MEDIA RELEASE [1]
For immediate release

Frasers Commercial Trust announces recapitalisation measures to strengthen its balance sheet and complete its refinancing

- **Rights Issue to raise S$213.9 million for debt repayment, capital expenditure and working capital**
- **Acquisition of Alexandra Technopark, a quality Singapore business space asset financed by preferred equity**
- **Debt facilities of S$675.0 million secured to refinance debt maturing in 2009**

Singapore, 30 June 2009 – Frasers Centrepoint Asset Management (Commercial) Ltd. (the "**Manager**"), as the Manager of Frasers Commercial Trust ("**FCOT**"), today announced a package of recapitalisation measures to reinforce FCOT's capital structure and diversify its investment portfolio. These measures will address the high gearing of FCOT and strengthen its balance sheet to facilitate the completion of debt refinancing. The package includes:

- a fully underwritten and renounceable rights issue (the "**Rights Issue**") to raise gross proceeds of S$213.9 million;
- the acquisition of a 99-year leasehold interest in Alexandra Technopark, Singapore ("**Alexandra Technopark**") for S$342.5 million (the "**Acquisition**") from Orrick Investments Pte Limited ("**Orrick**"), a wholly-owned subsidiary of Frasers Centrepoint Limited ("**FCL**");
- the issue of convertible perpetual preferred units ("**Series A CPPUs**"), a form of preferred equity, to fully satisfy the purchase consideration of the Acquisition (the "**Series A CPPUs Issue**"); and
- a master lease over Alexandra Technopark for five years at an annual net rental of S$22.0 million. FCL will provide an irrevocable undertaking to guarantee the performance by Orrick of its obligations under the master lease,

[1] The material set forth herein is not intended, and should not be construed, as an offer of securities for sale in the United States. The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable laws of any state of the United States. Neither the Manager nor any seller of securities intends to register any portion of any offering in the United States or to conduct a public offering of securities in the United States.

(collectively, the "**Transactions**"). The Transactions are subject to the approval of Unitholders at an extraordinary general meeting ("**EGM**") to be convened on 22 July 2009.

As at 31 March 2009, FCOT had gross borrowings of S$945.5 million, of which an aggregate of S$624.5 million is maturing in the second half of 2009.

On 17 June 2009, Standard & Poor's Ratings Services affirmed FCOT's "BB" long-term corporate credit rating with a negative outlook. The negative outlook is due to, among others, FCOT's highly leveraged capital structure. The Manager believes that it is critical for the refinancing of the maturing debt to take place for FCOT to remain as a going concern.

FCOT announced today that the Trustee has accepted offers of finance from a consortium of lenders for S$675.0 million[2]. The new facilities, along with proceeds from the Rights Issue, will be used to refinance a significant portion of FCOT's existing debt (including all debt maturing in 2009). These offers of finance are stipulated by the lenders to be conditional upon a recapitalisation of FCOT. The Manager has considered various options and is of the view that the proposed Transactions would be the most viable recapitalisation option for FCOT. There is no certainty that FCOT will be able to extend its debt maturing in 2009 or obtain alternative financing proposals should these Transactions not proceed.

Mr Low Chee Wah, Chief Executive Officer of the Manager said, "The Transactions are critical for FCOT and will restore it to a stable platform. Upon completion of the Transactions and the refinancing, the REIT will not have any debt due until 2012 and will have the benefit of an additional stable and secure master lease income stream from a high quality asset."

"The funding of the Acquisition with Series A CPPUs will significantly reduce the gearing of FCOT and will not result in any dilution of DPU and NAV for three years. Following the three-year restriction period, FCOT will have the opportunity to redeem the Series A CPPUs, which have a distribution rate of 5.50% per annum."

The Manager intends to issue a total of 2,252.0 million Rights Units pursuant to the Rights Issue to raise gross proceeds of S$213.9 million, on the basis of three (3) Rights Units for every one (1) existing Unit held as at the books closure date for the Rights Issue. The issue

[2] These offers consist of two debt facilities, namely a three-year transferable term loan facility of S$500.0 million to be provided collectively by DBS Bank Ltd, Oversea- Chinese Banking Corporation Limited, Standard Chartered Bank and Commonwealth Bank of Australia, Singapore Branch, and a three-year transferable term loan facility of AS$150.0 million (equivalent to S$175.0 million, based on the exchange rate of A$1.00 = S$1.1665) to be provided by Commonwealth Bank of Australia, Singapore Branch (collectively, the "Refinancing Facilities").

price per Rights Unit is S$0.095 (the "**Rights Issue Price**"). The Rights Issue Price represents a discount of 60.4% to yesterday's closing price and 27.6% to the theoretical ex-rights price ("**TERP**") of S$0.131 per Unit.

