CIRCULAR DATED 12 MAY 2014

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. 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 advisor immediately.

If you have sold or transferred all your units ("Units") in Frasers Centrepoint Trust ("FCT"), 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 affected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The New Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or other jurisdiction, and the New Units 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 Securities Act and applicable state or local securities laws. Any public offering of securities of FCT in the United States would be made by means of a prospectus that would contain detailed information about FCT and Frasers Centrepoint Asset Management Ltd., as manager of FCT (the "Manager"), as well as financial statements. This Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

CIRCULAR TO UNITHOLDERS IN RELATION TO:
(1) THE PROPOSED ACQUISITION OF CHANGI CITY POINT AS A RELATED PARTY TRANSACTION;
(2) THE PROPOSED ISSUE OF UP TO 90.0 MILLION NEW UNITS UNDER THE PRIVATE PLACEMENT; AND
(3) THE PROPOSED PLACEMENT OF NEW UNITS TO THE FCL GROUP UNDER THE PRIVATE PLACEMENT AS A RELATED PARTY TRANSACTION.

Sole Financial Adviser in relation to the Private Placement

Joint Lead Managers and Underwriters in relation to the Private Placement

Independent Financial Adviser to the Independent Directors of Frasers Centrepoint Asset Management Ltd.

IMPORTANT DATES AND TIMES FOR UNITHOLDERS
(The following is qualified by, and should be read in conjunction with, the section entitled "Indicative Timetable")

<table>
<thead>
<tr>
<th>Date and Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>27 May 2014 at 10.00 a.m.</td>
<td>Last date and time for lodgement of Proxy Forms</td>
</tr>
<tr>
<td>29 May 2014 at 10.00 a.m.</td>
<td>Date and time of Extraordinary General Meeting</td>
</tr>
<tr>
<td>Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958</td>
<td>Venue of Extraordinary General Meeting</td>
</tr>
</tbody>
</table>
OVERVIEW OF FRASERS CENTREPOINT TRUST

Frasers Centrepoint Trust ("FCT") is a leading developer-sponsored retail real estate investment trust with five quality suburban malls in Singapore. The current portfolio comprises Causeway Point, Northpoint, YewTee Point, Bedok Point and Anchorpoint.

FCT is focused on delivering regular and stable distributions to unitholders by pursuing organic, enhancement and acquisition growth strategies. With proactive lease management initiatives, FCT is well-placed to achieve sustainable rental growth. To unlock the full potential of its assets, FCT continues to enhance existing assets to optimise their performance. The potential acquisitions of new assets will also help FCT gain greater scale and drive further income growth for unitholders.

Listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") since 5 July 2006, FCT is managed by Frasers Centrepoint Asset Management Ltd., a real estate management company and a subsidiary of Frasers Centrepoint Limited ("FCL").

FCL is listed on the Main Board of the SGX-ST. FCL is a full-fledged international real estate company and one of Singapore’s top property companies with total assets of approximately S$11.5 billion as at 31 December 2013. FCL has three core businesses focused on residential, commercial and hospitality properties spanning over 30 cities across Asia, Australasia, Europe, and the Middle-East.

FRASERS CENTREPOINT TRUST’S PROPERTIES

FCT’s existing asset portfolio comprises five quality suburban malls in Singapore. They are Causeway Point, Northpoint, YewTee Point, Bedok Point and Anchorpoint. The portfolio has an aggregate appraised value of approximately S$2.1 billion as at 30 September 2013. The malls in FCT’s portfolio enjoy good connectivity to public transport such as MRT and public buses, wide catchment areas that provide healthy footfall to the malls as well as high occupancy rates. The resilient and stable income from the portfolio underpins stable and regular distributions that FCT provides to its unitholders.
## PROPOSED ACQUISITION

Changi City Point is a three-storey multi-tenanted retail mall together with one basement level. It is located in Changi Business Park and is near the Singapore Expo, Singapore’s largest convention and exhibition venue. The mall has good accessibility to major expressways and is situated directly opposite the Singapore Expo MRT station. Public transport services to Changi Business Park (and hence also to the mall) will be further enhanced by the completion of Downtown Line Phase 3, which is expected to be completed in 2017.

The mall, which commenced operations in November 2011, has a total net lettable area of 207,237 square feet. The well-diversified tenant base includes key retailers such as Cold Storage, Gain City; Nike, and Challenger, and a wide range of restaurants such as Tung Lok Signatures, food & beverage outlets, convenience shopping and essential goods and services. The committed occupancy rate of the mall as at 28 February 2014 was 97.8%.

Changi City Point is a convenient shopping and dining venue for the worker population of Changi Business Park and nearby office buildings, the residents from the nearby Simei, Bedok and Tampines estates and other residential estates further afield. The mall also benefits from unique shopper catchments as a result of its proximity to the Singapore Expo as well as educational institutions such as the Institute of Technical Education College East and the future campus of the Singapore University of Technology and Design.

**Highlights of Changi City Point** (as at 28 February 2014)

- **Address**: 5 Changi Business Park Central 1, Changi City Point, Singapore 486038
- **Gross Floor Area** (GFA)\(^{(1)}\) (sq ft): 306,375
- **Net Lettable Area** (NLA)\(^{(1)}\) (sq ft): 207,237\(^{(2)}\)
- **Number of Committed Leases**\(^{(3)}\): 134
- **Number of Storeys**: Three (plus one basement level)
- **Number of Car Park Lots**: 627\(^{(4)}\)
- **Title**: Leasehold estate of 60 years commencing 30 April 2009
- **Committed Occupancy Rate (%)**: 97.8
- **Weighted Average Lease Expiry** (WALE) by NLA (years): 1.68
- **Purchase Price per sq ft Based on the Purchase Consideration**\(^{(5)}\) (S$): 1,472

![One of the 2 food courts at Changi City Point](image1)

![Atrium of Changi City Point](image2)

![Food and beverage outlets at Changi City Point](image3)

![Supermarket at Changi City Point](image4)

### COMPETITIVE STRENGTHS OF CHANGI CITY POINT

#### STRATEGIC LOCATION AND GOOD CONNECTIVITY

Changi City Point is located in Changi Business Park and is directly opposite the Singapore Expo MRT station. It is also connected to the rest of Changi Business Park and Simei MRT station by shuttle bus services. The mall benefits from good access by road to the city area and other parts of Singapore via ECP, PIE and TPE. Public transport services to Changi Business Park (and hence also to the mall) will be further enhanced when the Downtown Line Phase 3 is completed, which is expected to be in 2017.

**UNIQUE SHOPPER CATCHMENTS**

Changi City Point is estimated to serve over 25,000 workers from Changi Business Park; the resident population of approximately 70,000 in its primary trade sector; the student population from the Institute of Technical Education College East and the future campus of the Singapore University of Technology and Design; and a further estimated resident population of approximately 387,000 in its secondary trade sector. In addition, the integrated development of which Changi City Point is a part, which also comprises the ONE@Changi City office building and the 313-room Capri By Fraser hotel, complements the worker population in providing stable daily footfall for the Mall. The mall’s proximity to the Singapore Expo also provides a source of shopper traffic to Changi City Point.

The Manager believes that the shopper catchments and the wide range of food and beverage, convenience shopping and essential goods and services offered by Changi City Point will enhance the Property’s ability to draw shopper traffic to the mall, thereby sustaining the mall’s operating performance.

**RELATIVELY NEW SUBURBAN MALL WITH POTENTIAL FOR GROWTH**

Changi City Point commenced operations in November 2011. It is a relatively new mall and its performance compared to more mature suburban malls in Singapore is thus expected to improve steadily over time as the mall matures, particularly when surrounding infrastructure such as Downtown Line Phase 3 is completed.

**EXPOSURE TO SINGAPORE’S SUBURBAN RETAIL PROPERTY MARKET**

Changi City Point is expected to benefit from the growth in its local catchment in the next few years, especially with the expected completion of Downtown Line Phase 3 in 2017. The Manager believes that Changi City Point’s trade mix and its considerable emphasis on basic and essential types of goods and services will strengthen FCT’s exposure to Singapore’s suburban retail property market.

**LIMITED SUPPLY OF RETAIL SPACE IN TRADE AREA**

According to Urbis, the shopping centre floor space per capita within the Outer East Region, which includes Changi City Point, is estimated to grow to approximately 3.6 sq ft per person in 2018. This figure is significantly below the overall average for Singapore at approximately 5.2 sq ft per person. The Manager believes that Changi City Point occupies an enviable position in a trade area that is currently undersupplied for enclosed shopping centre floor space.

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Notes:

1. “Gross Floor Area” or “GFA” means the gross floor area of a building measured in accordance with guidelines issued by the relevant authorities.
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3. “Committed Leases” means leases in respect of which definitive agreements have been entered into between the lessor and lessee (including legally binding letters of offer which have been accepted for vacant units).
4. The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.
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### TABLE: CHANGI CITY POINT

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<tr>
<td><strong>Number of Car Park Lots</strong></td>
<td>627(^{(4)})</td>
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<td><strong>Title</strong></td>
<td>Leasehold estate of 60 years commencing 30 April 2009</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Number of Car Park Lots</td>
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Food and beverage outlets at Changi City Point

Supermarket at Changi City Point

One of the 2 food courts at Changi City Point

Atrium of Changi City Point

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(4) The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.
(5) Based on Changi City Point’s NLA of 207,237 sq ft.
FRASERS CENTREPOINT TRUST'S PORTFOLIO OVERVIEW

EXISTING PORTFOLIO

The table below sets out selected information about the Existing Portfolio as at 28 February 2014:

<table>
<thead>
<tr>
<th>CAUSEWAY POINT</th>
<th>NORTHPOINT</th>
<th>YEWTEE POINT</th>
<th>BEDOK POINT</th>
<th>ANCHORPOINT</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFA (sq ft)</td>
<td>629,160</td>
<td>364,595</td>
<td>117,594</td>
<td>133,598</td>
</tr>
<tr>
<td>NLA (sq ft)</td>
<td>416,631</td>
<td>236,119</td>
<td>73,669</td>
<td>81,656</td>
</tr>
<tr>
<td>Number of Committed Leases</td>
<td>225</td>
<td>175</td>
<td>76</td>
<td>61</td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>842</td>
<td>236</td>
<td>83</td>
<td>76</td>
</tr>
<tr>
<td>Title</td>
<td>Leasehold title of 99 years commencing 30 October 1995</td>
<td>Leasehold title of 99 years commencing 1 April 1990</td>
<td>Leasehold title of 99 years commencing 3 January 2006</td>
<td>Leasehold title of 99 years commencing 15 March 1978</td>
</tr>
<tr>
<td>Valuation (S$'000)</td>
<td>1,006,000</td>
<td>638,000</td>
<td>161,000</td>
<td>128,500</td>
</tr>
<tr>
<td>Percentage of aggregate value of Existing Portfolio (%)</td>
<td>49.8</td>
<td>31.6</td>
<td>8.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Committed Occupancy Rate (%)</td>
<td>99.7</td>
<td>99.3</td>
<td>98.0</td>
<td>99.3</td>
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<tr>
<td>Net Property Income for the Forecast Period (S$'000)</td>
<td>19,324</td>
<td>11,721</td>
<td>3,070</td>
<td>1,971</td>
</tr>
</tbody>
</table>

Notes:
(1) This excludes the area of approximately 3,390.6 sq ft currently used as C&CI space.
(2) Includes the 128 car park lots located at Anchorpoint but comprises part of the common property of a strata sub-divided mixed-use development, which in turn comprises Anchorpoint and The Anchorage (a condominium).
(3) Valuations as at 30 September 2013.

GREATER INCOME DIVERSIFICATION AND ENLARGED TENANT BASE OF FCT’S PROPERTY PORTFOLIO

Following the Acquisition, the maximum contribution to FCT’s Net Property Income by any single property within FCT’s property portfolio will decrease from 51.3% to 44.8% based on the forecast Net Property Income contribution for the Forecast Period.

The Acquisition will also allow FCT to diversify its portfolio of properties geographically and will enlarge FCT’s share in the overall Singapore retail market. FCT’s tenant base will be enlarged and further diversified with the addition of more than 130 tenants, including new tenants which were not tenants in the portfolio of properties currently held by FCT.

GREATER TRADING LIQUIDITY

Following the Private Placement, FCT will have a substantially larger market capitalisation. This could potentially result in a diversification of FCT’s unitholder base and is also likely to attract wider investor interest. The New Units, when issued, are expected to increase FCT’s outstanding number of Units on the SGX-ST which, in turn, is expected to result in greater trading liquidity, thus potentially benefiting Unitholders.

CONSISTENT WITH THE MANAGER’S INVESTMENT STRATEGY

The Acquisition is in line with the Manager’s principal investment strategy to invest in quality income-producing properties used primarily for retail purposes, so as to deliver regular and stable distributions to Unitholders and to provide Unitholders with a competitive rate of return on their investment.

YIELD ACCRETION

Unitholders are expected to enjoy a higher distribution per Unit (“DPU”) as a result of the acquisition being made at a purchase consideration reflective of the cash flows which Changi City Point is expected to generate, combined with a debt and equity financing plan to be determined by the Manager.

KEY BENEFITS TO UNITHOLDERS

<table>
<thead>
<tr>
<th>FORECAST PERIOD 2014 DPU(1) (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
</tr>
<tr>
<td>10.99</td>
</tr>
</tbody>
</table>

Note:
(1) Annualised DPU based on an illustrative issue price of S$1.73 and other assumptions as set out in this Circular.

FRASERS CENTREPOINT TRUST’S PORTFOLIO OVERVIEW

ENLARGED PORTFOLIO

The table below sets out selected information about the Enlarged Portfolio as at 28 February 2014:

<table>
<thead>
<tr>
<th>CAUSEWAY POINT</th>
<th>NORTHPOINT</th>
<th>YEWTEE POINT</th>
<th>BEDOK POINT</th>
<th>ANCHORPOINT</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFA (sq ft)</td>
<td>1,347,683</td>
<td>306,375</td>
<td>1,654,058</td>
<td></td>
</tr>
<tr>
<td>NLA (sq ft)</td>
<td>879,060</td>
<td>207,237(5)</td>
<td>1,086,297</td>
<td></td>
</tr>
<tr>
<td>Number of Committed Leases</td>
<td>600</td>
<td>134</td>
<td>734</td>
<td></td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>1,365(5)</td>
<td>627(5)</td>
<td>1,992(5)</td>
<td></td>
</tr>
<tr>
<td>Valuation (S$'000)</td>
<td>2,019,500</td>
<td>305,000(5)</td>
<td>2,324,500</td>
<td></td>
</tr>
<tr>
<td>Committed Occupancy Rate (%)</td>
<td>99.2</td>
<td>97.8</td>
<td>99.0</td>
<td></td>
</tr>
<tr>
<td>Net Property Income for the Forecast Period (S$'000)</td>
<td>37,654</td>
<td>5,519</td>
<td>43,173</td>
<td></td>
</tr>
</tbody>
</table>

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(3) Valuations as at 30 September 2013.
(4) The Purchase Consideration for Changi City Point.

CONSISTENT WITH THE MANAGER’S INVESTMENT STRATEGY

The Acquisition is in line with the Manager’s principal investment strategy to invest in quality income-producing properties used primarily for retail purposes, so as to deliver regular and stable distributions to Unitholders and to provide Unitholders with a competitive rate of return on their investment.

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YIELD ACCRETION

Unitholders are expected to enjoy a higher distribution per Unit (“DPU”) as a result of the acquisition being made at a purchase consideration reflective of the cash flows which Changi City Point is expected to generate, combined with a debt and equity financing plan to be determined by the Manager.

GREATER INCOME DIVERSIFICATION AND ENLARGED TENANT BASE OF FCT’S PROPERTY PORTFOLIO

Following the Acquisition, the maximum contribution to FCT’s Net Property Income by any single property within FCT’s property portfolio will decrease from 51.3% to 44.8% based on the forecast Net Property Income contribution for the Forecast Period.

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Unitholders are expected to enjoy a higher distribution per Unit (“DPU”) as a result of the acquisition being made at a purchase consideration reflective of the cash flows which Changi City Point is expected to generate, combined with a debt and equity financing plan to be determined by the Manager.

GREATER INCOME DIVERSIFICATION AND ENLARGED TENANT BASE OF FCT’S PROPERTY PORTFOLIO

Following the Acquisition, the maximum contribution to FCT’s Net Property Income by any single property within FCT’s property portfolio will decrease from 51.3% to 44.8% based on the forecast Net Property Income contribution for the Forecast Period.

The Acquisition will also allow FCT to diversify its portfolio of properties geographically and will enlarge FCT’s share in the overall Singapore retail market. FCT’s tenant base will be enlarged and further diversified with the addition of more than 130 tenants, including new tenants which were not tenants in the portfolio of properties currently held by FCT.

GREATER TRADING LIQUIDITY

Following the Private Placement, FCT will have a substantially larger market capitalisation. This could potentially result in a diversification of FCT’s unitholder base and is also likely to attract wider investor interest. The New Units, when issued, are expected to increase FCT’s outstanding number of Units on the SGX-ST which, in turn, is expected to result in greater trading liquidity, thus potentially benefiting Unitholders.

CONSISTENT WITH THE MANAGER’S INVESTMENT STRATEGY

The Acquisition is in line with the Manager’s principal investment strategy to invest in quality income-producing properties used primarily for retail purposes, so as to deliver regular and stable distributions to Unitholders and to provide Unitholders with a competitive rate of return on their investment.
YIELD ACCRETION

Unitholders are expected to enjoy a higher distribution per Unit (“DPU”) as a result of the acquisition being made at a purchase consideration reflective of the cash flows which Changi City Point is expected to generate, combined with a debt and equity financing plan to be determined by the Manager.

GREATER INCOME DIVERSIFICATION AND ENLARGED TENANT BASE OF FCT’S PROPERTY PORTFOLIO

Following the Acquisition, the maximum contribution to FCT’s Net Property Income by any single property within FCT’s property portfolio will decrease from 51.3% to 44.8% based on the forecast Net Property Income contribution for the Forecast Period.

The Acquisition will also allow FCT to diversify its portfolio of properties geographically and will enlarge FCT’s share in the overall Singapore retail market. FCT’s tenant base will be enlarged and further diversified with the addition of more than 130 tenants, including new tenants which were not tenants in the portfolio of properties currently held by FCT.

