holding would be reduced to less than the Minimum Holding.

- (b) If a Unitholder's request would have this result, the Manager shall be entitled to ~~repurchase all of his Unit Holding or~~ cause all of his Unit Holding to be redeemed, ~~as the case may be.~~

## 7.5 RepurchaseRedemption Price

- (a) This clause only applies if the Trust is Unlisted.
- (b) Following receipt of a request for ~~repurchase or~~ redemption, the RepurchaseRedemption Price for the Units that are the subject of the request shall be paid by the Manager to the Unitholder or caused by the Manager to be paid, as soon as practicable after the date of the receipt of the request.
- (c) The RepurchaseRedemption Price is the Current Unit Value of the relevant Unit on the day the request is accepted by the Manager less the RepurchaseRedemption Charge and less an amount to adjust the resultant total downwards to the nearest whole cent. No change to the method of determining the RepurchaseRedemption Price shall be made without the prior approval of the Trustee, who shall determine whether Unitholders are to be informed of such changes.
- (d) The RepurchaseRedemption Charge must not exceed 2% (or such other percentage as the Manager and the Trustee may agree) of the RepurchaseRedemption Price at the time the request for ~~repurchase or~~ redemption of the Unit is accepted by the Manager.
- (e) The Manager may differentiate between Unitholders as to the amount of the RepurchaseRedemption Charge to be included (within the permitted limit) in the RepurchaseRedemption Price.
- (f) The RepurchaseRedemption Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Assets.
- (g) The basis on which the Manager may make a differentiation as between Unitholders include, without limitation, Unitholders with large Unit Holdings, Unitholders who have opted for a distribution reinvestment arrangement and an incentive to Unitholders to hold Units for longer periods of time.
- (h) A request for ~~repurchase or~~ redemption once given cannot be withdrawn without the consent of the Manager.
- (i) The Manager may suspend the ~~repurchase or~~ redemption of Units during any period when the issue of Units is suspended pursuant to Clause 4.16.

## 7.6 RepurchaseRedemption Procedure

- (a) This clause only applies if the Trust is Unlisted.
- (b) In relation to any ~~repurchase~~ or redemption request, the Manager shall, have the ~~following options~~: option to,
  - ~~(1) to effect the repurchase out of its own funds, in which case the Manager shall be entitled to the Units and to the benefit of the Units;~~
  - ~~(2) to procure some other person to purchase the Units; in which case the purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or~~
  - ~~(3) subject to there being sufficient funds in the Trust, to request and cause the Trustee to redeem the Units out of the Assets by paying from the Assets a sum sufficient to satisfy the RepurchaseRedemption Price and the RepurchaseRedemption Charge (if any) of the Units.~~
- (c) A redemption of Units may not be satisfied by transfer of Assets to the Unitholder whose Units are to be redeemed.

## 7.7 Amendments to Register

- (a) This clause only applies if the Trust is Unlisted.
- (b) Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Unitholder have been:
  - ~~(1) repurchased by the Manager,~~
  - ~~(2) purchased by another person, or~~
  - ~~(3) redeemed,~~the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of the relevant Units.

## 7.8 Redemption of Units

- (a) If the Manager decides in its absolute discretion to take the course of action referred to in Clause 7.6(b)~~(3)~~ it shall give a redemption notice, within 30 Business Days of receipt of the request for redemption ~~repurchase~~, to the Trustee,
  - (1) requesting the Trustee to redeem the relevant Units, and
  - (2) specifying the RedemptionRepurchase Price to be paid for such Units.

- (b) Subject to Clause 7.9, the Trustee shall as soon as practicable after receipt of the redemption notice comply with the redemption notice by releasing to the Manager out of the available cash of the Assets the ~~Repurchase~~Redemption Price of the Units and the ~~Repurchase~~Redemption Charge and shall thereupon redeem the relevant Units.

#### **7.9 Funds Available for Redemption**

Subject to clause 7.10, the Trustee shall only comply with a redemption notice if, in the opinion of the Trustee, sufficient cash would be retained in the Assets, after the release of funds necessary to comply with the redemption notice, to meet other liabilities of the Trust, including without limitation remuneration due to the Trustee and the Manager.