The Rights Issue provides a good opportunity for Unitholders to increase their equity participation in FCOT at an attractive distribution yield of 11.1%[3] based on the Rights Issue Price.

The Manager intends to use the net proceeds of the Rights Issue to repay S$179.0 million of FCOT's existing debt, pay for S$16.5 million of capital expenditure and asset enhancement initiatives, and will retain the balance of S$10.0 million for other general corporate and working capital purposes.

The Rights Issue is fully underwritten by DBS Bank Ltd, BNP Paribas, Singapore Branch, Oversea-Chinese Banking Corporation Limited and Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company)[4] ("**Joint Lead Managers and Underwriters**"). DBS Bank Ltd is the sole financial adviser for the Transactions.

Dr. Chua Yong Hai, Chairman of the Manager stated, "The completion of the recapitalisation of FCOT will address the refinancing concerns that have been raised by investors and analysts. We hope that the market will now re-rate FCOT's Unit price to a level that can reflect more closely its underlying intrinsic value."

In support of the Rights Issue and to demonstrate its commitment as a sponsor of FCOT, FCL, with an aggregate deemed interest in 22.2%[5] of FCOT's units in issue, has undertaken to fully take up its entire pro rata entitlement of Rights Units and has entered into a commitment agreement with the Joint Lead Managers and Underwriters to subscribe for Rights Units for an aggregate of up to 32.7% of the total number of Rights Units (including its pro rata entitlement). As part of the acquisition of Alexandra Technopark, FCL, through Orrick, has agreed to accept the Series A CPPUs as purchase consideration and has entered into a master lease for 5 years. To allow Unitholders to participate in the Series A

---

[3] Based on the annualised 1Q2009 pro forma DPU of 1.06 cents, which has been adjusted for the effects of the Transactions, assuming that the Series A CPPUs are not converted, divided by the Rights Issue Priceof S$0.095.

[4] Cazenove & Co. (Singapore) Pte. Limited is a wholly-owned subsidiary of Cazenove Asia Limited and a Standard Chartered group company. The mark "Cazenove" and marks containing "Cazenove" are trademarks of Cazenove IP Limited and are used under limited license. Cazenove Asia Limited, its subsidiaries and affiliated companies are now subsidiaries or affiliated companies of Standard Chartered Bank (Hong Kong) Limited, and are not affiliated with JPMorgan Cazenove Limited, Cazenove Inc., or their subsidiaries.

[5] As at 26 June 2009

CPPUs, FCL will re-offer a portion[6] of the Series A CPPUs to existing Unitholders at the same issue price within six months of issue, subject to regulatory approvals.

FCL has also granted FCOT a right of first refusal over any completed income producing property located in the Asia Pacific region used for commercial purposes, comprising primarily office and/ or business space purposes.

Mr Lim Ee Seng, Chief Executive Officer of Frasers Centrepoint Limited remarked, "When FCL acquired the Manager and the stake in FCOT last year, FCL committed to dedicate its resources to strengthen its capital structure, enhance the property portfolio and grow it further. The package of measures illustrates FCL's commitment to FCOT and further aligns its interest to that of the FCOT Unitholders."

A circular will be despatched to Unitholders shortly with information about the EGM and the indicative timetable for the Transactions.

KEY BENEFITS AND EFFECTS OF THE TRANSACTIONS

The Manager believes that the Transactions will bring the following key benefits to FCOT and its Unitholders:

(i) **Significant reduction of FCOT's Aggregate Leverage and strengthening of FCOT's balance sheet**

Upon completion of the Transactions, FCOT's Aggregate Leverage is expected to be reduced from 58.3% as at 31 March 2009 to 38.5%[7]. The strengthened balance sheet will facilitate the completion of the debt refinancing.

(ii) **Mitigation of dilution of DPU and NAV per Unit**

Unlike financing the Acquisition through a typical equity fund raising which will be immediately dilutive to FCOT's distribution per Unit ("**DPU**") and net asset value ("**NAV**") per Unit, the Series A CPPUs Issue will mitigate the immediate dilution of FCOT's DPU and NAV per Unit as the Series A CPPUs are not convertible into Conversion Units for a period of three years.

[6] Subject to FCL and/or its related companies holding such number of Series A CPPUs and Units totalling not less than a 40.0% stake in FCOT as a condition under the Refinancing Facilities.
[7] On a pro forma basis, assuming completion of the Transactions as at 31 March 2009

(iii) **Enhancement of FCOT's income diversification and stability**

Following the completion of the Acquisition, the maximum contribution to FCOT's Net Property Income[8] by any single property within FCOT's property portfolio will decrease, reducing specific asset income risk. Further, the Master Lease and Master Lease Undertaking will enhance the stability of income from Alexandra Technopark for the next five years.