GREATER TRADING LIQUIDITY

Following the Private Placement, FCT will have a substantially larger market capitalisation. This could potentially result in a diversification of FCT’s unitholder base and is also likely to attract wider investor interest. The New Units, when issued, are expected to increase FCT’s outstanding number of Units on the SGX-ST which, in turn, is expected to result in greater trading liquidity, thus potentially benefiting Unitholders.

CONSISTENT WITH THE MANAGER’S INVESTMENT STRATEGY

The Acquisition is in line with the Manager’s principal investment strategy to invest in quality income-producing properties used primarily for retail purposes, so as to deliver regular and stable distributions to Unitholders and to provide Unitholders with a competitive rate of return on their investment.

KEY BENEFITS TO UNITHOLDERS

| FORECAST PERIOD 2014 DPU(1) (cents) | Existing Portfolio | 10.99 | +1.0% | Enlarged Portfolio with the acquisition of Changi City Point | 11.10 |

Notes:
(1) Annualised DPU based on an illustrative issue price of S$1.73 and other assumptions as set out in this Circular

FRASERS CENTREPOINT TRUST’S PORTFOLIO OVERVIEW

EXISTING PORTFOLIO

The table below sets out selected information about the Existing Portfolio as at 28 February 2014:

<table>
<thead>
<tr>
<th>CAUSEWAY POINT</th>
<th>NORTHPOINT</th>
<th>YEWTEE POINT</th>
<th>BEDOK POINT</th>
<th>ANCHORPOINT</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFA (sq ft)</td>
<td>629,160</td>
<td>364,595</td>
<td>117,594</td>
<td>133,598</td>
</tr>
<tr>
<td>NLA (sq ft)</td>
<td>416,631</td>
<td>236,119</td>
<td>73,669</td>
<td>81,656</td>
</tr>
<tr>
<td>Number of Committed Leases</td>
<td>225</td>
<td>175</td>
<td>76</td>
<td>61</td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>842</td>
<td>236</td>
<td>83</td>
<td>63</td>
</tr>
<tr>
<td>Title</td>
<td>Leasehold title of 99 years commencing 30 October 1995</td>
<td>Leasehold title of 99 years commencing 1 April 1990</td>
<td>Leasehold title of 99 years commencing 3 January 2006</td>
<td>Leasehold title of 99 years commencing 15 March 1978</td>
</tr>
<tr>
<td>Valuation(3) (S$'000)</td>
<td>1,006,000</td>
<td>638,000</td>
<td>161,000</td>
<td>128,500</td>
</tr>
<tr>
<td>Percentage of aggregate value of Existing Portfolio (%)</td>
<td>49.8</td>
<td>31.6</td>
<td>8.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Committed Occupancy Rate (%)</td>
<td>99.7</td>
<td>99.3</td>
<td>98.0</td>
<td>99.3</td>
</tr>
<tr>
<td>Net Property Income for the Forecast Period (S$'000)</td>
<td>19,324</td>
<td>11,721</td>
<td>3,070</td>
<td>1,971</td>
</tr>
</tbody>
</table>

Notes:
(1) This excludes the area of approximately 3,390.6 sq ft currently used as C&CI space.
(2) Includes the 128 car park lots located at Anchorpoint which comprises part of the common property of a strata-sub-divided mixed-use development, which in turn comprises Anchorpoint and The Anchorage (a condominium).
(3) Valuations as at 30 September 2013.

ENLARGED PORTFOLIO

The table below sets out selected information about the Enlarged Portfolio as at 28 February 2014:

<table>
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<th>CHANGI CITY POINT</th>
<th>ENLARGED PORTFOLIO</th>
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</thead>
<tbody>
<tr>
<td>GFA (sq ft)</td>
<td>1,347,683</td>
<td>306,373</td>
</tr>
<tr>
<td>NLA (sq ft)</td>
<td>879,080</td>
<td>207,237(4)</td>
</tr>
<tr>
<td>Number of Committed Leases</td>
<td>600</td>
<td>134</td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>1,365(5)</td>
<td>627(5) (6)</td>
</tr>
<tr>
<td>Valuation (S$'000)</td>
<td>2,019,500(4)</td>
<td>305,000(5)</td>
</tr>
<tr>
<td>Committed Occupancy Rate (%)</td>
<td>99.2</td>
<td>97.8</td>
</tr>
<tr>
<td>Net Property Income for the Forecast Period (S$'000)</td>
<td>37,654</td>
<td>5,519</td>
</tr>
</tbody>
</table>

Notes:
(1) This excludes the area of approximately 3,390.6 sq ft currently used as C&CI space.
(2) Includes the 128 car park lots located at Anchorpoint which comprises part of the common property of a strata-sub-divided mixed-use development, which in turn comprises Anchorpoint and The Anchorage (a condominium).
(3) Valuations as at 30 September 2013.
(4) The Purchase Consideration for Changi City Point.
(5) The Purchase Consideration for Changi City Point.
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PROXY FORM
## CORPORATE INFORMATION

### Directors of Frasers Centrepoint Asset Management Ltd. (as manager of Frasers Centrepoint Trust)
- Mr Philip Eng Heng Nee (Independent Non-Executive Chairman)
- Dr Chew Tuan Chiong (Chief Executive Officer and Executive Director)
- Mr Anthony Cheong Fook Seng (Non-Executive Director)
- Mr Chia Khong Shoong (Non-Executive Director)
- Mr Bobby Chin Yoke Choong (Independent Non-Executive Director)
- Mr Lim Ee Seng (Non-Executive Director)
- Mr Soh Kim Soon (Independent Non-Executive Director)
- Mr Christopher Tang Kok Kai (Non-Executive Director)

### Registered Office of Frasers Centrepoint Asset Management Ltd.
: 438 Alexandra Road #21-00 Alexandra Point Singapore 119958

### Trustee of Frasers Centrepoint Trust (the “Trustee”)
: HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #10-02 HSBC Building Singapore 049320

### Sole Financial Adviser in relation to the Private Placement (the “Sole Financial Adviser”)
: DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982

### Joint Lead Managers and Underwriters in relation to the Private Placement (the “Joint Lead Managers and Underwriters”)
: Citigroup Global Markets Singapore Pte. Ltd. 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960
- DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982

### Legal Adviser for the Acquisition and the Private Placement, and to the Manager
: Allen & Gledhill LLP #28-00 One Marina Boulevard Singapore 018989

### Legal Adviser to the Joint Lead Managers and Underwriters
: Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
Legal Adviser to the Trustee for the Acquisition: Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

Unit Registrar and Unit Transfer Office: Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Independent Financial Adviser to the Independent Directors of the Manager: Deloitte & Touche Corporate Finance Pte Ltd
6 Shenton Way
OUE Downtown 2, #32-00
Singapore 068809

Independent Accountants: Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Independent Valuers (the “Independent Valuers”): Knight Frank Pte. Ltd.
16 Raffles Quay
#30-00 Hong Leong Building
Singapore 048581

Colliers International (Singapore) Pte Ltd
1 Raffles Place
#45-00 One Raffles Place
Singapore 048616

Independent Property Consultant for Changi City Point (“Urbis”): Urbis Pty Ltd
Level 12, 120 Collins Street
Melbourne VIC 3000
Australia
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 48 to 54 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 is seeking approvals from unitholders of FCT (“Unitholders”) in relation to the following resolutions:

(1) Resolution 1: The Proposed Acquisition of Changi City Point as a Related Party Transaction (Ordinary Resolution)

The Manager is seeking Unitholders’ approval for the proposed acquisition of the property known as Changi City Point\(^1\), located at 5 Changi Business Park Central 1, Changi City Point, Singapore 486038 (“Changi City Point” or the “Property”). The proposed acquisition of Changi City Point will hereafter be known as the “Acquisition”.

(2) Resolution 2: The Proposed Issue of Up to 90.0 Million New Units under the Private Placement (Ordinary Resolution)

The Manager is seeking Unitholders’ approval for the proposed issue of up to 90.0 million new Units (“New Units”) (which is equivalent to up to approximately S$155.7 million\(^2\) or 10.9% of the 825,400,343 Units in issue as at 5 May 2014, being the latest practicable date prior to the printing of this Circular (the “Latest Practicable Date”) pursuant to a private placement of New Units (the “Private Placement”) to part finance the Acquisition\(^3\). The balance thereof is intended to be funded by borrowings and/or internal sources. The Manager intends to allocate the entire proceeds from the Private Placement for the purposes of the Acquisition. The final decision regarding the proportion of equity and debt financing to be employed for the purposes of financing the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions.

(3) Resolution 3: The Proposed Placement of New Units to the FCL Group under the Private Placement as a Related Party Transaction (Ordinary Resolution)

To enable Frasers Centrepoint Limited (“FCL”) and/or any of its subsidiaries (collectively, the “FCL Group”) to be in a position to support FCT, the Manager is seeking Unitholders’ approval for the proposed issue of New Units to the FCL Group, as part of the Private Placement (the “FCL Group Placement”). The FCL Group may subscribe for such number of New Units under the Private Placement up to its proportionate pre-placement unitholding in FCT, in percentage terms\(^4\). The New Units placed to the FCL Group under the FCL Group Placement will be issued at the same price as the New Units issued to other investors under the Private Placement.

---

\(^1\) Being the whole of Strata Lot U49285C together with Accessory Lots A101C, A102M, A103W and A104V, all of Mukim 27 together with the building comprised thereon and known as 5 Changi Business Park Central 1, Changi City Point, Singapore 486038.

\(^2\) Based on the Illustrative Issue Price of S$1.73.

\(^3\) For the avoidance of doubt, the Private Placement is inclusive of the FCL Group Placement (as defined herein).

\(^4\) This excludes the Acquisition Fee Units (as defined herein).
Unitholders should note that:

(i) Resolution 2 (the Private Placement) and Resolution 3 (the FCL Group Placement) are each conditional upon Resolution 1 (the Acquisition) being passed; and

(ii) Resolution 3 (the FCL Group Placement) is conditional upon Resolution 2 (the Private Placement) being passed.

In the event that Unitholders do not approve Resolution 1 (the Acquisition), the Manager will not proceed with Resolution 2 (the Private Placement) or Resolution 3 (the FCL Group Placement).

In the event that Unitholders do not approve Resolution 2 (the Private Placement), the Manager will not proceed with Resolution 3 (the FCL Group Placement).

(1) THE PROPOSED ACQUISITION OF CHANGI CITY POINT AS A RELATED PARTY TRANSACTION

Overview of the Acquisition

Pursuant to the conditional sale and purchase agreement dated 8 April 2014 (the “Conditional Sale and Purchase Agreement”) made between the Trustee and Ascendas Frasers Pte. Ltd. (the “Vendor”), the Vendor shall sell the Property to the Trustee together with the plant and equipment and the Trustee shall purchase the Property together with the plant and equipment upon the terms and subject to the conditions of the Conditional Sale and Purchase Agreement. The Vendor is a joint venture between FCL and Ascendas Development Pte. Ltd.. FCL holds an indirect 50.0% interest in the Vendor through its wholly-owned subsidiary, FCL Emerald (1) Pte. Ltd..

(See paragraph 2 of the Letter to Unitholders for further details.)

Description of Changi City Point

The table below sets out a summary of selected information on Changi City Point as at 28 February 2014:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Floor Area (“GFA”)</strong> (sq ft)</td>
<td>306,375</td>
</tr>
<tr>
<td><strong>Net Lettable Area (“NLA”)</strong> (sq ft)</td>
<td>207,237</td>
</tr>
<tr>
<td><strong>Number of Committed Leases</strong></td>
<td>134</td>
</tr>
<tr>
<td><strong>Number of Storeys</strong></td>
<td>Three (plus one basement level)</td>
</tr>
<tr>
<td><strong>Number of Car Park Lots</strong></td>
<td>627</td>
</tr>
<tr>
<td><strong>Title</strong></td>
<td>Leasehold estate of 60 years commencing 30 April 2009</td>
</tr>
<tr>
<td><strong>Committed Occupancy Rate as at 28 February 2014 (%)</strong></td>
<td>97.8</td>
</tr>
<tr>
<td><strong>Weighted Average Lease Expiry (“WALE”)</strong> by NLA (years)**</td>
<td>1.68</td>
</tr>
<tr>
<td><strong>Purchase Price per sq ft Based on the Purchase Consideration</strong> (S$)</td>
<td>1,472</td>
</tr>
</tbody>
</table>
Notes:

(1) “Gross Floor Area” or “GFA” means the gross floor area of a building measured in accordance with guidelines issued by the relevant authorities.

(2) “Net Lettable Area” or “NLA” means the floor area in a building that is to be leased and in respect of which a rent is payable, which generally excludes common areas (such as corridors, public atrium and toilets) and areas used to accommodate building and property management facilities and services.

(3) This excludes the area of approximately 3,390.6 sq ft currently used as civic & community institution (“C&CI”) space.

(4) “Committed Leases” means leases in respect of which definitive agreements have been entered into between the lessor and lessee (including legally binding letters of offer which have been accepted for vacant units).

(5) The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.

(6) Based on Changi City Point’s NLA of 207,237 sq ft.

Located in the heart of Changi Business Park, Changi City Point is in close proximity to the residential estates of Simei, Bedok and Tampines to the north-west and west and adjacent to Changi Airport to the north-east. The Property’s locality is unique in its proximity to the Singapore Expo, which is Singapore’s largest convention and exhibition venue, as well as to educational institutions such as the Institute of Technical Education College East and the future campus of the Singapore University of Technology and Design, slated to be completed by the end of 2014.

The Property is a three-storey multi-tenanted retail mall together with one basement level. Its main retail levels are from Basement 1 to Level 2, accommodating a diverse tenant base comprising key retailers such as Cold Storage, Gain City, Nike and Challenger, restaurants such as Tung Lok Signatures, food outlets, two food courts and speciality retail units. The Property also includes a landscaped rooftop garden housing art installations and “Arena @ L3”, an outdoor performing area. A total of 627 car park lots¹, which form part of the common property, are provided at the Property.

Changi City Point is well-served by public transport, being directly opposite the Singapore Expo mass rapid transit (“MRT”) station, and is connected to the rest of Changi Business Park and Simei MRT station by shuttle bus services. Public transport services to Changi Business Park (and hence also to the Property) will be further enhanced by the completion of Downtown Line Phase 3, which is expected to be completed in 2017. The Property also benefits from good access by road to the city area and other parts of Singapore with good accessibility to the East Coast Parkway Expressway (“ECP”), Pan Island Expressway (“PIE”) and Tampines Expressway (“TPE”).

The Property obtained its temporary occupation permit (“TOP”) in September 2011 and commenced operations in November 2011.

Valuations and Purchase Consideration for Changi City Point

The Manager has commissioned an independent property valuer, Knight Frank Pte. Ltd. (“Knight Frank”), and the Trustee has commissioned another independent property valuer, Colliers International (Singapore) Pte Ltd (“Colliers”), to value Changi City Point.

¹ The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.
The open market value of Changi City Point as at 1 March 2014 determined by Knight Frank and Colliers is S$306.0 million and S$304.0 million, respectively. In arriving at the open market value, Knight Frank used the capitalisation approach and the discounted cash flow analysis, while Colliers relied on the capitalisation approach, the discounted cash flow analysis and the direct comparison method.

(See Appendix D of this Circular for the valuation certificates for Changi City Point for further details.)

Pursuant to the terms and subject to the conditions of the Conditional Sale and Purchase Agreement (including the approval of Unitholders), Changi City Point shall be acquired at a purchase consideration of S$305.0 million (the “Purchase Consideration”), which was arrived at on a willing-buyer and willing-seller basis and based on the two independent valuations set out above.

Estimated Acquisition Cost of the Acquisition

The current estimated total acquisition cost of the Acquisition (the “Acquisition Cost”) is approximately S$312.5 million, comprising:

(i) the Purchase Consideration of S$305.0 million;

(ii) an acquisition fee of S$3.05 million (being 1.0% of the Purchase Consideration) payable to the Manager (the “Acquisition Fee”) pursuant to Clause 15.2.1 of the trust deed dated 5 June 2006 constituting FCT as entered into between the Trustee and the Manager (as amended) (the “Trust Deed”); and

(iii) the estimated professional and other fees and expenses of approximately S$4.5 million which will be incurred by FCT in connection with the Acquisition and the Private Placement, comprising (a) underwriting and financial advisory fees in respect of the Private Placement of S$1.62 million, (b) debt facility fees of S$1.19 million and (c) transaction costs of S$1.67 million.

As the Acquisition will constitute an “interested party transaction” under Paragraph 5 of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“MAS”, and Appendix 6, the “Property Funds Appendix”), the Acquisition Fee payable to the Manager in respect of the Acquisition will be in the form of Units (the “Acquisition Fee Units”), which shall not be sold within one year from their date of issuance.

Requirement for Unitholders’ Approval

Interested Person Transaction and Interested Party Transaction (collectively, “Related Party Transaction”)

As at the Latest Practicable Date, FCL holds an aggregate deemed interest in 339,270,343 Units (which is equivalent to approximately 41.1% of the 825,400,343 Units in issue as at the Latest Practicable Date) and is therefore regarded as a “controlling Unitholder” of FCT under both the Listing Manual of the SGX-ST (the “Listing Manual”) and the Property Funds Appendix.
As FCL holds an indirect 50.0% interest in the Vendor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being an associate of a “controlling Unitholder”) is (for the purposes of the Listing Manual) an “interested person” and (for the purposes of the Property Funds Appendix) an “interested party” of FCT.

Therefore the Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, in respect of which the approval of Unitholders is required.

(See paragraph 4.6.2 of the Letter to Unitholders for further details.)

Rationale for and Key Benefits of the Acquisition

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

(1) Yield Accretion

Unitholders are expected to enjoy a higher distribution per Unit (“DPU”) as a result of the Acquisition being made at a price which is reflective of the cash flows which the Property is expected to generate, combined with a debt and equity financing plan to be determined by the Manager.

Unitholders are expected to enjoy an increase in annualised DPU from 10.99 cents (reflecting a DPU yield of 6.02% based on the closing price of a Unit of S$1.825 as at the Latest Practicable Date) to 11.10 cents (reflecting a DPU yield of 6.08% based on the closing price of a Unit of S$1.825 as at the Latest Practicable Date) for the period from 1 June 2014 to 30 September 2014 (the “Forecast Period”) after the Acquisition, which is an increase of 1.0%. The illustrative number of New Units to be issued in connection with the Acquisition is approximately 88.2 million, which is the sum of 86.5 million New Units issued in connection with the Private Placement and 1.7 million Acquisition Fee Units. The above assumes that (a) the Acquisition is funded through a combination of debt (of S$159.8 million drawn down from the FCT Loan Facilities) and the proceeds from the Private Placement, (b) the New Units are issued at an illustrative issue price of S$1.73 (the “Illustrative Issue Price”), and (c) the Acquisition Fee Units are issued at an assumed issue price of S$1.81 per Unit. The Acquisition is therefore expected to be yield accretive to Unitholders.