#### **7.10 Procedure if Insufficient Funds**

Should the Trustee advise the Manager that in its opinion sufficient cash would not be retained in the Assets to meet other liabilities of the Trust if the Trustee were to release the funds necessary to comply with a redemption notice, the Manager may in its absolute discretion request the Trustee to sell, mortgage or otherwise deal with the investments or borrow to raise sufficient cash to redeem the relevant Units.

#### **7.11 Restriction on ~~Repurchase and~~ Redemption**

- (a) The Manager may, with the approval of the Trustee and subject to the Property Funds Appendix, limit the total number of Units which Unitholders may request the Manager to ~~repurchase~~redeem on any redemption offer to 10% of the Value of the Assets.
- (b) This limitation must be applied pro rata to all Unitholders who have validly requested ~~repurchase~~redemption on such offer.

#### **7.12 Redeemed Units are Cancelled**

- (a) Units which are redeemed are cancelled and shall not thereafter be reissued.
- (b) However, nothing in this Clause 7 shall limit or restrict the right of the Manager to cause the creation of and/or issue of further or other Units.”.

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## VALUATION CERTIFICATE



Our Ref : MKT/2012/C-FCOT/JY/0339

1 June 2012

The Directors  
**British and Malayan Trustees Limited ("BMT")**  
as trustee for Frasers Commercial Trust ("FCOT")  
1 Coleman Street #08-01  
The Adelphi  
Singapore 179803

Savills Valuation and  
Professional Services (S) Pte Ltd  
Reg No : 200402411G

30 Cecil Street  
#20 - 03 Prudential Tower  
Singapore 049712

T : (65) 6836 6888  
F : (65) 6536 8611

Savills.com

Dear Sirs

### **VALUATION OF 371 BEACH ROAD KEYPOINT SINGAPORE 199597 ("the Property")**

In accordance with your instructions for us to value the Property, we have obtained such information from you as we consider necessary for the purpose of providing you with our opinion of the market value of the leasehold interest in the Property as at 31 May 2012 on the following bases, for the purpose of seeking approval of FCOT's unit-holders for the divestment of the Property:

- a) "as-is where-is" basis;
- b) as a redevelopment site based on,
  - i) the Outline Planning Permission ("OPP") dated 12 August 2011;
  - ii) the planning advice from the Urban Redevelopment Authority ("URA") in its letter dated 26 July 2010.

Our valuation is our opinion of the market value of the Property which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

In arriving at our opinion of the market value of the Property, we have adopted the Residual Valuation Approach, the Income Capitalisation Approach, Discounted Cash Flow Method as well as the Market Comparison Method, having considered the relevant general and economic factors as well as investigated recent transactions of comparable properties.

We have relied to a very considerable extent on information given by you and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupancy status, floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us and are therefore only approximations.

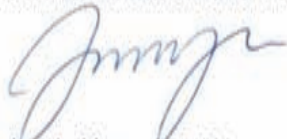
No allowance has been made in our valuation for any charges, mortgages or amounts owing, on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

We are pleased to enclose herewith our valuation certificates for your attention.

Yours faithfully

For and on behalf of

**Savills Valuation and Professional Service (S) Pte Ltd**



Jessie Yeo MSISV

Appraiser's Licence No : AD041-2002061K

Executive Director

encl

## VALUATION CERTIFICATE

a) Market Value  
as at 31 May 2012  
on "as-is where-is"  
basis

### The Property

### Brief Description

371 Beach Road  
KEYPOINT  
Singapore 199597

KEYPOINT is a 25-storey commercial development comprising a 22-storey office tower and a 4-storey car park block atop a 3-storey podium situated at the junction of Beach Road and Jalan Sultan, just outside the traffic-restricted zone of the Central Business District.

**S\$285,000,000/-**  
(Singapore Dollars Two Hundred and Eighty-Five Million Only)

Registered Proprietor:

British And Malayan Trustees Limited, as Trustee for Frasers Commercial Trust

It occupies a near-rectangular corner plot of 7,268.9 sq metres<sup>1</sup> (78,242 sq feet) in land area. It is zoned for Commercial use under the 2008 edition of the Master Plan.

The building originally erected in the late 1970s, was refurbished in stages commencing from 1998 and completing in early 2000. The 1<sup>st</sup> storey features retail units while the upper levels accommodate office space and the car park block houses 227 car parking lots. The typical office floor plate from the 4<sup>th</sup> storey upwards is rectangular and about 870-890 sq metres (9,400-9,600 sq feet) in area.