(iv) **Exposure to the business space sector in Singapore through the acquisition of a high quality asset**

High-tech business space generally enjoys high occupancies and is relatively less volatile compared to the office space sector in Singapore. Alexandra Technopark has achieved average annual occupancy above 95% for the last three years.

(v) **Leveraging the Manager's experience in the business space sector**

The management team of the Manager includes executives who have had prior experience in managing properties used for business space purposes, and have been involved in the management of Alexandra Technopark.

(vi) **Providing Eligible Unitholders with the opportunity to subscribe for their pro rata entitlement to the Rights Units and Excess Rights Units at an attractive discount**

The Rights Issue Price is at a discount of 60.4% to the Closing Price and 27.6% to the theoretical ex-rights price.

(vii) **Providing Unitholders with the opportunity to participate in the offering of the Series A CPPUs**

Orrick (or its nominees) will, within six months of the date of issue of the Series A CPPUs, offer a portion of the Series A CPPUs to Unitholders at the same issue price, subject to regulatory approvals. Holders of Series A CPPUs will receive a 5.50% distribution per annum.

- END –

For further information, kindly contact:
Belinda Clarke
Investor Relations & Research, Frasers Centrepoint Asset Management (Commercial) Ltd
Tel: +65 6277 2509, +65 9068 5715
Email: belinda.clarke@fraserscentrepoint.com

8 The gross revenue of the existing properties and/or Alexandra Technopark (as the case may be) and comprising gross rental income, car park income and other income, less the property operating expenses.

OVERVIEW OF ALEXANDRA TECHNOPARK

Address	438A/438B Alexandra Road, Singapore 119967/119968
NLA	1,048,607 sq ft
Tenants	29 (including Microsoft Operations Pte Ltd, Hewlett-Packard (Pte) Ltd and Nokia Pte Ltd)
Title	Leasehold 99 years from the date of completion of acquisition
Master Lease	S$22.0 million net rental per annum for five years

Alexandra Technopark, Block A

Alexandra Technopark, Block B

About Frasers Commercial Trust

Frasers Commercial Trust (FCOT, short trading name: FrasersComm) is a commercial real estate investment trust (REIT) focused on growing shareholder value for its Unitholders through active asset management, sound financial management and strategic investments. FCOT is sponsored by Frasers Centrepoint Limited (FCL).

FCOT invests primarily in quality income-producing commercial properties and its current portfolio includes nine quality commercial buildings located in Singapore, Australia and Japan. As at 31 March 2009, the portfolio represented a combined appraised value of approximately S$1.5 billion.

FCOT, formerly known as Allco Commercial REIT, was listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on 30 March 2006.

On 14 August 2008, Frasers Centrepoint Limited acquired the manager of FCOT and units in FCOT and renamed the manager of FCOT, Frasers Centrepoint Asset Management (Commercial) Ltd.

For more information on FCOT, please visit www.fraserscommercialtrust.com

About Frasers Centrepoint Limited

FCL, a wholly-owned subsidiary of Fraser and Neave, Limited (F&NL), is a leading Singapore-based property company with a strong global foothold in residential, commercial and hospitality projects.

Under the stewardship of F&NL, FCL's business has evolved from being the owner and operator of a single shopping centre to property development, property management, and asset and fund management of commercial properties (Frasers Centrepoint Commercial), residential homes (Frasers Centrepoint Homes), serviced apartments (Frasers Hospitality) and property trusts (Frasers Centrepoint Asset Management). Frasers Property, the international property arm of FCL, develops world-class projects in UK, Australia, New Zealand, Thailand, China and Vietnam.

For more information on FCL, please visit www.fraserscentrepoint.com

About Fraser and Neave, Limited

F&NL is a leading Asia Pacific Consumer Group with expertise and dominant standing in the Food & Beverage, Property and Publishing & Printing industries.

Leveraging on its strengths in marketing and distribution; research and development; brands and financial management; as well as years of acquisition experience, F&NL provides key resources and sets strategic directions for its subsidiary companies across all three industries.

Listed on the SGX-ST, F&NL ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. It has shareholders' funds of over S$5 billion and total assets employed over S$13 billion. F&NL is present in over 20 countries spanning Asia Pacific, Europe and USA and employs over 18,000 people worldwide.

For more information on F&NL, please visit www.fraserandneave.com