(2) Competitive Strengths of Changi City Point

Located in the heart of Changi Business Park, Changi City Point is in close proximity to the residential estates of Simei, Bedok and Tampines to the north-west and west and adjacent to Changi Airport to the north-east. The Property’s locality is unique in its proximity to the Singapore Expo, which is Singapore’s largest convention and exhibition venue, as well as to educational institutions such as the Institute of Technical Education College East and the future campus of the Singapore University of Technology and Design, slated to be completed by the end of 2014, allowing it to benefit from unique

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1 The “FCT Loan Facilities” refer to loan facilities currently put in place by the Manager and new loan facilities which the Manager may from time to time put in place, which may be utilised to part finance the Acquisition in accordance with the funding structure to be determined by the Manager.

2 The assumed issue price of S$1.81 per Unit for the Acquisition Fee Units is the adjusted price based on FCT’s last traded unit price of S$1.825 as at 5 May 2014 after adjusting for the estimated accrued distribution of S$0.018 per Unit, while the Illustrative Issue Price of S$1.73 per Unit is based on an indicative discount of approximately 4.4% of the adjusted price of S$1.81 per Unit.
shopper catchments. In addition, Changi City Point enjoys high levels of connectivity to public transportation facilities and benefits from high occupancy rates, a diverse base of quality tenants and exposure to Singapore's suburban retail property market.

(i) **Strategic location and good connectivity**

Changi City Point is located in Changi Business Park and directly opposite the Singapore Expo MRT station (which serves the East-West Line). It is adjacent to Changi Airport to the north-east, and is also connected to the rest of Changi Business Park and the Simei MRT station (which also serves the East-West Line) by shuttle bus services. Changi City Point also benefits from good access by road to the city area and other parts of Singapore with good accessibility to the ECP, PIE and TPE. Public transport services to Changi Business Park (and hence also to the Property) will be further enhanced by the completion of Downtown Line Phase 3, which is expected to be completed in 2017.

(ii) **Unique shopper catchments**

Changi City Point's locality is unique in its proximity to the Singapore Expo (which is Singapore's largest convention and exhibition venue), as well as Changi Business Park.

According to Urbis, Changi City Point is estimated to serve over 25,000 workers from Changi Business Park, which includes offices such as UE BizHub, The Signature, Plaza 8 and DBS Asia Hub. The significant worker population serves as an important source of shopper traffic for Changi City Point.

In addition, directly adjacent and connected with Changi City Point as part of the same integrated development is the ONE@Changi City office building, which has Credit Suisse and J.P. Morgan as its anchor tenants, as well as the 313-room Capri By Fraser hotel. The integrated development complements the worker population in providing stable daily footfall for Changi City Point.

Due to its location, Changi City Point also serves as a retail hub for students, being located directly east of the Institute of Technical Education College East. In addition, the future campus of the Singapore University of Technology and Design that is located directly north of Changi City Point, is slated to be completed by the end of 2014. The combined student population is expected to form an important source of business for Changi City Point.

According to Urbis, Changi City Point also serves an estimated resident population of approximately 70,000 in its Primary Trade Sector\(^1\), and a further estimated resident population of approximately 387,000 in its Secondary Trade Sector\(^2\).

For 2013, Changi City Point reported an aggregate shopper traffic of approximately 11.1 million, which is an approximately 14% increase from the aggregate shopper traffic of approximately 9.7 million reported in 2012. According to Urbis, Changi City Point's main trade area retail spending market is also expected to grow by an average of 3.1% per annum from approximately S$3.0 billion in 2013 to approximately S$3.5 billion in 2018.

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\(^1\) According to Urbis, the "**Primary Trade Sector**" is bordered by the PIE to the north, Bedok Canal to the east and the Laguna and Tanah Merah golf courses to the south-east. This sector is basically contained within a 2 kilometre radius from the Property.

\(^2\) According to Urbis, the "**Secondary Trade Sector**" comprises the Secondary North Trade Sector, the Secondary North-West Trade Sector and the Secondary West Trade Sector (all as defined in **Appendix F** of this Circular).
(iii) **Relatively new suburban mall with potential for growth**

Changi City Point is a relatively new suburban mall which obtained its TOP in September 2011 and commenced operations in November 2011. According to Urbis, Changi City Point is still in its establishment phase and its performance is typical of a newly-opened mall in suburban Singapore. Its performance compared to more mature suburban malls in Singapore is thus expected to improve steadily over time as the Property matures, and is expected to be further enhanced when surrounding infrastructure such as Downtown Line Phase 3 is completed. This growth is reflected in Changi City Point’s overall average occupancy cost ratio in 2013, which decreased to 17.4% from 18.9% in 2012. Healthy rental growth was also achieved in 2013 at the time of lease renewal for a number of tenants.

(See Appendix F of this Circular for further details.)

(iv) **Exposure to Singapore’s suburban retail property market**

According to Urbis, Changi City Point’s average sales productivity of S$57.4 per sq ft per month in 2013 is typical of a newly-opened mall in suburban Singapore. As suburban malls in Singapore have an average sales productivity of between S$80 to S$90 per sq ft per month, Changi City Point is expected to benefit from strong growth in its local catchment over the next few years, particularly in light of the expected completion of Downtown Line Phase 3 in 2017.

The Manager believes that Changi City Point’s trade mix and its considerable emphasis on basic and essential types of goods and services will strengthen FCT’s exposure to Singapore’s suburban retail property market.

(See Appendix F of this Circular for further details.)
(v) **Limited supply of retail space in trade area**

According to Urbis, the total amount of shopping centre floor space within the Outer East Region (as defined in the Urbis Report set out in **Appendix F** of this Circular), which includes Changi City Point, is estimated to be approximately 2.7 million sq ft, with total floor space per capita for the region relatively low at 3.0 sq ft per person when compared with the Singapore average of 4.9 sq ft per person. Based on the amount of planned shopping centre floor space in the Outer East Region, which includes the additions of Eastpoint Mall and Project Jewel, Urbis further expects that the shopping centre floor space per capita within the Outer East Region will increase to approximately 3.6 sq ft per person in 2018, which would still be significantly below the overall provision of shopping centre floor space in Singapore of approximately 5.2 sq ft per person in 2018.

![Map of Singapore showing Outer East Region](map.jpg)

*Source: The Urbis Report.*

The overall trade area retail provision is considered to be relatively strong. The most relevant competition for Changi City Point is the concentration of retail around the Tampines MRT Station to the north and the retail at Bedok Town Centre to the west, particularly Bedok Mall. Changi City Point does however benefit from a lack of competition within the primary trade area.

The Manager believes that Changi City Point occupies an enviable position in a trade area that is currently undersupplied for enclosed shopping centre floor space.

(See **Appendix F** of this Circular for further details.)

(3) **Consistent with the Manager’s Investment Strategy**

The Acquisition is in line with the Manager’s principal investment strategy to invest in quality income-producing properties used primarily for retail purposes, so as to deliver regular and stable distributions to Unitholders and to provide Unitholders with a competitive rate of return on their investment.
(4) Greater Income Diversification and Enlarged Tenant Base of FCT’s Property Portfolio

The Acquisition is expected to benefit FCT and its Unitholders by improving income diversification and reducing the reliance of FCT’s income stream from the contribution by any single asset or any major tenants. Following the Acquisition, the maximum contribution to FCT’s Net Property Income\(^1\) by any single property within FCT’s property portfolio will decrease from 51.3% to 44.8% based on the forecast Net Property Income contribution for the Forecast Period.

The Acquisition will also allow FCT to diversify its portfolio of properties geographically and to gain exposure to the market in and around the Singapore Expo as well as residential areas in the Outer East Region of Singapore. Additionally, the Acquisition will enlarge FCT’s share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants. Following the Acquisition, it is expected that FCT’s tenant base will be enlarged and further diversified with the addition of more than 130 tenants, including new tenants such as Nike Factory Store, Samsonite Service Centre, The Petite Park and Tung Lok Signatures, which were not tenants in the portfolio of properties currently held by FCT, comprising Causeway Point, Northpoint, YewTee Point, Bedok Point and Anchorpoint (the “Existing Portfolio”), as at 28 February 2014.

(5) Greater Trading Liquidity and Wider Investor Interest

Following the Private Placement, FCT will have a substantially larger market capitalisation. This could potentially result in a diversification of FCT’s unitholder base and is also likely to attract wider investor interest. The New Units, when issued, are expected to increase FCT’s outstanding number of Units on the SGX-ST which, in turn, is expected to result in greater trading liquidity, thus potentially benefiting Unitholders.

(See paragraph 3 of the Letter to Unitholders for further details on the rationale for the Acquisition.)

(2) THE PROPOSED ISSUE OF UP TO 90.0 MILLION NEW UNITS UNDER THE PRIVATE PLACEMENT

Method of Proposed Financing

Equity Financing

The Manager proposes to issue up to 90.0 million New Units (which is equivalent to up to approximately S$155.7 million\(^2\) or 10.9% of the 825,400,343 Units in issue as at the Latest Practicable Date) under the Private Placement to part finance the Acquisition\(^3\). The balance thereof is intended to be funded by borrowings (which may include drawing down on the FCT Loan Facilities) and/or internal sources. The Manager intends to allocate the entire proceeds from the Private Placement for the purposes of the Acquisition.

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\(^1\) “Net Property Income” comprises Gross Revenue (as defined herein) less property tax, the Property Manager’s fee and other property expenses (including utilities expenses, reimbursement of salaries and related manpower expenses, marketing expenses, repairs and maintenance expenses, general and administrative expenses and other miscellaneous expenses) (“Property Expenses”).

\(^2\) Based on the Illustrative Issue Price of S$1.73.

\(^3\) For the avoidance of doubt, the Private Placement is inclusive of the FCL Group Placement.
The Manager intends to finance the Acquisition with a combination of equity and debt financing, so as to ensure that the Acquisition will provide overall DPU accretion to Unitholders while maintaining an optimum level of gearing. The final decision regarding the proportion of equity and debt financing to be employed for the purposes of financing the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions.

**In the event that the Acquisition and the Private Placement are approved by Unitholders, but market conditions are not conducive to carry out the Private Placement or the Private Placement cannot be effected on acceptable terms, the Manager may decide to delay the Acquisition or alternatively fully finance the Acquisition by debt or a combination of debt and other forms of equity fund raising. Should the Manager part finance the Acquisition through other forms of equity fund raising other than a private placement, the Manager will rely on any available general unit issue mandate for the purpose of issuing new Units.**

The Manager will work with the Joint Lead Managers and Underwriters to determine the structure of the Private Placement, the time schedule for the Private Placement and the issue price of the New Units (the “Issue Price”), taking into account the then prevailing market conditions and other factors that the Manager and the Joint Lead Managers and Underwriters may consider relevant.

The Manager will announce details of the Private Placement at the appropriate time.

(See paragraph 5 of the Letter to Unitholders for further details.)

**Debt Financing**

The Manager may utilise any one or a combination of the FCT Loan Facilities to part finance the Acquisition in accordance with the funding structure to be determined by the Manager. The Manager may also convert amounts initially drawn down from one or more facilities to equivalent amounts under one or more other facilities at a later stage.

In determining FCT’s financing plans for the overall interests of FCT and Unitholders, the Manager will take into account, among others, the then prevailing market conditions and interest rate environment, availability of alternative funding options, the impact on FCT’s capital structure, DPU and debt expiry profile and the covenants and conditions associated with each financing option.

(See paragraph 4.1.2 of the Letter to Unitholders for further details.)

**Consequential Adjustment to Distribution Period**

FCT’s policy is to distribute its distributable income on a quarterly basis to Unitholders. When the Manager decides to carry out the Private Placement, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution or an advance distribution, or such other plans to ensure fairness to holders of the Units in issue on the day immediately prior to the date on which the New Units are issued under the Private Placement (the “Existing Units”). Further details pertaining to any adjustments to the distribution period, if any, will be announced at the appropriate time.
To enable the FCL Group to be in a position to support FCT, the Manager is seeking Unitholders’ approval for the proposed issue of New Units to the FCL Group, as part of the Private Placement. The FCL Group may subscribe for such number of New Units under the Private Placement up to its proportionate pre-placement unitholding in FCT, in percentage terms. The New Units placed to the FCL Group under the FCL Group Placement will be issued at the same price as the New Units issued to other investors under the Private Placement.

The Manager believes that the size of the FCL Group’s unitholdings in FCT provides a degree of stability to FCT as an investment vehicle. Allowing New Units to be placed to the FCL Group would help to maintain such stability, which is ultimately to the benefit of Unitholders. The ability of the FCL Group to subscribe for New Units under the Private Placement would also enhance investors’ confidence in FCT and provide a higher degree of certainty for the successful completion of the Private Placement.

(See paragraph 6 of the Letter to Unitholders for further details.)

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1 This excludes the Acquisition Fee Units.
The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager’s absolute discretion. If the approvals sought at the EGM are obtained, the Manager will work with the Joint Lead Managers and Underwriters to determine the most appropriate time to launch the Private Placement.
LETTER TO UNITHOLDERS
FRASERS CENTREPOINT TRUST
(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 June 2006 (as amended))

Directors of the Manager
Mr Philip Eng Heng Nee (Independent Non-Executive Chairman)
Dr Chew Tuan Chiong (Chief Executive Officer and Executive Director)
Mr Anthony Cheong Fook Seng (Non-Executive Director)
Mr Chia Khong Shoong (Non-Executive Director)
Mr Bobby Chin Yoke Choong (Independent Non-Executive Director)
Mr Lim Ee Seng (Non-Executive Director)
Mr Soh Kim Soon (Independent Non-Executive Director)
Mr Christopher Tang Kok Kai (Non-Executive Director)

Registered Office
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

12 May 2014

To: Unitholders of Frasers Centrepoint Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is seeking approval from Unitholders in relation to the following resolutions:

(i) Resolution 1: The Proposed Acquisition of Changi City Point as a Related Party Transaction (Ordinary Resolution);

(ii) Resolution 2: The Proposed Issue of Up to 90.0 Million New Units under the Private Placement (Ordinary Resolution); and

(iii) Resolution 3: The Proposed Placement of New Units to the FCL Group under the Private Placement as a Related Party Transaction (Ordinary Resolution).

Unitholders should note that:

(i) Resolution 2 (the Private Placement) and Resolution 3 (the FCL Group Placement) are each conditional upon Resolution 1 (the Acquisition) being passed; and

(ii) Resolution 3 (the FCL Group Placement) is conditional upon Resolution 2 (the Private Placement) being passed.

In the event that Unitholders do not approve Resolution 1 (the Acquisition), the Manager will not proceed with Resolution 2 (the Private Placement) or Resolution 3 (the FCL Group Placement).

In the event that Unitholders do not approve Resolution 2 (the Private Placement), the Manager will not proceed with Resolution 3 (the FCL Group Placement).
The following paragraphs set forth key information relating to each of the above-mentioned resolutions.

2. RESOLUTION 1: THE PROPOSED ACQUISITION OF CHANGI CITY POINT AS A RELATED PARTY TRANSACTION

2.1 Description of Changi City Point

Located in the heart of Changi Business Park, Changi City Point is in close proximity to the residential estates of Simei, Bedok and Tampines to the north-west and west and adjacent to Changi Airport to the north-east. The Property’s locality is unique in its proximity to the Singapore Expo, which is Singapore’s largest convention and exhibition venue, as well as to educational institutions such as the Institute of Technical Education College East and the future campus of the Singapore University of Technology and Design, slated to be completed by the end of 2014.

The Property is a three-storey multi-tenanted retail mall together with one basement level. Its main retail levels are from Basement 1 to Level 2, accommodating a diverse tenant base comprising key retailers such as Cold Storage, Gain City, Nike and Challenger, restaurants such as Tung Lok Signatures, food outlets, two food courts and speciality retail units. The Property also includes a landscaped rooftop garden housing art installations and “Arena @ L3”, an outdoor performing area. A total of 627 car park lots, which form part of the common property, are provided at the Property.

Changi City Point is well-served by public transport, being directly opposite the Singapore Expo MRT station, and is connected to the rest of Changi Business Park and Simei MRT station by shuttle bus services. Public transport services to Changi Business Park (and hence also to the Property) will be further enhanced by the completion of Downtown Line Phase 3, which is expected to be completed in 2017. The Property also benefits from good access by road to the city area and other parts of Singapore with good accessibility to the ECP, PIE and TPE.

The Property obtained its TOP in September 2011 and commenced operations in November 2011.

(See Appendix A of this Circular for further details on Changi City Point.)

2.2 Valuations and Purchase Consideration for Changi City Point

The Manager has commissioned an independent property valuer, Knight Frank, and the Trustee has commissioned another independent property valuer, Colliers, to value Changi City Point.

The open market value of Changi City Point as at 1 March 2014 determined by Knight Frank and Colliers is S$306.0 million and S$304.0 million, respectively. In arriving at the open market value, Knight Frank used the capitalisation approach and the discounted cash flow analysis, while Colliers relied on the capitalisation approach, the discounted cash flow analysis and the direct comparison method.

(See Appendix D of this Circular for the valuation certificates for Changi City Point for further details.)

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1 The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.
Pursuant to the terms and subject to the conditions of the Conditional Sale and Purchase Agreement (including the approval of Unitholders), Changi City Point shall be acquired at the Purchase Consideration of S$305.0 million (see paragraph 2.4 below for further details), which was arrived at on a willing-buyer and willing-seller basis and based on the two independent valuations set out above.

2.3 Conditional Sale and Purchase Agreement

The Manager (on behalf of the Trustee) and the Vendor have negotiated the Conditional Sale and Purchase Agreement in good faith with each other on an arm’s length basis and have agreed on the terms and conditions of the Conditional Sale and Purchase Agreement, including all other agreements or documents thereunder required to give effect to the Conditional Sale and Purchase Agreement and facilitate the Completion.