Tenure:

Leasehold 99 years with effect from 6 January 1976

The existing total GFA is 39,669.54 sq metres (426,999 sq feet) whereas the total net lettable area ("NLA") is 28,796.5 sq metres (309,963 sq feet) and the breakdown is as follows:

	Sq Metres	Sq Feet
<u>(a) Retail Space</u>		
Podium - Level 1	: 3,070.1	33,046
Retail Total NLA	: 3,070.1	33,046 (11%)
<u>(b) Office Space</u>		
Podium - Levels 2 & 3	: 7,457.6	80,273
Tower - Levels 4 to 25	: 18,268.8	196,644
Office Total NLA	: 25,726.4	276,917 (89%)

We are given to understand that approximately 91.4% of NLA is occupied at gross monthly rents averaging about S\$5.56 psf for retail and S\$4.45 psf for office, as at 31 May 2012.

<sup>1</sup> - 1 sq metre = 10.7639 sq feet approximately (small differences may arise from rounding).

## VALUATION CERTIFICATE

**b) Market Value  
as at 31 May 2012  
as a redevelopment site**

The Property	Brief Description	
<p>371 Beach Road KEYPOINT Singapore 199597</p> <p><u>Registered Proprietor:</u> British And Malayan Trustees Limited, as Trustee for Frasers Commercial Trust</p> <p><u>Tenure:</u> Leasehold 99 years with effect from 6 January 1976</p>	<p>KEYPOINT is a 25-storey commercial development comprising a 22-storey office tower and a 4-storey car park block atop a 3-storey podium situated at the junction of Beach Road and Jalan Sultan, just outside the traffic-restricted zone of the Central Business District.</p> <p>It occupies a near-rectangular corner plot of 7,268.9 sq metres (78,242 sq feet) in land area. It is zoned "Commercial" under the 2008 edition of the Master Plan. According to the Urban Redevelopment Authority ("URA")'s letter dated 16 November 2009 the maximum allowable gross floor area ("GFA") is 41,029.7 sq metres (441,640 sq feet).</p> <p>In response to an outline application, URA had advised on 26 July 2010 that the site can be redeveloped into a commercial development at a gross plot ratio of 5.45, where the non-commercial uses such as residential shall not exceed 40% of the total GFA.</p> <p>Outline Planning Permission ("OPP") was granted by URA for a proposed commercial and residential development with a gross plot ratio of 5.0 where the commercial quantum control is a minimum of 20% and a maximum of 40% of the total allowable GFA. Key conditions to the OPP include, inter alia, rezoning of the site from "Commercial" to "Commercial &amp; Residential", payment of differential premium to SLA and a validity period of 6 months from 12 August 2011. The OPP has been granted extension until 12 August 2012.</p> <p>SLA has given in-principle approval to extend the land lease to a fresh 99 year lease, subject to among other conditions, the redevelopment of the site into a commercial and residential development as stipulated in the OPP, the payment for lease upgrading and 100% of the enhancement in land value, if any arising from the proposed redevelopment. This approval has lapsed on 7 March 2012. We have assumed that extension of SLA's approval will be forthcoming as with the extension of the OPP.</p> <p>Our valuation has further assumed that SLA's in-principle approval can be expected should the site be redeveloped into a commercial development as advised by URA.</p> <p>Based on the planning parameters as at the date of valuation we are of the opinion that S\$346 million represents the highest and best use value of the Property as a redevelopment site for a commercial development at a gross plot ratio of 5.45.</p>	<p>(i) <b>S\$326,000,000/-</b> (Singapore Dollars Three Hundred and Twenty-Six Million Only) Based on OPP for a proposed commercial and residential development with a gross plot ratio of 5.0</p> <p>(ii) <b>S\$346,000,000/-</b> (Singapore Dollars Three Hundred and Forty-Six Million Only) Based on URA's advice for a commercial development at a gross plot ratio of 5.45</p> <p><i>The values given above are on the assumption that upgrading premium for the extension of land lease to a fresh 99 year lease, and differential premium for the lifting of title restrictions, if any, will be borne by the purchaser.</i></p>

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING (the “**EGM**”) of Frasers Commercial Trust (“**FCOT**”) will be held on Thursday, 12 July 2012 at 2.30 p.m. at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