2.4 Estimated Acquisition Cost

The current estimated Acquisition Cost is approximately S$312.5 million, comprising:

(i) the Purchase Consideration of S$305.0 million;

(ii) the Acquisition Fee of S$3.05 million (being 1.0% of the Purchase Consideration) payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed; and

(iii) the estimated professional and other fees and expenses of approximately S$4.5 million which will be incurred by FCT in connection with the Acquisition and the Private Placement, comprising (a) underwriting and financial advisory fees in respect of the Private Placement of S$1.62 million, (b) debt facility fees of S$1.19 million and (c) transaction costs of S$1.67 million.

As the Acquisition will constitute an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, the Acquisition Fee payable to the Manager in respect of the Acquisition will be in the form of Units, which shall not be sold within one year from their date of issuance.

2.5 Conditions Precedent for the Completion

Completion is conditional upon the following (collectively, the “Conditions Precedent”):

(i) JTC Approval\(^1\) being issued by JTC and the terms and conditions of the JTC Approval (a) which are imposed on the Vendor being acceptable to the Vendor, acting reasonably; and (b) which are imposed on the Trustee being acceptable to the Trustee, acting reasonably;

(ii) where JTC requires the Vendor or the Trustee to obtain written approvals from the authorities specified by JTC, such approvals having been issued;

(iii) Unitholders’ approval being obtained for the Acquisition;

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\(^1\) “JTC Approval” means the approval of JTC Corporation (“JTC”) to:

(a) the sale of the Property by the Vendor to the Trustee; and

(b) the mortgage and/or charge of the Property by the Trustee to its mortgagee and/or chargee on Completion, if applicable.
(iv) the Trustee obtaining funds, on terms acceptable to the Trustee acting reasonably (whether by way of debt facilities from banks and/or other financial institutions and/or equity fund raising exercises), to finance the Completion;

(v) (in the event that the Manager launches any equity fund raising exercises involving the issuance of New Units) there being no stop order or similar order having been issued by the MAS or any court or other judicial, governmental or regulatory authority in relation to such proposed equity fund raising exercises; and

(vi) (in the event that the Manager launches any equity fund raising exercises involving the issuance of New Units) the approval in-principle of the SGX-ST for the listing and quotation of the New Units not having been revoked or withdrawn.

The Trustee has, pursuant to the Conditional Sale and Purchase Agreement, paid to the Vendor a deposit of 5.0% of the Purchase Consideration on 8 April 2014, which may be refunded to the Trustee if the Conditional Sale and Purchase Agreement is terminated under certain circumstances as provided in the Conditional Sale and Purchase Agreement. The Trustee shall, on Completion, pay to the Vendor the balance 95.0% of the Purchase Consideration.

3. THE RATIONALE FOR THE ACQUISITION

3.1 Yield Accretion

Unitholders are expected to enjoy a higher DPU as a result of the Acquisition being made at a price which is reflective of the cash flows which the Property is expected to generate, combined with a debt and equity financing plan to be determined by the Manager. The actual debt and equity funding plan to be adopted by the Manager will depend on, among others, the then prevailing market conditions, the demand for New Units, the Issue Price and the terms and interest rates of available debt and loan facilities. The Manager will determine the funding structure taking into account, among others, the above considerations, for the overall benefit of FCT and its Unitholders.

Unitholders are expected to enjoy an increase in annualised DPU from 10.99 cents (reflecting a DPU yield of 6.02% based on the closing price of a Unit of S$1.825 as at the Latest Practicable Date) to 11.10 cents (reflecting a DPU yield of 6.08% based on the closing price of a Unit of S$1.825 as at the Latest Practicable Date) for the Forecast Period after the Acquisition, which is an increase of 1.0%. The illustrative number of New Units to be issued in connection with the Acquisition is approximately 88.2 million, which is the sum of 86.5 million New Units issued in connection with the Private Placement and 1.7 million Acquisition Fee Units. The above assumes that (a) the Acquisition is funded through a combination of debt (of S$159.8 million drawn down from the FCT Loan Facilities) and the proceeds from the Private Placement, (b) the New Units are issued at the Illustrative Issue Price, and (c) the Acquisition Fee Units are issued at an assumed issue price of S$1.81 per Unit. The Manager expects the Acquisition to be yield accretive to Unitholders.
To illustrate the DPU accretion arising from the Acquisition, assuming the Acquisition is funded by a combination of debt (of S$159.8 million drawn down from the FCT Loan Facilities) and proceeds from the Private Placement, the table below shows the Forecast Period DPU in relation to (i) the Existing Portfolio, and (ii) the Existing Portfolio and the Property (the “Enlarged Portfolio”).

<table>
<thead>
<tr>
<th>Assumed Issue Price of New Units (S$)</th>
<th>No. of New Units Issued (’000)</th>
<th>Forecast Period DPU (Annualised)</th>
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<tr>
<td></td>
<td></td>
<td>Existing Portfolio (cents)</td>
<td>Enlarged Portfolio (cents)</td>
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</table>

The assumed borrowing is based on a realistic illustrative net debt funding level of 52.0% of the Purchase Consideration, in light of current market conditions. In conjunction with the other assumptions set out in this Circular, the above-assumed borrowing will increase FCT’s Aggregate Leverage\(^1\) from 27.6% as at 30 September 2013 to 30.6% immediately after the Acquisition. It has been further assumed that the balance of the Acquisition Cost will be funded by the net proceeds from the Private Placement.

To illustrate the DPU accretion arising from the Acquisition, assuming the Acquisition is funded by a combination of debt drawn down from the FCT Loan Facilities and proceeds from the Private Placement at the Illustrative Issue Price, the table below shows the Forecast Period DPU in relation to (i) the Existing Portfolio, and (ii) the Enlarged Portfolio.

\(^1\) The “Aggregate Leverage” of FCT means the ratio of the total borrowings and deferred payments (if any) to the value of all the assets of FCT, including all its authorised investments held or deemed to be held by it under the Trust Deed (the “Deposited Property”).
Debt Proceeds\(^{(1)}\) (S$ million) | Equity Proceeds\(^{(2)}\) (S$ million) | Net Debt Proceeds to Value of Purchase Consideration\(^{(3)}\) (%) | Forecast Period DPU (Annualised)\(^{(4)}\)
--- | --- | --- | ---
122.9 | 186.7 | 40.0 | 10.99 10.96 (0.27)
138.3 | 171.3 | 45.0 | 10.99 11.02 0.25
153.6 | 155.8 | 50.0 | 10.99 11.07 0.78
159.8 | 149.7 | 52.0 | 10.99 11.10 1.00
169.0 | 140.4 | 55.0 | 10.99 11.13 1.32
184.4 | 125.0 | 60.0 | 10.99 11.19 1.87
199.7 | 109.6 | 65.0 | 10.99 11.25 2.44

Notes:

(1) Calculated based on the Purchase Consideration and related fees.

(2) Calculated based on the corresponding number of New Units issued in connection with the Private Placement multiplied by the Illustrative Issue Price.

(3) Calculated by using the net debt proceeds divided by the Purchase Consideration.

(4) After accounting for (i) approximately 1.7 million New Units to be issued as Acquisition Fee Units, and (ii) approximately 0.19 million Units to be issued as part payment for the Manager’s management fee for the current financial year ending on 30 September 2014 (“FY2014”), both at an assumed issue price of S$1.81 per Unit.

The Forecast DPU tables must be read together with the detailed forecast statement of FCT’s Net Property Income and distribution for the Forecast Period, the accompanying key assumptions and the sensitivity analysis set out in Appendix B of this Circular (collectively, the “Profit Forecast”) and the report of Ernst & Young LLP, who have been appointed as the independent accountants (the “Independent Accountants”) and have examined the Profit Forecast, set out in Appendix C of this Circular.

There is no assurance that the actual issue price of the New Units will be within the assumed issue price or any of the assumed parameters set out for illustration purposes above.

### 3.2 Competitive Strengths of Changi City Point

Located in the heart of Changi Business Park, Changi City Point is in close proximity to the residential estates of Simei, Bedok and Tampines to the north-west and west and adjacent to Changi Airport to the north-east. The Property’s locality is unique in its proximity to the Singapore Expo, which is Singapore’s largest convention and exhibition venue, as well as to educational institutions such as the Institute of Technical Education College East and the future campus of the Singapore University of Technology and Design, slated to be completed by the end of 2014, allowing it to benefit from unique shopper catchments. In addition, Changi City Point enjoys high levels of connectivity to public transportation facilities and benefits from high occupancy rates, a diverse base of quality tenants and exposure to Singapore’s suburban retail property market.
3.2.1 **Strategic location and good connectivity**

Changi City Point is located in Changi Business Park and directly opposite the Singapore Expo MRT station (which serves the East-West Line). It is adjacent to Changi Airport to the north-east, and is also connected to the rest of Changi Business Park and the Simei MRT station (which also serves the East-West Line) by shuttle bus services. Changi City Point also benefits from good access by road to the city area and other parts of Singapore with good accessibility to the ECP, PIE and TPE. Public transport services to Changi Business Park (and hence also to the Property) will be further enhanced by the completion of Downtown Line Phase 3, which is expected to be completed in 2017.

The strategic location and good connectivity is expected to provide Changi City Point with a steady flow of pedestrian traffic from visitors to Changi Business Park and the Singapore Expo.

3.2.2 **Unique shopper catchments**

Changi City Point’s locality is unique in its proximity to the Singapore Expo (which is Singapore’s largest convention and exhibition venue), as well as Changi Business Park.

According to Urbis, Changi City Point is estimated to serve over 25,000 workers from Changi Business Park, which includes offices such as UE BizHub, The Signature, Plaza 8 and DBS Asia Hub. The significant worker population serves as an important source of shopper traffic for Changi City Point.

In addition, directly adjacent and connected with Changi City Point as part of the same integrated development is the ONE@Changi City office building, which has Credit Suisse and J.P. Morgan as its anchor tenants, as well as the 313-room Capri By Fraser hotel. The integrated development complements the worker population in providing stable daily footfall for Changi City Point.

Due to its location, Changi City Point also serves as a retail hub for students, being located directly east of the Institute of Technical Education College East. In addition, the future campus of the Singapore University of Technology and Design that is located directly north of Changi City Point, is slated to be completed by the end of 2014. The combined student population is expected to form an important source of business for Changi City Point.

According to Urbis, Changi City Point also serves an estimated resident population of approximately 70,000 in its Primary Trade Sector, and a further estimated resident population of approximately 387,000 in its Secondary Trade Sector.

For 2013, Changi City Point reported an aggregate shopper traffic of approximately 11.1 million, which is an approximately 14% increase from the aggregate shopper traffic of approximately 9.7 million reported in 2012. According to Urbis, Changi City Point’s main trade area retail spending market is also expected to grow by an average of 3.1% per annum from approximately S$3.0 billion in 2013 to approximately S$3.5 billion in 2018.

The Property benefits from a diverse range of different customer groups, from PMEBs (Professionals, Managers, Executives and Businessmen) in light of its proximity to the Singapore Expo and the rest of Changi Business Park, to students and families who patronise the mall. These customer groups are attracted by the wide range of food and beverage and convenience shopping and essential goods and services offered by Changi City Point.
The Manager believes that these attributes will enhance the Property’s ability to draw a high volume of shoppers, thereby sustaining the Property’s occupancy rates, rental rates and income.

(See Appendix F of this Circular for further details.)

3.2.3 Relatively new suburban mall with potential for growth

Changi City Point is a relatively new suburban mall which obtained its TOP in September 2011 and commenced operations in November 2011. According to Urbis, Changi City Point is still in its establishment phase and its performance is typical of a newly-opened mall in suburban Singapore. Its performance compared to more mature suburban malls in Singapore is thus expected to improve steadily over time as the Property matures, and is expected to be further enhanced when surrounding infrastructure such as Downtown Line Phase 3 is completed. This growth is reflected in Changi City Point’s overall average occupancy cost ratio in 2013, which decreased to 17.4% from 18.9% in 2012. Healthy rental growth was also achieved in 2013 at the time of lease renewal for a number of tenants.

The Manager believes that Changi City Point’s position as a relatively new suburban mall will allow it to continue to attract high shopper traffic for the next few years of operation and expects total turnover to improve further in 2014.

(See Appendix F of this Circular for further details.)

3.2.4 Exposure to Singapore’s suburban retail property market

According to Urbis, Changi City Point’s average sales productivity of S$57.4 per sq ft per month in 2013 is typical of a newly-opened mall in suburban Singapore. As suburban malls in Singapore have an average sales productivity of between S$80 to S$90 per sq ft per month, Changi City Point is expected to benefit from strong growth in its local catchment over the next few years, particularly in light of the expected completion of Downtown Line Phase 3 in 2017.

The Manager believes that Changi City Point’s trade mix and its considerable emphasis on basic and essential types of goods and services will strengthen FCT’s exposure to Singapore’s suburban retail property market.

(See Appendix F of this Circular for further details.)

3.2.5 Limited supply of retail space in trade area

According to Urbis, the total amount of shopping centre floor space within the Outer East Region, which includes Changi City Point, is estimated to be approximately 2.7 million sq ft, with total floor space per capita for the region relatively low at 3.0 sq ft per person when compared with the Singapore average of 4.9 sq ft per person. Based on the amount of planned shopping centre floor space in the Outer East Region, which includes the additions of Eastpoint Mall and Project Jewel, Urbis further expects that the shopping centre floor space per capita within the Outer East Region will increase to approximately 3.6 sq ft per person in 2018, which would still be significantly below the overall provision of shopping centre floor space in Singapore of approximately 5.2 sq ft per person in 2018.

The overall trade area retail provision is considered to be relatively strong. The most relevant competition for Changi City Point is the concentration of retail around the Tampines MRT Station to the north and the retail at Bedok Town Centre to the west, particularly Bedok Mall. Changi City Point does however benefit from a lack of competition within the primary trade area.
The Manager believes that Changi City Point occupies an enviable position in a trade area that is currently undersupplied for enclosed shopping centre floor space.

(See Appendix F of this Circular for further details.)

3.3 Consistent with the Manager’s Investment Strategy

The Acquisition is in line with the Manager’s principal investment strategy to invest in quality income-producing properties used primarily for retail purposes, so as to deliver regular and stable distributions to Unitholders and to provide Unitholders with a competitive rate of return on their investment.

3.4 Greater Income Diversification and Enlarged Tenant Base of FCT’s Property Portfolio

The Acquisition is expected to benefit FCT and its Unitholders by improving income diversification and reducing the reliance of FCT’s income stream from the contribution by any single asset or any major tenants. Following the Acquisition, the maximum contribution to FCT’s Net Property Income by any single property within FCT’s property portfolio will decrease from 51.3% to 44.8% based on the forecast Net Property Income contribution for the Forecast Period, as illustrated in the table below.

<table>
<thead>
<tr>
<th>Property</th>
<th>Existing Portfolio</th>
<th>Enlarged Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>51.3</td>
<td>44.8</td>
</tr>
<tr>
<td>Northpoint</td>
<td>31.1</td>
<td>27.1</td>
</tr>
<tr>
<td>YewTee Point</td>
<td>8.2</td>
<td>7.1</td>
</tr>
<tr>
<td>Bedok Point</td>
<td>5.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>4.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>N.A.</td>
<td>12.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The Acquisition will also allow FCT to diversify its portfolio of properties geographically and to gain exposure to the market in and around the Singapore Expo as well as residential areas in the Outer East Region of Singapore. Additionally, the Acquisition will enlarge FCT’s share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants. Following the Acquisition, it is expected that FCT’s tenant base will be enlarged and further diversified with the addition of more than 130 tenants, including new tenants such as Nike Factory Store, Samsonite Service Centre, The Petite Park and Tung Lok Signatures, which were not tenants in the Existing Portfolio as at 28 February 2014. As at 28 February 2014, the top 10 committed tenants of the Existing Portfolio by Gross Rental Income accounted for 22.6% of the Existing Portfolio, whereas the top 10 committed tenants of the Enlarged Portfolio will account for a reduced 22.2% of the Enlarged Portfolio’s Gross Rental Income. The enlarged tenant base as a result of the Acquisition will thus diversify FCT’s income stream and reduce FCT’s reliance on the income contribution from any one or more major tenants.

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1 “Gross Rental Income” refers to base rental income (after rent rebates, refunds, credits or discounts and rebates for rent-free periods, where applicable, but excluding turnover rent), service charge and advertising and promotion levy payable by tenants.
3.5 Greater Trading Liquidity and Wider Investor Interest

Following the Private Placement, FCT will have a substantially larger market capitalisation. This could result in a diversification of FCT’s unitholder base and is also likely to attract wider investor interest. The New Units, when issued, are expected to increase FCT’s outstanding number of Units on the SGX-ST which, in turn, is expected to result in greater trading liquidity, thus potentially benefiting Unitholders.

Purely for illustrative purposes only, assuming that approximately 88.2 million new Units are issued pursuant to the Acquisition (comprising 86.5 million New Units to be issued under the Private Placement at the Illustrative Issue Price and 1.7 million New Units to be issued as Acquisition Fee Units at an assumed issue price of S$1.81 per Unit), FCT’s free float is expected to increase to approximately 62.7% from approximately 58.9% (if no New Units are placed to the FCL Group under the FCL Group Placement). The 88.2 million New Units represent 10.7% of the aggregate number of the number of FCT units in issue as at the Latest Practicable Date.

4. DETAILS OF THE ACQUISITION

4.1 Method of Proposed Financing

4.1.1 Equity Financing

The Manager proposes to issue up to 90.0 million New Units (which is equivalent to up to approximately S$155.7 million or 10.9% of the 825,400,343 Units in issue as at the Latest Practicable Date) under the Private Placement to part finance the Acquisition. The balance thereof is intended to be funded by borrowings (which may include drawing down on the FCT Loan Facilities) and/or internal sources. The Manager intends to allocate the entire proceeds from the Private Placement for the purposes of the Acquisition.

The Manager intends to finance the Acquisition with a combination of equity and debt financing, so as to ensure that the Acquisition will provide overall DPU accretion to Unitholders while maintaining an optimum level of gearing. The final decision regarding the proportion of equity and debt financing to be employed for the purposes of financing the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions.

The illustrative debt and equity funding plan adopted in this Circular is based on a realistic illustrative net debt funding level of 52.0% of the Purchase Consideration, in light of current market conditions. However, the actual debt and equity funding plan to be adopted by the Manager will depend on, among others, prevailing market conditions, the demand for New Units, the Issue Price and the terms and interest rates of available debt and loan facilities. Based on current market conditions, it is expected that following the completion of the Acquisition and the Private Placement, FCT’s Aggregate Leverage will not differ materially from the illustration provided in paragraph 3.1 above. In the event that the Acquisition and the Private Placement are approved by Unitholders, but market conditions are not conducive to carry out the Private Placement or the Private Placement cannot be effected on acceptable terms,

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1 FCT’s free float will be approximately 58.8% if the FCL Group subscribes for such number of New Units under the Private Placement up to its proportionate pre-placement unitholding in FCT, in percentage terms (excluding the Acquisition Fee Units).

2 Based on the Illustrative Issue Price of S$1.73.

3 For the avoidance of doubt, the Private Placement is inclusive of the FCL Group Placement.
the Manager may decide to delay the Acquisition or alternatively fully finance the Acquisition by debt or a combination of debt and other forms of equity fund raising. Should the Manager part finance the Acquisition through other forms of equity fund raising other than a private placement, the Manager will rely on any available general unit issue mandate for the purpose of issuing new Units.

4.1.2 Debt Financing

The Manager has put in place and may from time to time put in place, as the case may be, the FCT Loan Facilities, which may be utilised to part finance the Acquisition in accordance with the funding structure to be determined by the Manager.

The loan facilities currently put in place by FCT comprise the following:

(i) a S$100.0 million multicurrency bridge loan facility with DBS Bank Ltd., which has not been utilised as at the Latest Practicable Date;

(ii) a S$1.0 billion multicurrency secured medium term note programme through FCT MTN Pte. Ltd., a wholly-owned subsidiary of the FCL Group, of which S$255.0 million has been issued as at the Latest Practicable Date; and

(iii) an unsecured revolving credit facility amounting to S$30.0 million, which has not been utilised as at the Latest Practicable Date.

The following table sets out the interest rates and maturity of the loan facilities currently utilised by FCT:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Amount Utilised (S$’000)</th>
<th>Interest Rate (%)</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.0 billion multicurrency secured medium term note programme through FCT MTN Pte. Ltd.</td>
<td>25,000</td>
<td>3.50</td>
<td>February 2015</td>
</tr>
<tr>
<td></td>
<td>70,000</td>
<td>2.30</td>
<td>June 2015</td>
</tr>
<tr>
<td></td>
<td>30,000</td>
<td>2.85</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>60,000</td>
<td>2.535</td>
<td>December 2017</td>
</tr>
<tr>
<td></td>
<td>70,000</td>
<td>3.00</td>
<td>January 2020</td>
</tr>
</tbody>
</table>

The Manager may utilise any one or a combination of the FCT Loan Facilities to part finance the Acquisition in accordance with the funding structure to be determined by the Manager. The Manager may also convert amounts initially drawn down from one or more facilities to equivalent amounts under one or more other facilities at a later stage.

In determining FCT’s financing plans for the overall interests of FCT and Unitholders, the Manager will take into account, among others, the then prevailing market conditions and interest rate environment, availability of alternative funding options, the impact on FCT’s capital structure, DPU and debt expiry profile and the covenants and requirements associated with each financing option.
4.1.3 Aggregate Leverage of FCT

As mentioned in paragraph 3.1 above, based on the illustration that borrowings of S$159.8 million are incurred to part finance the Acquisition and the balance thereof is intended to be funded by net proceeds from the Private Placement, FCT’s Aggregate Leverage will increase from 27.6% as at 30 September 2013 to 30.6% immediately after the Acquisition.

The level of Aggregate Leverage set out above is within the limits allowed under the Property Funds Appendix.

(See paragraph 4.2 below for further details).

The Manager believes that the level of Aggregate Leverage set out above is prudent and optimal under current market conditions, and will provide FCT with a high degree of capital management flexibility and debt raising capacity, which will, among others, facilitate future acquisitions by FCT.

4.2 FCT’s Corporate Rating

As at the Latest Practicable Date, FCT has a “BBB+” long-term credit rating (with a stable outlook) from Standard & Poor’s Rating Services (“S&P”) and a “Baa1” corporate family rating (with a stable outlook) from Moody’s Investors Service, Inc. (“Moody’s”). These ratings assigned to FCT reflect, among others, FCT’s stable cash flows, moderate gearing level, good quality and well-located suburban retail malls and well-diversified tenancy profile and trade mix.

The Property Funds Appendix provide that the aggregate leverage of a real estate investment trust may exceed 35.0% of its deposited property, subject to a limit of 60.0% of its deposited property, so long as it obtains and discloses a credit rating from S&P, Moody’s or Fitch, Inc.

4.3 Certain Financial Information Relating to the Acquisition

Based on assumptions set out in this Circular, the following table sets out certain selected financial information in relation to the Acquisition for the Forecast Period assuming that the Acquisition is completed on 1 June 2014 and 100.0% of the income from Changi City Point accrues to FCT from 1 June 2014:

<table>
<thead>
<tr>
<th>Forecast Period (1 June 2014 to 30 September 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Revenue (S$’000)</strong></td>
</tr>
<tr>
<td><strong>Property Expenses (S$’000)</strong></td>
</tr>
<tr>
<td><strong>Net Property Income(^{(1)}) (S$’000)</strong></td>
</tr>
<tr>
<td><strong>Property Yield(^{(2)}) (%)</strong></td>
</tr>
</tbody>
</table>

Notes:

(1) See Appendix B of this Circular for the major assumptions relied on in deriving the forecast annualised Net Property Income of Changi City Point for the Forecast Period.

(2) Calculated by dividing the annualised Net Property Income by the Purchase Consideration.

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The detailed forecast of Net Property Income and distribution in relation to the Acquisition, and the assumptions for the forecast information included in the table above, are set out in Appendix B of this Circular.

4.4 Pro Forma Financial Effects of the Acquisition

The pro forma financial effects of the Acquisition on the DPU, net asset value ("NAV") per Unit and capitalisation of FCT presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of FCT for the financial year ended 30 September 2013 ("FY2013", and the audited financial statements of FCT for FY2013, the "FY2013 Audited Financial Statements") and the management accounts for Changi City Point for the period ended 30 September 2013, taking into account the Acquisition Cost, as well as the estimated costs of the Private Placement set out in paragraph 5.4 below, and assuming that:

(i) approximately 86.5 million New Units are issued at the Illustrative Issue Price to part finance the Acquisition. The balance thereof of S$159.8 million is intended to be funded by borrowings and/or internal sources;

(ii) the Acquisition Fee payable to the Manager are paid in the form of 1.7 million Acquisition Fee Units issued at an assumed issue price of S$1.81 per Unit; and

(iii) the number of Units in respect of the portion of the Manager’s management fee for the Forecast Period, which is assumed to be paid in the form of Units, is computed based on an assumed issue price of S$1.81 per Unit.

4.4.1 Pro Forma DPU

The following table sets out the pro forma financial effects of the Acquisition on FCT’s DPU for FY2013, as if the Acquisition had been completed on 1 October 2012, and Changi City Point had been held for the full period of FY2013.

<table>
<thead>
<tr>
<th></th>
<th>Existing Assets(^{(1)})</th>
<th>Existing Assets and the Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income Before Tax (S$’000)</td>
<td>80,916</td>
<td>90,456</td>
</tr>
<tr>
<td>Distributable Income (S$’000)</td>
<td>90,131</td>
<td>100,328</td>
</tr>
<tr>
<td>Issued Units (’000)</td>
<td>824,704(^{(2)})</td>
<td>913,111(^{(3)})</td>
</tr>
<tr>
<td>DPU (cents)</td>
<td>10.93(^{(4)})</td>
<td>10.99</td>
</tr>
</tbody>
</table>

Notes:

(1) “Existing Assets” comprises the Existing Portfolio and other assets held by FCT as at the Latest Practicable Date.

(2) Number of issued and issuable units as at 30 September 2013.

(3) Includes (i) approximately 86.5 million New Units issued under the Private Placement at the Illustrative Issue Price and 1.7 million New Units issued as Acquisition Fee Units at an assumed issue price of S$1.81 per Unit, and (ii) approximately 0.19 million Units issued as part payment for the Manager’s management fee for FY2014, at an assumed issue price of S$1.81 per Unit.

(4) Computed based on the distributable income of FCT for FY2013 over the number of Units issued and issuable as at the end of the relevant periods.
4.4.2 Pro Forma NAV

The following table sets out the pro forma financial effects of the Acquisition on the NAV per Unit as at 30 September 2013, as if the Acquisition had been completed on 30 September 2013.

<table>
<thead>
<tr>
<th></th>
<th>Existing Assets</th>
<th>Existing Assets and the Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV (S$’000)</td>
<td>1,462,355&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1,612,433&lt;sup&gt;(2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Issued Units (’000)</td>
<td>824,704&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>913,111&lt;sup&gt;(4)&lt;/sup&gt;</td>
</tr>
<tr>
<td>NAV per Unit (S$)</td>
<td>1.77</td>
<td>1.77</td>
</tr>
</tbody>
</table>

Notes:

(1) Based on the FY2013 Audited Financial Statements.

(2) Assuming (i) borrowings of S$159.8 million are taken up to part finance the Acquisition and (ii) the valuation of Changi City Point as at 30 September 2013 was S$305.0 million.

(3) Number of issued and issuable units as at 30 September 2013.

(4) Includes (i) approximately 86.5 million New Units issued under the Private Placement at the Illustrative Issue Price and 1.7 million New Units issued as Acquisition Fee Units at an assumed issue price of S$1.81 per Unit, and (ii) approximately 0.19 million Units issued as part payment for the Manager’s management fee for FY2014, at an assumed issue price of S$1.81 per Unit.

4.4.3 Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of FCT as at 30 September 2013, as if the Acquisition had been completed on 30 September 2013 and adjusted to reflect the following assumptions:

(i) approximately 86.5 million New Units are issued to part finance the Acquisition at the Illustrative Issue Price; and

(ii) approximately 1.7 million Units are issued as Acquisition Fee Units at an assumed issue price of S$1.81 per Unit.

The information in this table should be read in conjunction with paragraph 4.5 below.

<table>
<thead>
<tr>
<th></th>
<th>Actual (S$’000)</th>
<th>Adjusted for the Acquisition (S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term debt:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured debt</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Unsecured debt</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Total short-term debt</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td><strong>Long-term debt:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured debt</td>
<td>334,000</td>
<td>334,000</td>
</tr>
<tr>
<td>Unsecured debt</td>
<td>195,000</td>
<td>354,790&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>529,000</td>
<td>688,790</td>
</tr>
<tr>
<td><strong>Total debt:</strong></td>
<td>589,000</td>
<td>748,790</td>
</tr>
<tr>
<td>Unitholders’ funds and reserves</td>
<td>1,462,355&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>1,615,092&lt;sup&gt;(3)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Expenses relating to the Private Placement</td>
<td>–</td>
<td>(2,659)</td>
</tr>
<tr>
<td>Total Unitholders’ funds and reserves</td>
<td>1,462,355</td>
<td>1,612,433</td>
</tr>
<tr>
<td><strong>Total Capitalisation</strong></td>
<td>2,051,355</td>
<td>2,361,222</td>
</tr>
</tbody>
</table>
Notes:
(1) Based on the illustration that borrowings of S$159.8 million are incurred to part finance the Acquisition. For ease of presentation in this Circular, it has further been assumed that the foregoing borrowings are in the form of unsecured debt.
(2) Based on the FY2013 Audited Financial Statements.
(3) Based on the assumption that the aggregate valuation of Changi City Point as at 30 September 2013 was S$305.0 million.

4.5 Profit Forecast

The following table sets out FCT’s forecast consolidated statement of net income and distribution for the Forecast Period which has been prepared in accordance with the accounting policies adopted by FCT for FY2013. In the preparation of the forecast consolidated statement of net income and distribution for the Forecast Period, specific non-cash items which have no impact on distributable income have been excluded in the presentation of the distributable income to Unitholders. The Profit Forecast is set out in Appendix B of this Circular.

The Profit Forecast must be read together with the report of the Independent Accountants (who have examined the Profit Forecast) in Appendix C of this Circular.
## FORECAST CONSOLIDATED STATEMENT OF NET INCOME AND DISTRIBUTION OF FCT – EXISTING ASSETS AND CHANGI CITY POINT

<table>
<thead>
<tr>
<th>SS'000</th>
<th>Forecast Period (1 June 2014 to 30 September 2014)(1)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Existing Assets</td>
<td>Changi City Point</td>
<td>Enlarged Assets</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Rent</strong></td>
<td>48,284</td>
<td>8,068</td>
<td>56,352</td>
<td></td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td>5,324</td>
<td>880</td>
<td>6,204</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>53,608</td>
<td>8,948</td>
<td>62,556</td>
<td></td>
</tr>
<tr>
<td><strong>Property Manager’s Fee</strong></td>
<td>(2,050)</td>
<td>(325)</td>
<td>(2,375)</td>
<td></td>
</tr>
<tr>
<td><strong>Property Tax</strong></td>
<td>(4,823)</td>
<td>(713)</td>
<td>(5,536)</td>
<td></td>
</tr>
<tr>
<td><strong>Maintenance Expenses</strong></td>
<td>(5,878)</td>
<td>(1,487)</td>
<td>(7,365)</td>
<td></td>
</tr>
<tr>
<td><strong>Other Property Expenses</strong></td>
<td>(3,203)</td>
<td>(904)</td>
<td>(4,107)</td>
<td></td>
</tr>
<tr>
<td><strong>Property Expenses</strong></td>
<td>(15,954)</td>
<td>(3,429)</td>
<td>(19,383)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>37,654</td>
<td>5,519</td>
<td>43,173</td>
<td></td>
</tr>
<tr>
<td><strong>Borrowing Costs</strong></td>
<td>(5,678)</td>
<td></td>
<td>(7,226)</td>
<td></td>
</tr>
<tr>
<td><strong>Trust Expenses</strong></td>
<td>(556)</td>
<td></td>
<td>(589)</td>
<td></td>
</tr>
<tr>
<td><strong>Manager’s Management Fee</strong></td>
<td>(4,009)</td>
<td></td>
<td>(4,599)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>27,411</td>
<td></td>
<td>30,759</td>
<td></td>
</tr>
<tr>
<td><strong>Net Tax Adjustments(2)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Distribution from Associate</strong></td>
<td>1,341</td>
<td></td>
<td>1,560</td>
<td></td>
</tr>
<tr>
<td><strong>Units in Issue ('000)</strong></td>
<td>825,968(4)</td>
<td></td>
<td>914,246(5)</td>
<td></td>
</tr>
<tr>
<td><strong>Basic DPU (cents)</strong></td>
<td>3.66</td>
<td></td>
<td>3.70</td>
<td></td>
</tr>
<tr>
<td><strong>Distributable Income to Unitholders(3)</strong></td>
<td>30,251</td>
<td></td>
<td>33,818</td>
<td></td>
</tr>
<tr>
<td><strong>Annualised DPU (cents)</strong></td>
<td>10.99</td>
<td></td>
<td>11.10</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

(1) The forecast DPU will vary to the extent that the New Units under the Private Placement are issued on a date other than 1 June 2014.

(2) These include, where applicable, non-tax deductible expenses relating to the portion of the Manager’s management fee which is paid or assumed to be paid in the form of Units, amortisation of upfront fee for credit facilities, the Trustee’s fee and other expenses which are not deductible for tax purposes.

(3) Distributions for the Forecast Period are based on 100.0% of the total income available for distribution.

(4) The average Units in issue at the end of the Forecast Period.

(5) The average Units in issue at the end of the Forecast Period include the forecast number of Units and the assumed number of New Units to be issued (i) pursuant to the Private Placement, (ii) as payment for the Acquisition Fee and (iii) as part payment of the Manager’s management fee for the Forecast Period which is assumed to be paid in the form of Units. For (i), the Illustrative Issue Price has been assumed, while an issue price of S$1.81 per Unit has been assumed for (ii) and (iii). The assumed number of New Units to be issued under the Private Placement to part finance the Acquisition is approximately 86.5 million.
4.6  Requirement for Unitholders' Approval

4.6.1  Relative figures computed on the bases set out in Rule 1006 of the Listing Manual

The relative figures for the Acquisition computed using the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are set out in the tables below.

<table>
<thead>
<tr>
<th>Comparison of</th>
<th>Changi City Point</th>
<th>FCT</th>
<th>Relative figure (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Property Income (S$ million)</td>
<td>16.0(1)</td>
<td>111.6(2)</td>
<td>14.4</td>
</tr>
<tr>
<td>Purchase Consideration against market capitalisation (S$ million)</td>
<td>305.0</td>
<td>1,506.4(3)</td>
<td>20.2</td>
</tr>
</tbody>
</table>

Notes:
(1) Refers to Changi City Point's Net Property Income for the period ended 30 September 2013.
(2) Refers to FCT's Net Property Income for FY2013.
(3) Market capitalisation computed based on 825.4 million Units in issue as at the Latest Practicable Date and the price of S$1.825 per Unit (being the closing price of the Units on the SGX-ST on the Latest Practicable Date).

The Manager is of the view that the Acquisition is in the ordinary course of FCT's business and is therefore not subject to Chapter 10 of the Listing Manual.

4.6.2  Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where FCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of FCT's latest audited net tangible assets ("NTA"), Unitholders' approval is required in respect of the transaction. Based on the FY2013 Audited Financial Statements, the NTA of FCT was S$1,462.4 million. Accordingly, if the value of a transaction which is proposed to be entered into in FY2014 by FCT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$73.1 million, such a transaction would be subject to Unitholders’ approval. The Purchase Consideration of S$305.0 million (which is 20.9% of the NTA of FCT as at 30 September 2013) exceeds the said threshold.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders’ approval for an interested party transaction by FCT whose value exceeds 5.0% of FCT’s latest audited NAV. Based on the FY2013 Audited Financial Statements, the NAV of FCT was S$1,462.4 million. Accordingly, if the value of a transaction which is proposed to be entered into by FCT with an interested party is equal to or greater than S$73.1 million, such a transaction would be subject to Unitholders’ approval. The Purchase Consideration of S$305.0 million (which is 20.9% of the NAV of FCT as at 30 September 2013) exceeds the said threshold.