### ORDINARY RESOLUTION

#### (1) THE PROPOSED ACQUISITION OF THE PROPOSED SALE OF KEYPOINT

That:

- (a) approval be and is hereby given for the sale of KeyPoint which is a commercial building located at 371 Beach Road, Singapore 199597 (“**KeyPoint**”, and the proposed sale of KeyPoint, the “**Sale**”), to Bayfront Ventures Pte Ltd, a company jointly owned by the Fragrance Group Ltd and World Class Land Pte Ltd, a subsidiary of Aspial Corporation Limited (the “**Purchaser**”), on the terms and conditions set out in sale and purchase agreement dated 23 April 2012 (the “**SPA**”) (as described in the circular dated 18 June 2012 (“**Circular**”)) made between British and Malayan Trustees Limited, in its capacity as trustee of FCOT (the “**Trustee**”), and the Purchaser;
- (b) the entry into of the SPA be and is hereby approved and ratified; and
- (c) Frasers Centrepoint Asset Management (Commercial) Ltd., in its capacity as manager of FCOT (the “**Manager**”), any director of the Manager (“**Director**”), and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCOT to give effect to the Sale.

### EXTRAORDINARY RESOLUTION

#### (2) THE PROPOSED AMENDMENT TO THE TRUST DEED DATED 12 SEPTEMBER 2005 (AS AMENDED OR RESTATED) CONSTITUTING FCOT

That:

- (a) approval be and is hereby given to amend the trust deed dated 12 September 2005 (as amended or restated) constituting FCOT (the “**Trust Deed**”) in the manner set out in **Appendix A** of the Circular (the “**Trust Deed Supplement**”); and
- (b) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCOT to give effect to the Trust Deed Supplement.

### ORDINARY RESOLUTION

#### (3) THE PROPOSED UNIT BUY-BACK MANDATE

Subject to the passing by unitholders of FCOT (“**Unitholders**”) of Resolution 2, that:

- (a) the exercise by the Manager of all the powers of FCOT to purchase or otherwise acquire units of FCOT (“**Units**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time

up to the Maximum Price (as hereafter defined), by way of market purchases (each a “**Market Purchase**”) on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Unit Buy-back Mandate**”);

- (b) unless varied or revoked by Unitholders in a general meeting, the authority conferred on the Manager pursuant to the Unit Buy-back Mandate may be exercised by the Manager at any time during the Mandate Duration (as hereafter defined); and
- (c) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCOT to give effect to the transactions contemplated and/or authorised by this Resolution.

In this Resolution:

“**Maximum Limit**” means that the number of Units representing not more than 3.5% of the total number of issued Units of FCOT as at the date of the passing of this Resolution;

“**Mandate Duration**” means the period commencing from the date on which the EGM is held and this Resolution is passed, and expiring on:

- (a) the date on which the next annual general meeting of Unitholders (“**AGM**”) is held;
- (b) the date by which the next AGM is required by law to be held; or
- (c) the date on which the purchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated,

whichever is earlier; and

“**Maximum Price**” in relation to a Unit to be purchased, means an amount (excluding related expenses of the purchase) not exceeding 105.0% of the Average Closing Market Price

where:

“**Average Closing Market Price**” means the average of the closing market prices of a Unit over the last five Market Days<sup>1</sup>, on which transactions in Units were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period in accordance with Rule 884 of the Listing Manual of Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Frasers Centrepoint Asset Management (Commercial) Ltd.  
(Company Registration No. 200503404G)  
as manager of Frasers Commercial Trust

Anthony Cheong Fook Seng  
Company Secretary  
Singapore  
18 June 2012

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1 “**Market Day**” means a day on which the SGX-ST is open for trading in securities.