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1 The Manager is also entitled to receive, in the form of Units, the Acquisition Fee of S$3.05 million in respect of the Acquisition.
As at the Latest Practicable Date, FCL holds an aggregate deemed interest in 339,270,343 Units (which is equivalent to approximately 41.1% of the 825,400,343 Units in issue as at the Latest Practicable Date) and is therefore regarded as a “controlling Unitholder” of FCT under the Listing Manual and the Property Funds Appendix.

As FCL holds an indirect 50.0% interest in the Vendor (being an associate of a “controlling Unitholder”) is:

(i) for the purposes of Chapter 9 of the Listing Manual, an “interested person” of FCT and the Acquisition constitutes an “interested person transaction”; and

(ii) for the purposes of Paragraph 5 of the Property Funds Appendix, an “interested party” of FCT and the Acquisition constitutes an “interested party transaction”.

Accordingly, the Manager is seeking Unitholders’ approval for the Acquisition pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

4.7 Property Management Agreement

Frasers Centrepoint Property Management Services Pte. Ltd. (the “Property Manager”) is a wholly-owned subsidiary of FCL. For the purposes of Chapter 9 of the Listing Manual, the Property Manager (being an associate of a “controlling Unitholder”) is an “interested person” of FCT.

If FCT acquires Changi City Point, it will be managed by the Property Manager. The Trustee, the Manager and the Property Manager have entered into a property management agreement on 8 April 2014 to provide services in respect of Changi City Point for the period commencing on the date of Completion (or such other date as the parties may agree in writing) and ending on the date falling five years from the date of Completion (the “Changi City Point PMA”). Under the terms of the Changi City Point PMA, the Property Manager will be paid certain fees for property management (including lease management), project management and property tax services rendered in respect of Changi City Point as set out below.

4.7.1 Property management (including lease management) services

In respect of property management (including lease management) services, the Property Manager is entitled to the following fees:

(i) 2.0% per annum of the Gross Revenue of Changi City Point;

(ii) 2.0% per annum of the Net Property Income (calculated before accounting for the Property Manager’s fees payable under the Changi City Point PMA in the relevant fiscal year ending 30 September) of Changi City Point; and

(iii) 0.5% per annum of the Net Property Income (calculated before accounting for the Property Manager’s fees payable under the Changi City Point PMA in the relevant fiscal year ending 30 September) of Changi City Point, in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.
4.7.2 Property tax services

In respect of property tax objections submitted to the tax authorities on any proposed annual value of Changi City Point, the Property Manager is entitled to the following fees if as a result of such objections, the proposed annual value is reduced resulting in property tax savings for Changi City Point:

(i) where the proposed annual value is S$1.0 million or less, a fee of 7.5% of the property tax savings;

(ii) where the proposed annual value is more than S$1.0 million but does not exceed S$5.0 million, a fee of 5.5% of the property tax savings; and

(iii) where the proposed annual value is more than S$5.0 million, a fee of 5.0% of the property tax savings.

The fee for the property tax services is a lump sum fixed fee based on the property tax savings calculated on a 12-month period.

4.7.3 Project management services

For project management services, the Trustee will pay the Property Manager the following fees for the development or redevelopment (if not prohibited by the Property Funds Appendix or if otherwise permitted by the MAS) the refurbishment, retrofitting and renovation works in respect of Changi City Point or any part(s) thereof:

(i) where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs;

(ii) where the construction costs exceed S$2.0 million but do not exceed S$20.0 million, a fee of 2.0% of the construction costs;

(iii) where the construction costs exceed S$20.0 million but do not exceed S$50.0 million, a fee of 1.5% of the construction costs; and

(iv) where the construction costs exceed S$50.0 million, a fee to be mutually agreed by the Parties.

For the purpose of calculating the fees payable to the Property Manager for project management services, “construction costs” means all construction costs and expenditure valued by the quantity surveyor engaged by the Trustee for the project, excluding development charges, differential premiums, statutory payments, consultants’ professional fees and goods and services tax.

As disclosed in the table in paragraph 4.5 above, the forecast Property Manager’s fee for Changi City Point in respect of the Forecast Period is approximately S$0.3 million. The terms of the Changi City Point PMA are similar to the terms of other property management agreements entered into between the Manager, the Trustee and the Property Manager in relation to the properties in the Existing Portfolio.

Other than the transaction disclosed above, FCT has not entered into any “interested person transactions” and/or “interested party transactions” with entities within the FCL Group during the course of FY2014 up to the Latest Practicable Date.
4.8 Advice of the Independent Financial Adviser

Under Rule 921(4)(b) of the Listing Manual, an opinion from an independent financial adviser is not required for an “interested person transaction” if the transaction involves the purchase of real property where (i) the consideration for the purchase or sale is in cash, (ii) an independent professional valuation has been obtained for the purpose of the purchase of the property and (iii) the valuation of such property is disclosed in the circular to unitholders.

Accordingly, as the Acquisition involves the purchase of Changi City Point where (i) the Purchase Consideration will be payable in cash, (ii) independent valuations have been obtained from Knight Frank and Colliers for the purpose of the purchase of Changi City Point and (iii) the valuations by Knight Frank and Colliers are disclosed in this Circular, a letter from an independent financial adviser is not strictly required, notwithstanding that the Acquisition is an “interested person transaction”.

However, for the purpose of good corporate governance and to ensure that there is an independent analysis of the Acquisition, the Manager has appointed an independent financial adviser to review the Acquisition. The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd (the “IFA”) to advise the independent directors of the Manager (the “Independent Directors”) in relation to the Acquisition. A copy of the letter from the IFA to the Independent Directors and the Trustee (the “IFA Letter”), containing its advice in full, is set out in Appendix E of this Circular.

Unitholders are advised to read the IFA Letter carefully. In addition, as recommended by the IFA in the IFA Letter, the Independent Directors advise Unitholders to read paragraphs 2 to 14 of this Letter to Unitholders carefully.

Having considered the factors and made the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Acquisition is based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors recommend that Unitholders vote in favour of Resolution 1 (the Acquisition) to be proposed at the EGM.

4.9 Interests of Directors of the Manager

As at the Latest Practicable Date, the interests of the directors of the Manager (the “Directors”) in the Acquisition are as follows:

(i) Mr Philip Eng Heng Nee is the Independent Non-Executive Chairman of the Manager and a director of FCL;

(ii) Dr Chew Tuan Chiong is the Chief Executive Officer and Executive Director of the Manager and a director of other entities within the FCL Group other than the Manager. He has a direct interest in 43,586 shares in FCL;

(iii) Mr Anthony Cheong Fook Seng is a Non-Executive Director of the Manager. He has (i) a direct interest in 50,000 Units (which is equivalent to 0.006% of the 825,400,343 Units in issue as at the Latest Practicable Date) and (ii) a direct interest in 185,900 shares in FCL;

1 The Independent Directors are Mr Philip Eng Heng Nee, Mr Bobby Chin Yoke Choong and Mr Soh Kim Soon.
(iv) Mr Chia Khong Shoong is a Non-Executive Director of the Manager, the (i) chief executive officer, Australia, New Zealand and United Kingdom and (ii) chief financial officer of FCL, and a director of other entities within the FCL Group other than the Manager. He has a direct interest in 177,196 shares in FCL;

(v) Mr Bobby Chin Yoke Choong is an Independent Non-Executive Director of the Manager and has a deemed interest in 100,000 Units (which is equivalent to 0.012% of the 825,400,343 Units in issue as at the Latest Practicable Date);

(vi) Mr Lim Ee Seng is a Non-Executive Director of the Manager, the group chief executive officer of FCL and a director of the Vendor and other entities within the FCL Group other than the Manager. He has (i) a direct interest in 200,000 Units (which is equivalent to 0.024% of the 825,400,343 Units in issue as at the Latest Practicable Date) and (ii) a direct interest in 739,712 shares in FCL;

(vii) Mr Soh Kim Soon is an Independent Non-Executive Director of the Manager and has a direct interest in 100,000 Units (which is equivalent to 0.012% of the 825,400,343 Units in issue as at the Latest Practicable Date); and

(viii) Mr Christopher Tang Kok Kai is a Non-Executive Director of the Manager, the (i) chief executive officer, Greater China and (ii) chief executive officer, Frasers Centrepoint Commercial of FCL and a director of the Vendor and other entities within the FCL Group other than the Manager. He has (a) a direct interest and a deemed interest in an aggregate of 670,000 Units (which is equivalent to approximately 0.081% of the 825,400,343 Units in issue as at the Latest Practicable Date) and (b) a direct interest in 184,658 shares in FCL.

Based on information available to the Manager as at the Latest Practicable Date, save as disclosed above, none of the Directors have an interest, direct or indirect, in the Acquisition.

### 4.10 Interests of Substantial and Controlling Unitholders

As at the Latest Practicable Date, the interests of the Substantial Unitholders\(^1\) in the Acquisition, as recorded in FCT’s Register of Substantial Unitholders, are as follows:

(i) FCL has an indirect 50.0% interest in the Vendor and has a deemed interest in 339,270,343 Units;

(ii) FCL Trust Holdings Pte. Ltd. has a direct interest in 313,500,000 Units;

(iii) International Beverage Holdings Limited has an indirect 50.0% interest in the Vendor and has a deemed interest in 339,270,343 Units;

(iv) InterBev Investment Limited has an indirect 50.0% interest in the Vendor and has a deemed interest in 339,270,343 Units;

(v) Thai Beverage Public Company Limited has an indirect 50.0% interest in the Vendor and has a deemed interest in 339,270,343 Units;

(vi) TCC Assets Limited has an indirect 50.0% interest in the Vendor and has a deemed interest in 339,270,343 Units;

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\(^1\)“Substantial Unitholder” means a person with an interest in one or more Units constituting not less than 5.0% of the total number of Units in issue.
(vii) Charoen Sirivadhanabhakdi has an indirect 50.0% interest in the Vendor and has a deemed interest in 339,270,343 Units; and

(viii) Khunying Wanna Sirivadhanabhakdi has an indirect 50.0% interest in the Vendor and has a deemed interest in 339,270,343 Units.

While FCT has other Substantial Unitholders (details of which have been announced on SGXNET\(^1\)), based on information available to the Manager as at the Latest Practicable Date, none of these Substantial Unitholders has an interest, direct or indirect, in the Acquisition, and therefore their details have not been disclosed in this Circular as such details are not relevant.

4.11 Directors’ Service Contracts

No person is proposed to be appointed as a Director in connection with the Acquisition, the Conditional Sale and Purchase Agreement or any other transaction contemplated in relation to the Acquisition (including the Changi City Point PMA).

5. **RESOLUTION 2: THE PROPOSED ISSUE OF UP TO 90.0 MILLION NEW UNITS UNDER THE PRIVATE PLACEMENT**

5.1 Overview of the Private Placement and Use of Proceeds

The Manager is seeking Unitholders’ approval for the issue of up to 90.0 million New Units (which is equivalent to up to approximately S$155.7 million\(^2\) or 10.9% of the 825,400,343 Units in issue as at the Latest Practicable Date) pursuant to the Private Placement to part finance the Acquisition\(^3\). The balance thereof is intended to be funded by borrowings (which may include drawing down on the FCT Loan Facilities) and/or internal sources. The Manager intends to allocate the entire proceeds from the Private Placement for the purposes of the Acquisition.

The Manager intends to finance the Acquisition with a combination of equity and debt financing, so as to ensure that the Acquisition will provide overall DPU accretion to Unitholders while maintaining an optimum level of gearing. The final decision regarding the proportion of equity and debt financing to be employed for the purposes of financing the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions.

The illustrative debt and equity funding plan adopted in this Circular is based on a realistic illustrative net debt funding level of 52.0% of the Purchase Consideration, in light of current market conditions. However, the actual debt and equity funding plan to be adopted by the Manager will depend on, among others, prevailing market conditions, the demand for New Units, the Issue Price and the terms and interest rates of available debt and loan facilities. Based on current market conditions, it is expected that following the completion of the Acquisition and the Private Placement, FCT’s Aggregate Leverage will not differ materially from the illustration provided in paragraph 3.1 above.

The structure and timing of the Private Placement have not been determined. If and when the Manager decides to carry out the Private Placement, the Private Placement will comprise a private placement of New Units to institutional and other investors when the Manager deems appropriate in the circumstances and after having considered the then

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\(^1\) An internet-based corporate announcement submission system maintained by the SGX-ST.

\(^2\) Based on the Illustrative Issue Price of S$1.73.

\(^3\) For the avoidance of doubt, the Private Placement is inclusive of the FCL Group Placement.
prevailing market conditions. In the event that the Acquisition and the Private Placement are approved by Unitholders, but market conditions are not conducive to carry out the Private Placement or the Private Placement cannot be effected on acceptable terms, the Manager may decide to delay the Acquisition or alternatively fully finance the Acquisition by debt or a combination of debt and other forms of equity fund raising. Should the Manager part finance the Acquisition through other forms of equity fund raising other than a private placement, the Manager will rely on any available general unit issue mandate for the purpose of issuing new Units.

The Manager will work with the Joint Lead Managers and Underwriters to determine the structure of the Private Placement, the time schedule for the Private Placement and the Issue Price, taking into account market conditions, and other factors that the Manager and the Joint Lead Managers and Underwriters consider relevant. The structure and time schedule of the Private Placement and the Issue Price will be determined in accordance with Chapter 8 of the Listing Manual. The Manager will announce details of the Private Placement at the appropriate time.

The Issue Price under the Private Placement will be determined between the Manager and the Joint Lead Managers and Underwriters closer to the date of commencement of the Private Placement. The actual number of New Units to be issued in connection with the Private Placement will depend on the aggregate amount of proceeds to be raised from the Private Placement and the Issue Price. The Issue Price will be subject to Rules 811(1) and 811(5) of the Listing Manual, and will not be at more than 10.0% discount to the volume weighted average price for trades done on the SGX-ST for the full market day\(^1\) on which the placement agreement is signed or, if trading in the Units is not available for a full market day, for the preceding market day up to the time the placement agreement is signed, excluding (where applicable) declared distributions provided that the placees under the Private Placement are not entitled to the declared distributions.

In the event that the Private Placement is carried out:

(i) the Private Placement will comply with Rule 803 of the Listing Manual, such that the New Units will not be issued under the Private Placement to transfer a controlling interest without the prior approval of Unitholders in a general meeting; and

(ii) the Private Placement will also comply with Rule 812 of the Listing Manual, such that the New Units will not be placed to any of the connected persons listed under Rule 812(1) of the Listing Manual (other than one that fulfils the criteria set out in Rule 812(3) or 812(4) of the Listing Manual), save for the placement of New Units under the FCL Group Placement, which is subject to the prior approval of Unitholders in a general meeting.

The unitholding interest of existing Unitholders may be diluted by the issue of New Units in the event that the Manager issues New Units under the Private Placement and such existing Unitholders do not have the opportunity to participate in the Private Placement.

The Manager believes that funds raised from the Private Placement will be sufficient to enable FCT to meet its obligations and continue to operate as a going concern.

**The information contained in this paragraph 5.1 is subject to change.** When the Manager finalises its plans in relation to the Private Placement, it will make an announcement in relation to such details at the appropriate time.

\(^1\) "market day" means a day on which the SGX-ST is open for trading in securities.
The Private Placement is subject to, among others, the then prevailing market conditions and agreement to the terms of and execution of the underwriting agreement to be entered into between the Manager and the relevant underwriter(s) in relation to the Private Placement (the “Underwriting Agreement”).

5.2 Rationale for the Private Placement

Given the current market conditions and the borrowing limit imposed by MAS on property funds such as FCT, the Manager believes that the Private Placement is an efficient and beneficial method of raising funds to finance the Acquisition, and provides FCT with the flexibility to tap the equity markets for funds.

5.3 Underwriting by Underwriters

It is anticipated that all or part of the Private Placement (save for any proposed issue of New Units to the FCL Group, as part of the Private Placement) will be underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Underwriting Agreement. The Underwriting Agreement will contain such representations, warranties, undertakings, indemnities and terms as are customary for a transaction of this nature.

The Joint Lead Managers and Underwriters will be paid an underwriting commission pursuant to the Underwriting Agreement.

5.4 Costs of the Private Placement

Costs and expenses in connection with the Private Placement which are to be borne by FCT comprise the following:

(i) the financial advisory commission and related expenses payable to the Sole Financial Adviser in relation to the Private Placement;

(ii) the underwriting and selling commission and related expenses payable to the Joint Lead Managers and Underwriters in relation to the Private Placement; and

(iii) professional and other fees and expenses to be incurred by FCT in connection with the Private Placement.

The costs and expenses in connection with the Private Placement will vary according to the amount of gross proceeds to be raised. Based on the Illustrative Issue Price and assuming that 86.5 million New Units are issued under the Private Placement to raise gross proceeds of S$149.7 million, the Manager estimates that the costs and expenses to be incurred by FCT in connection with the Private Placement will be approximately S$2.6 million, comprising (i) underwriting and financial advisory fees in respect of the Private Placement of S$1.6 million, and (ii) other transaction costs of S$1.0 million.

5.5 Consequential Adjustment to Distribution Period

FCT’s policy is to distribute its distributable income on a quarterly basis to Unitholders. When the Manager decides to carry out the Private Placement, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution or an advance distribution, or such other plans to ensure fairness to holders of the Existing Units.

Further details pertaining to any adjustments to the distribution period, if any, will be announced at the appropriate time.
5.6 Status of the New Units

The New Units will, upon issue, rank pari passu in all respects with the Existing Units, including the right to any distributable income from the day the New Units are issued as well as all distributions thereafter.

For the avoidance of doubt, New Units will not be entitled to participate in the distribution of any distributable income accrued by FCT prior to the date of issue of the New Units.

5.7 Requirement for Unitholders’ Approval

The Manager is seeking the approval of Unitholders for the issue of New Units pursuant to the Private Placement pursuant to Rule 805(1) of the Listing Manual.

6. RESOLUTION 3: THE PROPOSED PLACEMENT OF NEW UNITS TO THE FCL GROUP UNDER THE PRIVATE PLACEMENT AS A RELATED PARTY TRANSACTION

6.1 Overview of the FCL Group Placement

To enable the FCL Group to be in a position to support FCT, the Manager is seeking Unitholders’ approval for the proposed issue of New Units to the FCL Group, as part of the Private Placement. The FCL Group may subscribe for such number of New Units under the Private Placement up to the FCL Group’s proportionate pre-placement unitholding in FCT, in percentage terms. The New Units placed to the FCL Group under the FCL Group Placement will be issued at the same price as the New Units issued to other investors under the Private Placement.

6.2 Rationale for the FCL Group Placement

The Manager believes that the size of the FCL Group’s unitholdings in FCT provides a degree of stability to FCT as an investment vehicle. Allowing New Units to be placed to the FCL Group would help to maintain such stability, which is ultimately to the benefit of Unitholders. The ability of the FCL Group to subscribe for New Units under the Private Placement would also enhance investors’ confidence in FCT by providing a higher degree of certainty for the successful completion of the Private Placement.

The Manager is thus of the view that the FCL Group should be given the opportunity to apply for such New Units under the Private Placement.

The table below sets out the interests of the FCL Group in the Units as at the Latest Practicable Date:

<table>
<thead>
<tr>
<th>Name</th>
<th>Direct Interest in Units</th>
<th>Deemed Interest in Units</th>
<th>Percentage of total number of Units in issue (1) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCL</td>
<td>0</td>
<td>339,270,343</td>
<td>41.1</td>
</tr>
<tr>
<td>FCL Trust Holdings Pte. Ltd.</td>
<td>313,500,000</td>
<td>0</td>
<td>38.0</td>
</tr>
<tr>
<td>The Manager</td>
<td>25,770,343</td>
<td>0</td>
<td>3.1</td>
</tr>
</tbody>
</table>

1 This excludes the Acquisition Fee Units.
6.3 Requirement for Unitholders’ Approval

6.3.1 Placement to Substantial Shareholders of the Manager and Related Parties of the Substantial Shareholders

Rule 812(1) of the Listing Manual prohibits a placement of New Units to substantial shareholders of the Manager as well as related companies of the Manager’s substantial shareholders pursuant to the Private Placement, except where the approval of Unitholders by way of an Ordinary Resolution is obtained pursuant to Rule 812(2) of the Listing Manual.

As FCL wholly-owns the Manager and FCL Trust Holdings Pte. Ltd., and FCL’s subsidiaries are deemed to be related parties of FCL, Rule 812(1) of the Listing Manual therefore applies to the placement of New Units to the FCL Group pursuant to the Private Placement.

Accordingly, the Manager is seeking Unitholders’ approval for the FCL Group Placement.

6.3.2 Interested Person Transaction

FCL, being a “controlling Unitholder”, and its subsidiaries, being associates of a “controlling Unitholder”, are deemed to be “interested persons” of FCT for the purposes of Chapter 9 of the Listing Manual. The FCL Group Placement therefore constitutes an “interested person transaction” under Chapter 9 of the Listing Manual. If such number of New Units are placed to the FCL Group pursuant to the Private Placement in order for the FCL Group to maintain its proportionate pre-placement unitholding, in percentage terms\(^1\), there is a possibility (depending on the actual Issue Price and the number of New Units placed under the FCL Group Placement) that the value of New Units placed to the FCL Group may exceed 5.0% of the value of FCT’s latest audited NTA. In such circumstances, under Rule 906 of the Listing Manual, the Manager is required to seek Unitholders’ approval for the placement of New Units to the FCL Group.

\(^1\) This excludes the Acquisition Fee Units.
6.4 Advice of the Independent Financial Adviser

Under Rule 921(4)(b) of the Listing Manual, an opinion from an independent financial adviser is not required for Units issued pursuant to Part IV of Chapter 8 of the Listing Manual for cash. Accordingly, as the FCL Group Placement involves the issue of Units in accordance with the requirements under Part IV of Chapter 8 of the Listing Manual, a letter from an independent financial adviser is not strictly required.

However, for the purpose of good corporate governance and to ensure that there is an independent analysis of the FCL Group Placement, the Manager has appointed the IFA to advise the Independent Directors and the Trustee in relation to the FCL Group Placement. A copy of the IFA Letter, containing its advice in full, is set out in Appendix E of this Circular.

Unitholders are advised to read the IFA Letter carefully. In addition, as recommended by the IFA in the IFA Letter, the Independent Directors advise Unitholders to read paragraphs 2 to 14 of this Letter to Unitholders carefully.

Having considered the factors and made the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the FCL Group Placement is based on normal commercial terms and would not be prejudicial to the interests of FCT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors recommend that Unitholders vote in favour of Resolution 3 (the FCL Group Placement) to be proposed at the EGM.

6.5 Interests of the Directors

Please see paragraph 4.9 above for the interests of the Directors in the FCL Group Placement as at the Latest Practicable Date.

Based on information available to the Manager as at the Latest Practicable Date, save as disclosed above, none of the Directors have an interest, direct or indirect, in the FCL Group Placement.

6.6 Interests of Substantial and Controlling Unitholders

Please see paragraph 4.10 above for the interests of the Substantial Unitholders in the FCL Group Placement as at the Latest Practicable Date.

7. RECOMMENDATIONS

7.1 On the Proposed Acquisition

Based on the opinion of the IFA (as set out in the IFA Letter in Appendix E of this Circular) and having regard to the rationale for and key benefits of the Acquisition set out in paragraph 3 above, the Independent Directors (save for Mr Philip Eng Heng Nee, who has abstained from providing a recommendation on Resolution 1 in the interests of good corporate governance and transparency) and the audit committee of the board of directors of the Manager (the “Audit Committee”) are of the opinion that the Acquisition is based on normal commercial terms and would not be prejudicial to the interests of FCT and its minority Unitholders.
Accordingly, the Independent Directors (save for Mr Philip Eng Heng Nee, who has abstained from providing a recommendation on Resolution 1 for the reasons stated above) recommend that Unitholders vote at the EGM in favour of Resolution 1 relating to the Acquisition.

7.2 On the Proposed Private Placement

Having regard to the rationale for the Private Placement set out in paragraph 5.2 above, the Manager believes that the Private Placement would be beneficial to, and is in the interests of, FCT and its Unitholders.

Accordingly, the Manager recommends that Unitholders vote at the EGM in favour of Resolution 2 relating to the Private Placement.

7.3 On the Proposed FCL Group Placement

Based on the opinion of the IFA (as set out in the IFA Letter in Appendix E of this Circular) and having regard to the rationale for the FCL Group Placement set out in paragraph 6.2 above, the Independent Directors (save for Mr Philip Eng Heng Nee, who has abstained from providing a recommendation on Resolution 3 in the interests of good corporate governance and transparency) and the Audit Committee are of the opinion that the FCL Group Placement is based on normal commercial terms and would not be prejudicial to the interests of FCT and its minority Unitholders on the basis that:

(a) the New Units will be placed to the FCL Group at the same price as the New Units issued to other investors under the Private Placement; and

(b) the Issue Price under the Private Placement will be subject to Rules 811(1) and 811(5) of the Listing Manual, and will not be at more than 10.0% discount to the volume weighted average price for trades done on the SGX-ST for the full market day on which the placement agreement is signed or, if trading in the Units is not available for a full market day, for the preceding market day up to the time the placement agreement is signed, excluding (where applicable) declared distributions provided that the placees under the FCL Group Placement are not entitled to the declared distributions.

Accordingly, the Independent Directors (save for Mr Philip Eng Heng Nee, who has abstained from providing a recommendation on Resolution 3 for the reasons stated above) recommend that Unitholders vote at the EGM in favour of Resolution 3 relating to the FCL Group Placement.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 10.00 a.m. on 29 May 2014 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 G-1 to G-4 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about each of these resolutions.

Approval by way of an Ordinary Resolution is required in respect of each of Resolution 1 (the Acquisition), Resolution 2 (the Private Placement) and Resolution 3 (the FCL Group Placement).
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 EGM.

9. ABSTENTIONS FROM VOTING

9.1 Relationship between FCL, FCL Trust Holdings Pte. Ltd. and the Manager

As at the Latest Practicable Date, FCL Trust Holdings Pte. Ltd. and the Manager are direct wholly-owned subsidiaries of FCL. Through FCL Trust Holdings Pte. Ltd. and the Manager, FCL has a deemed interest in 339,270,343 Units, comprising approximately 41.1% of the 825,400,343 Units in issue as at the Latest Practicable Date.

9.2 Abstention from Voting

Resolution 1 (The Acquisition)

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested.

Given that Changi City Point will be acquired from the Vendor, in which FCL holds an indirect 50.0% interest, each of FCL, FCT Trust Holdings Pte. Ltd. and the Manager (i) will abstain, and will procure that their associates abstain, from voting at the EGM on Resolution 1 (the Acquisition), and (ii) will not, and will procure that their associates do not, accept appointments as proxies in relation to Resolution 1 (the Acquisition), unless specific instructions as to voting are given.

Resolution 3 (The FCL Group Placement)

Rule 812(2) of the Listing Manual prohibits the restricted placee under Rule 812(1) and each of its associates (as defined in the Listing Manual), from voting on the resolution to approve the placement to the restricted placee.

Each of FCL, FCT Trust Holdings Pte. Ltd. and the Manager (i) will abstain from voting at the EGM on Resolution 3 (the FCL Group Placement), and (ii) will not, and will procure that their associates do not, accept appointments as proxies in relation to Resolution 3 (the FCL Group Placement), unless specific instructions as to voting are given.

10. 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 10.00 a.m. on 27 May 2014, 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 one or more 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.

11. 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 Acquisition, the Private Placement, the FCL Group Placement, FCT and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. The Directors are satisfied that the Profit Forecast set out in Appendix B of this Circular has been stated after due and careful enquiry. Where information has been extracted or reproduced 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 this Circular in its proper form and context.

12. RESPONSIBILITY STATEMENT OF THE SOLE FINANCIAL ADVISER AND THE JOINT LEAD MANAGERS AND UNDERWRITERS IN RELATION TO THE PRIVATE PLACEMENT

To the best of the Sole Financial Adviser’s and the Joint Lead Managers and Underwriters’ (in each case in relation to the Private Placement) knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Private Placement, and each of the Sole Financial Adviser and the Joint Lead Managers and Underwriters (in each case in relation to the Private Placement) is not aware of any facts the omission of which would make any statement about the Private Placement in this Circular misleading.

13. CONSENTS

Each of the Independent Accountants, the Independent Valuers, Urbis and the IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the Independent Accountants’ Report on the Profit Forecast, the Valuation Certificates, the Urbis Report and the IFA Letter, 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 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 full valuation report on Changi City Point issued by Knight Frank;
(ii) the full valuation report on Changi City Point issued by Colliers;
(iii) the Urbis Report;
(iv) the Conditional Sale and Purchase Agreement;

Prior appointment with the Manager will be appreciated.
(v) the Changi City Point PMA;
(vi) the Independent Accountants’ Report on the Profit Forecast;
(vii) the IFA Letter;
(viii) the FY2013 Audited Financial Statements; and
(ix) the written consents of the Independent Accountants, Urbis, the Independent Valuers
and the IFA.

The Trust Deed will also be available for inspection at the registered office of the Manager
for so long as FCT is in existence.

Yours faithfully

for and on behalf of

FRASERS CENTREPOINT ASSET MANAGEMENT LTD.
(as manager of Frasers Centrepoint Trust)
Company Registration No. 200601347G

Mr Philip Eng Heng Nee
Independent Non-Executive Chairman
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 FCT is not necessarily indicative of the future performance of FCT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events. All forecasts are based on the Illustrative Issue Price and on the Manager’s assumptions as explained in this Circular including, but not limited to, Appendix B of this Circular. The Units’ DPU yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Illustrative Issue Price used in the computing of DPU information in this Circular. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, which are considered by the Manager to be appropriate and reasonable as at the date of this Circular. The forecast financial performance of FCT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of this Circular for details of the forecasts and consider the assumptions used and make their own assessment of the future performance of FCT.

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. It is not an offer of securities for sale into the United States. The New Units have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the New Units 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 Securities Act and applicable state or local securities laws. Any public offering of securities of FCT in the United States would be made by means of a prospectus that would contain detailed information about FCT and the Manager, as well as financial statements. The Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.
GLOSSARY

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

% : Per centum or percentage

Acquisition : The proposed acquisition of Changi City Point

Acquisition Cost : The total acquisition cost of approximately S$312.5 million for the Acquisition, comprising (i) the Purchase Consideration, (ii) the Acquisition Fee payable to the Manager pursuant to the Trust Deed, and (iii) the estimated professional and other fees and expenses incurred by FCT in connection with the Acquisition and the Private Placement

Acquisition Fee : The acquisition fee of S$3.05 million payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed

Acquisition Fee Units : Units to be issued to the Manager as payment of the Acquisition Fee

Aggregate Leverage : The ratio of the total borrowings and deferred payments (if any) to the value of the Deposited Property

Anchorpoint Development : Anchorpoint, The Anchorage and the common property of the strata sub-divided mix-use development

Anchorpoint Management Corporation : The Management Corporation of the Anchorpoint Development

Audit Committee : The audit committee of the board of directors of the Manager

C&CI : Civic & Community Institution

CDP : The Central Depository (Pte) Limited

Changi City Point PMA : The property management agreement entered into between the Trustee, the Manager and the Property Manager on 8 April 2014 to provide services in respect of Changi City Point on Completion

Changi City Point or Property : The property known as Changi City Point, located at 5 Changi Business Park Central 1, Singapore 486038, being the whole of Strata Lot U49285C together with Accessory Lots A101C, A102M, A103W and A104V, all of Mukim 27 together with the building comprised thereon and known as 5 Changi Business Park Central 1, Changi City Point, Singapore 486038

Colliers : Colliers International (Singapore) Pte Ltd
| **Committed Leases** or **Committed Lease** | Leases in respect of which definitive agreements have been entered into between the lessor and lessee (including legally binding letters of offer which have been accepted for vacant units) |
| **Completion** | Completion of the Acquisition |
| **Conditional Sale and Purchase Agreement** | The conditional sale and purchase agreement entered into between the Trustee and the Vendor on 8 April 2014 for the sale of Changi City Point to the Trustee |
| **Conditions Precedent** | The conditions precedent for Completion |
| **Construction costs** | In relation to the fees payable to the Property Manager for project management services, means all construction costs and expenditure valued by the quantity surveyor engaged by the Trustee for the project, excluding development charges, differential premiums, statutory payments, consultants’ professional fees and goods and services tax |
| **Deposited Property** | All the assets of FCT, including all its authorised investments held or deemed to be held by it under the Trust Deed |
| **Directors** | The directors of the Manager |
| **DPU** | Distribution per Unit |
| **ECP** | East Coast Parkway Expressway |
| **EGM** | The extraordinary general meeting of Unitholders to be held at 10.00 a.m. on 29 May 2014 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 G-1 to G-4 of this Circular |
| **Enlarged Portfolio** | Comprises the Existing Portfolio and Changi City Point |
| **Existing Assets** | Comprises the Existing Portfolio and other assets held by FCT as at the Latest Practicable Date |
| **Existing Portfolio** | The portfolio of properties currently held by FCT, comprising Causeway Point, Northpoint, YewTee Point, Bedok Point and Anchorpoint |
| **Existing Units** | The Units in issue on the day immediately prior to the date on which the New Units are issued under the Private Placement |
| **FCL** | Frasers Centrepoint Limited |
| **FCL Group** | FCL and its subsidiaries |
FCL Group Placement: The proposed placement of such number of New Units to the FCL Group under the Private Placement up to the FCL Group’s proportionate pre-placement unitholding in FCT, in percentage terms.

FCT: Frasers Centrepoint Trust

FCT Loan Facilities: The loan facilities currently put in place by the Manager and the new loan facilities which the Manager may from time to time put in place, which may be utilised to part finance the Acquisition in accordance with the funding structure to be determined by the Manager.

Forecast Period: The period from 1 June 2014 to 30 September 2014

FY2013: The financial year ended 30 September 2013

FY2014: The financial year ending 30 September 2014

FY2013 Audited Financial Statements: The audited financial statements of FCT for FY2013

Gross Floor Area or GFA: The gross floor area of a building measured in accordance with guidelines issued by the relevant authorities.

Gross Rental Income: Comprises base rental income (after rent rebates, refunds, credits or discounts and rebates for rent-free periods, where applicable, but excluding turnover rent), service charge and advertising and promotion levy payable by tenants.

Gross Revenue: Comprises Gross Rental Income and Other Revenue earned from a property, including revenue from car parks, turnover rents, license fees, casual leasing income and other miscellaneous income.

GST: Goods and services tax.

IFA: Deloitte & Touche Corporate Finance Pte Ltd

IFA Letter: The letter from the IFA to the Independent Directors and the Trustee set out in Appendix E of this Circular

Illustrative Issue Price: The illustrative issue price of S$1.73 per New Unit

Independent Accountants: Ernst & Young LLP

Independent Directors: The independent directors of the Manager, being Mr Philip Eng Heng Nee, Mr Bobby Chin Yoke Choong and Mr Soh Kim Soon.

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1 This excludes the Acquisition Fee Units.
Independent Valuers : Knight Frank and Colliers

Issue Price : The issue price of the New Units

Joint Lead Managers and Underwriters : Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd., as the joint lead managers and underwriters in relation to the Private Placement

JTC : JTC Corporation

JTC Approval : Means the approval of JTC to:

(a) the sale of the Property by the Vendor to the Trustee; and

(b) the mortgage and/or charge of the Property by the Trustee to its mortgagee and/or chargee on Completion, if applicable

Knight Frank : Knight Frank Pte. Ltd.

Latest Practicable Date : 5 May 2014, being the latest practicable date prior to the printing of this Circular


Manager : Frasers Centrepoint Asset Management Ltd., as manager of FCT

market day : A day on which the SGX-ST is open for trading in securities

MAS : Monetary Authority of Singapore

Moody’s : Moody’s Investors Service, Inc.

MRT : Mass Rapid Transit

NAV : Net asset value

Net Income : Comprises Net Property Income and any other income of FCT (comprising mainly investment income and interest income, if any, but excluding any non-operating income such as gains on disposal or revaluation of properties) less finance costs, the Manager’s management fees, and trust expenses (comprising recurring operating expenses such as the Trustee’s fee, annual listing fees, registry fees, accounting, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expenses relating to FCT) (before tax, if any)
**Net Lettable Area or NLA** : Comprises the floor area in a building that is to be leased and in respect of which a rent is payable, which generally excludes common areas (such as corridors, public atrium and toilets) and areas used to accommodate building and property management facilities and services.

**Net Property Income** : Comprises Gross Revenue less Property Expenses.

**New Units** : The new Units proposed to be issued under the Private Placement.

**NTA** : Net tangible assets.

**Ordinary Resolution** : 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.

**Other Revenue** : In respect of a property, includes revenue from car parks, turnover rents, license fees, causal leasing income and other miscellaneous income.