**Important Notice:**

- (1) A Unitholder entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.
- (2) The instrument appointing a proxy must be lodged at the Manager's registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 48 hours before the time appointed for the EGM.
- (3) Although the holders of Series A Convertible Perpetual Preferred Units ("**Series A CPPUs**") and such holders of Series A CPPUs, the "**Series A CPPU Holders**") are entitled to attend and vote at meetings of the Series A CPPU Holders, they are generally not entitled to attend and vote at general meetings of Unitholders except in limited circumstances, namely: (i) during such period as the preferred distribution or special preferred distribution so declared in respect of the Series A CPPUs or any part thereof remains in arrears and unpaid for at least 12 months after the date when such distribution should otherwise have been paid if declared by the Manager; (ii) upon any resolution which varies or abrogates any right, preference or privilege of the Series A CPPUs; or (iii) upon any resolution for the dissolution or winding up of FCOT. As no preferred distribution or special preferred distribution declared or any part thereof remains in arrears and unpaid for at least 12 months after the date when such distribution should otherwise have been paid and the proposed resolution to be voted on at the Extraordinary General Meeting does not relate to the variation or abrogation of any right, preference or privilege of the Series A CPPUs or the dissolution or winding-up of FCOT, the Series A CPPU Holders are therefore not entitled to attend and vote at the Extraordinary General Meeting.

## IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

### Notes to Proxy Form

1. A unitholder of Frasers Commercial Trust (“**FCOT**”, and a unitholder of FCOT “**Unitholder**”) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. The instrument appointing a proxy or proxies must be deposited with the Company Secretary of the Manager at its registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 48 hours before the time appointed for holding the meeting.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a Unitholder from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the meeting.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited (“**CDP**”), he/she should insert that number of units of FCOT (“**Units**”). If the Unitholder has Units registered in his/her name in the Register of Unitholders of FCOT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies (the “**Proxy Form**”) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with Frasers Centrepoint Asset Management (Commercial) Ltd., in its capacity as the manager of FCOT, the “**Manager**”) be lodged with the Proxy Form; failing which the Proxy Form may be treated as invalid.
7. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.
8. Agent Banks<sup>1</sup> acting on the request of Central Provident Fund (“**CPF**”) investors who wish to attend the meeting as observers are required to submit in writing, a list with details of the investors’ name, NRIC/Passport numbers, addresses and numbers of Units held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Manager not later than 48 hours before the time appointed for holding the meeting.

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<sup>1</sup> “**Agent Banks**” are the banks appointed to maintain members’ CPF Investment Accounts under the CPF Investment Scheme-Ordinary Account.



## Frasers Commercial Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 12 September 2005 (as amended or restated))

### IMPORTANT

1. For investors who have used their Central Provident Fund ("CPF") money to buy units in Frasers Commercial Trust, this Circular is forwarded to them at the request of their nominees approved by the CPF and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be in effective for all intents and purposes if used or is purported to be used by them.
3. CPF Investors who wish to attend the Extraordinary General Meeting as observers have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Frasers Centrepoint Asset Management (Commercial) Ltd. (Agent Banks: please see Note 8 on required format).

## PROXY FORM

## EXTRAORDINARY GENERAL MEETING

I/We \_\_\_\_\_ (Name(s)), \_\_\_\_\_ (NRIC No./Passport No./Company Registration No., where applicable) of \_\_\_\_\_ (Address) being a unitholder/unitholders of Frasers Commercial Trust ("FCOT"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of FCOT to be held on Thursday, 12 July 2012 at 2.30 p.m. at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Extraordinary General Meeting.

Note: The Chairman of the Extraordinary General Meeting will be exercising his right under Article 6 (e) Schedule 1 of the trust deed dated 12 September 2005 (as amended or restated) to demand a poll in respect of the resolutions to be put to the vote of members at the Extraordinary General Meeting and at any adjournment thereof. Accordingly, such resolutions at the Extraordinary General Meeting will be voted on by way of poll.

	RESOLUTIONS	No. of Votes For*	No. of Votes Against*
1	To approve the proposed Sale of KeyPoint (Ordinary Resolution)		
2	To approve the proposed amendment to the trust deed dated 12 September 2005 (as amended or restated) (Extraordinary Resolution)		
3	To approve the proposed Unit Buy-Back Mandate (Ordinary Resolution) (Conditional upon Resolution 2 being passed)		

\* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Units in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2012

<b>Total number of Units held</b>

\_\_\_\_\_  
Signature(s) of unitholder(s)/Common Seal

Fold flap

1<sup>st</sup> fold here

2<sup>nd</sup> fold here

Affix  
Postage  
Stamp

The Company Secretary  
Fraser's Centrepoint Asset Management (Commercial) Ltd.  
(as manager of Fraser's Commercial Trust)  
438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

3<sup>rd</sup> fold here

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