**PIE** : Pan Island Expressway.

**Primary Trade Sector** : According to Urbis, the Primary Trade Sector is bordered by the PIE to the north, Bedok Canal to the east and the Laguna and Tanah Merah golf courses to the south-east, contained within a 2 kilometre radius from the Property.

**Private Placement** : The proposed issue of up to 90.0 million New Units (which is equivalent to up to approximately S$155.7 million or 10.9% of the 825,400,343 Units in issue as at the Latest Practicable Date) pursuant to a private placement to institutional and other investors to part finance the Acquisition.

**Profit Forecast** : The forecast statement of FCT’s Net Income and distribution for the Forecast Period, the accompanying key assumptions and the sensitivity analysis set out in Appendix B of this Circular.

**Property Funds Appendix** : Appendix 6 of the Code on Collective Investment Schemes issued by the MAS.

**Property Manager** : Frasers Centrepoint Property Management Services Pte. Ltd. (formerly known as Frasers Centrepoint Retail Concepts Pte. Ltd.)

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1 Based on the Illustrative Issue Price of S$1.73.
Property Expenses: Comprises property tax, the Property Manager’s fee and other property expenses (including utilities expenses, reimbursement of salaries and related manpower expenses, marketing expenses, repairs and maintenance expenses, general and administrative expenses and other miscellaneous expenses)

Purchase Consideration: S$305.0 million, being the purchase consideration for Changi City Point to be paid by FCT to the Vendor

Related Party Transactions: “Interested person transactions” as defined in Chapter 9 of the Listing Manual and/or, as the case may be, “interested party transactions” as defined in Paragraph 5 of the Property Funds Appendix

SS and cents: Singapore dollars and cents

S&P: Standard & Poor’s Rating Services

Secondary Trade Sector: According to Urbis, the Secondary Trade Sector comprises the Secondary North Trade Sector, the Secondary North-West Trade Sector and the Secondary West Trade Sector (all as defined in Appendix F of this Circular)

Securities Act: U.S. Securities Act of 1933, as amended

SGX-ST: Singapore Exchange Securities Trading Limited

Sole Financial Adviser: DBS Bank Ltd., as the sole financial adviser in relation to the Private Placement

sq ft: Square feet

Substantial Unitholder: A person with an interest in one or more Units constituting not less than 5.0% of the total number of Units in issue

TOP: Temporary Occupation Permit

TPE: Tampines Expressway

Trust Deed: The trust deed dated 5 June 2006 constituting FCT entered into between the Trustee and the Manager, as amended and/or supplemented by a first supplemental deed dated 4 October 2006 and a first amending restating deed dated 7 May 2009, and as may be amended, varied or supplemented from time to time

Trustee: HSBC Institutional Trust Services (Singapore) Limited, as trustee of FCT

U.S.: The United States
Underwriting Agreement: The underwriting agreement to be entered into between the Manager and the relevant underwriter(s) in relation to the Private Placement

Unit: A unit representing an undivided interest in FCT

Unitholder: The registered holder for the time being of a Unit, including a person so registered as a joint holder, 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, a depositor with CDP whose securities account with CDP is credited with Units

Urbis: Urbis Pty Ltd

Urbis Report: “Changi City Point: Retail Market Overview” set out in Appendix F of this Circular

Vendor: Ascendas Frasers Pte. Ltd.

WALE: Weighted average lease expiry

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

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 an appropriate number of decimal places.
APPENDIX A

CHANGI CITY POINT, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

The following sections set out selected information in respect of Changi City Point, the Existing Portfolio and the Enlarged Portfolio (comprising the Existing Portfolio and Changi City Point). Any discrepancies in the tables, charts or diagrams between the listed figures and totals thereof are due to rounding.

This Circular contains certain information with respect to the trade sectors of the tenants of Changi City Point, the Existing Portfolio and the Enlarged Portfolio. The Manager has determined the trade sectors in which these tenants are primarily involved based upon the Manager’s general understanding of the business activities conducted by these tenants in the premises occupied by them. The Manager’s knowledge of the business activities of these tenants is necessarily limited and these tenants may conduct business activities that are in addition to, or different from, those shown herein.

1. Changi City Point

Located in the heart of Changi Business Park, Changi City Point is in close proximity to the residential estates of Simei, Bedok and Tampines to the north-west and west and adjacent to Changi Airport to the north-east. The Property’s locality is unique in its proximity to the Singapore Expo, which is Singapore’s largest convention and exhibition venue, as well as to educational institutions such as the Institute of Technical Education College East and the future campus of the Singapore University of Technology and Design, slated to be completed by the end of 2014.

The Property is a three-storey multi-tenanted retail mall together with one basement level. Its main retail levels from Basement 1 to Level 2 accommodate a diverse tenant base comprising key retailers such as Cold Storage, Gain City, Nike and Challenger, restaurants such as Tung Lok Signatures, food outlets, two food courts and specialty retail units. The Property also includes a landscaped rooftop garden housing art installations and “Arena @ L3”, an outdoor performing area. A total of 627 car park lots¹, which form part of the common property, are provided at the Property.

Changi City Point is well-served by public transport, being directly opposite the Singapore Expo MRT station, and is connected to the rest of Changi Business Park and Simei MRT station by shuttle bus services. Public transport services to Changi Business Park (and hence also to the Property) will be further enhanced by the completion of Downtown Line Phase 3, which is expected to be completed in 2017. The Property also benefits from good access by road to the city area and other parts of Singapore with good accessibility to the ECP, PIE and TPE.

¹ The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.

A-1
The table below sets out a summary of selected information on Changi City Point as at 28 February 2014.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GFA (sq ft)</td>
<td>306,375</td>
</tr>
<tr>
<td>NLA (sq ft)</td>
<td>207,237(1)</td>
</tr>
<tr>
<td>Number of Committed Leases</td>
<td>134</td>
</tr>
<tr>
<td>Number of Storeys</td>
<td>Three (plus one basement level)</td>
</tr>
<tr>
<td>Number of Car Park Lots</td>
<td>627(2)</td>
</tr>
<tr>
<td>Title</td>
<td>Leasehold estate of 60 years commencing 30 April 2009</td>
</tr>
<tr>
<td>Committed Occupancy Rate as at 28 February 2014 (%)</td>
<td>97.8</td>
</tr>
<tr>
<td>WALE by NLA (years)</td>
<td>1.68</td>
</tr>
<tr>
<td>Purchase Price per sq ft Based on the Purchase Consideration(3) (S$)</td>
<td>1,472</td>
</tr>
</tbody>
</table>

Notes:
(1) This excludes the area of approximately 3,390.6 sq ft currently used as C&CI space.
(2) The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.
(3) Based on Changi City Point’s NLA of 207,237 sq ft.

The Property obtained its TOP in September 2011 and commenced operations in November 2011.

1.1 Lease Expiry Profile for Changi City Point (as at 28 February 2014)

The graph below illustrates the expiry profile (by Gross Rental Income) of Changi City Point for the period from March 2014 to September 2014 (which includes the Forecast Period) and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.
1.2 Trade Sector Analysis for Changi City Point (as at 28 February 2014)

The chart below provides a breakdown by Gross Rental Income of the different trade sectors represented in Changi City Point.

![Trade Sector Analysis Chart](chart.png)

1.3 Top 10 Tenants Analysis for Changi City Point (as at 28 February 2014)

The table below sets out the top 10 tenants of Changi City Point by Gross Rental Income.

<table>
<thead>
<tr>
<th>Top 10 Tenants</th>
<th>Percentage Contribution to Gross Rental Income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koufu Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>Cold Storage Singapore (1983) Pte Ltd(1)</td>
<td></td>
</tr>
<tr>
<td>Gain City Best-Electric Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>Copitiam Pte Ltd(2)</td>
<td></td>
</tr>
<tr>
<td>NIKE Singapore Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>D &amp; N Singapore Pte Ltd(3)</td>
<td>33.3</td>
</tr>
<tr>
<td>Tung Lok Millennium Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>Redina Trading Pte Ltd (Hush Puppies Outlet)</td>
<td></td>
</tr>
<tr>
<td>Challenger Technologies Limited</td>
<td></td>
</tr>
<tr>
<td>RE&amp;S Enterprises Pte Ltd (Ichiban Sushi)</td>
<td></td>
</tr>
<tr>
<td>Other Tenants</td>
<td>66.7</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

A-3
1.4 Insurance

Changi City Point is insured in a manner which the Manager believes is consistent with good commercial practice in Singapore. The insurance coverage for Changi City Point covers industrial all risks, public liability and terrorism. There is no significant or unusual excess or deductible amounts required under such policies.

2. EXISTING PORTFOLIO

The table below sets out selected information about the Existing Portfolio as at 28 February 2014.

<table>
<thead>
<tr>
<th></th>
<th>Causeway Point</th>
<th>Northpoint</th>
<th>YewTee Point</th>
<th>Bedok Point</th>
<th>Anchorpoint</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFA (sq ft)</td>
<td>629,160</td>
<td>364,595</td>
<td>117,594</td>
<td>133,598</td>
<td>102,736</td>
</tr>
<tr>
<td>NLA (sq ft)</td>
<td>416,631</td>
<td>236,119</td>
<td>73,669</td>
<td>81,656</td>
<td>70,985</td>
</tr>
<tr>
<td>Number of Committed Leases</td>
<td>225</td>
<td>175</td>
<td>76</td>
<td>61</td>
<td>63</td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>842</td>
<td>236</td>
<td>83(2)</td>
<td>76</td>
<td>128(1)</td>
</tr>
<tr>
<td>Title</td>
<td>Leasehold title of 99 years commencing 30 October 1995</td>
<td>Leasehold title of 99 years commencing 1 April 1990</td>
<td>Leasehold title of 99 years commencing 3 January 2006</td>
<td>Leasehold title of 99 years commencing 15 March 1978</td>
<td>Freehold</td>
</tr>
<tr>
<td>Valuation(3) (S$’000)</td>
<td>1,006,000</td>
<td>638,000</td>
<td>161,000</td>
<td>128,500</td>
<td>86,000</td>
</tr>
<tr>
<td>Percentage of aggregate value of Existing Portfolio (%)</td>
<td>49.8</td>
<td>31.6</td>
<td>8.0</td>
<td>6.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Committed Occupancy Rate (%)</td>
<td>99.7</td>
<td>99.3</td>
<td>98.0</td>
<td>99.3</td>
<td>97.6</td>
</tr>
<tr>
<td>Net Property Income for Forecast Period (S$’000)</td>
<td>19,324</td>
<td>11,721</td>
<td>3,070</td>
<td>1,971</td>
<td>1,568</td>
</tr>
</tbody>
</table>

Notes:

(1) Located at Anchorpoint but comprise part of the common property of a strata sub-divided mixed-use development, which in turn comprises Anchorpoint and The Anchorage (a condominium).

(2) Part of limited common property for the exclusive benefit of YewTee Point.

(3) Valuations as at 30 September 2013.
2.1 Lease Expiry Profile for the Existing Portfolio (as at 28 February 2014)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Existing Portfolio for the period from March 2014 to September 2014 (which includes the Forecast Period) and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.

![Graph showing lease expiry profile]

2.2 Trade Sector Analysis for the Existing Portfolio (as at 28 February 2014)

The chart below provides a breakdown by Gross Rental Income of the different trade sectors represented in the Existing Portfolio.

![Chart showing trade sector analysis]
2.3 Top 10 Tenants of the Existing Portfolio (as at 28 February 2014)

The table below sets out the top 10 tenants of the Existing Portfolio by Gross Rental Income.

<table>
<thead>
<tr>
<th>Top 10 Tenants</th>
<th>Percentage Contribution to Gross Rental Income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold Storage Singapore (1983) Pte Ltd(1)</td>
<td>22.6</td>
</tr>
<tr>
<td>Metro (Private) Limited(2)</td>
<td></td>
</tr>
<tr>
<td>Courts (Singapore) Limited</td>
<td></td>
</tr>
<tr>
<td>Copitiam Pte Ltd(3)</td>
<td></td>
</tr>
<tr>
<td>Food Republic Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>NTUC Fairprice Co-operative Ltd(4)</td>
<td></td>
</tr>
<tr>
<td>Aspial Corporation Ltd(5)</td>
<td></td>
</tr>
<tr>
<td>Watson’s Personal Care Stores Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>McDonald’s Restaurants Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>G2000 Apparel (S) Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>Other Tenants</td>
<td>77.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Notes:
(1) Includes the leases for Cold Storage supermarkets, Guardian pharmacies and 7-Eleven stores.
(2) Includes the leases for Metro departmental store and Clinique Service Centre.
(3) Operator of the Kopitiam food court.
(4) Includes the leases for NTUC Fairprice and NTUC Healthcare (Unity).
(5) Includes the leases for Lee Hwa Jewellery, CITIGEMS, Goldheart Jewellery and Maxi-Cash.

3. ENLARGED PORTFOLIO

The table below sets out selected information about the Enlarged Portfolio as at 28 February 2014.

<table>
<thead>
<tr>
<th></th>
<th>Existing Portfolio</th>
<th>Changi City Point</th>
<th>Enlarged Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GFA (sq ft)</strong></td>
<td>1,347,683</td>
<td>306,375</td>
<td>1,654,058</td>
</tr>
<tr>
<td><strong>NLA (sq ft)</strong></td>
<td>879,060</td>
<td>207,237(1)</td>
<td>1,086,297</td>
</tr>
<tr>
<td><strong>Number of Committed Leases</strong></td>
<td>600</td>
<td>134</td>
<td>734</td>
</tr>
<tr>
<td><strong>Car Park Lots</strong></td>
<td>1,365(2)</td>
<td>627(3)</td>
<td>1,992(2)(3)</td>
</tr>
<tr>
<td><strong>Valuation (S$'000)</strong></td>
<td>2,019,500(4)</td>
<td>305,000(5)</td>
<td>2,324,500</td>
</tr>
<tr>
<td><strong>Committed Occupancy Rate as at 28 February 2014 (%)</strong></td>
<td>99.2</td>
<td>97.8</td>
<td>99.0</td>
</tr>
<tr>
<td><strong>Net Property Income for Forecast Period (S$'000)</strong></td>
<td>37,654</td>
<td>5,519</td>
<td>43,173</td>
</tr>
</tbody>
</table>
Notes:

(1) This excludes the area of approximately 3,390.6 sq ft currently used as C&CI space.

(2) Includes the 128 car park lots located at Anchorpoint but comprise part of the common property of a strata sub-divided mixed-use development, which in turn comprises Anchorpoint and The Anchorage (a condominium), and the 83 car park lots which are part of limited common property for the exclusive benefit of YewTee Point.

(3) The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.

(4) Valuations as at 30 September 2013.

(5) The Purchase Consideration for Changi City Point.

3.1 Lease Expiry Profile for the Enlarged Portfolio (as at 28 February 2014)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Enlarged Portfolio for the period from March 2014 to September 2014 (which includes the Forecast Period) and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.

![Lease Expiry Profile Graph]
3.2 Trade Sector Analysis for the Enlarged Portfolio (as at 28 February 2014)

The chart below provides a breakdown by Gross Rental Income of the different trade sectors represented in the Enlarged Portfolio.
3.3 Top 10 Tenants of the Enlarged Portfolio (as at 28 February 2014)

The table below sets out the top 10 tenants of the Enlarged Portfolio by Gross Rental Income.

<table>
<thead>
<tr>
<th>Top 10 Tenants</th>
<th>Percentage Contribution to Gross Rental Income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold Storage Singapore (1983) Pte Ltd&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Metro (Private) Limited&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Courts (Singapore) Limited</td>
<td></td>
</tr>
<tr>
<td>Copitiam Pte Ltd&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Koufu Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>Food Republic Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>Watson’s Personal Care Stores Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>NTUC Fairprice Co-operative Ltd&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>McDonald’s Restaurants Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>Aspial Corporation Ltd&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Other Tenants</td>
<td>77.8</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Notes:**

1. Includes the leases for Cold Storage supermarkets, Guardian pharmacies and 7-Eleven stores.
2. Includes the leases for Metro departmental store and Clinique Service Centre.
3. Operator of the Kopitiam and Bagus food courts and Dorakeiki.
4. Includes the leases for NTUC Fairprice and NTUC Healthcare (Unity).
5. Includes the leases for Lee Hwa Jewellery, CITIGEMS, Goldheart Jewellery and Maxi-Cash.
PROFIT FORECAST

Statements contained in this section which are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person nor that these results will be achieved or are likely to be achieved.

The following table sets out FCT’s forecast consolidated statement of net income and distribution for the Forecast Period, which has been prepared in accordance with the accounting policies adopted by FCT for FY2013. In the preparation of the forecast consolidated statement of net income and distribution for the Forecast Period, specific non-cash items which have no impact on distributable income have been excluded in the presentation of the distributable income to Unitholders. The Profit Forecast has been examined by the Independent Accountants and should be read together with their report contained in Appendix C of this Circular as well as the assumptions and sensitivity analysis set out in Section B of this appendix.
## FORECAST CONSOLIDATED STATEMENT OF NET INCOME AND DISTRIBUTION OF FCT – EXISTING ASSETS AND CHANGI CITY POINT

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period (1 June 2014 to 30 September 2014)(^{(1)})</th>
<th>Existing Assets</th>
<th>Changi City Point</th>
<th>Enlarged Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S$’000</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Rent</td>
<td>48,284</td>
<td>8,068</td>
<td>56,352</td>
<td></td>
</tr>
<tr>
<td>Other Revenue</td>
<td>5,324</td>
<td>880</td>
<td>6,204</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>53,608</td>
<td>8,948</td>
<td>62,556</td>
<td></td>
</tr>
<tr>
<td>Property Manager’s Fee</td>
<td>(2,050)</td>
<td>(325)</td>
<td>(2,375)</td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>(4,823)</td>
<td>(713)</td>
<td>(5,536)</td>
<td></td>
</tr>
<tr>
<td>Maintenance Expenses</td>
<td>(5,878)</td>
<td>(1,487)</td>
<td>(7,365)</td>
<td></td>
</tr>
<tr>
<td>Other Property Expenses</td>
<td>(3,203)</td>
<td>(904)</td>
<td>(4,107)</td>
<td></td>
</tr>
<tr>
<td><strong>Property Expenses</strong></td>
<td>(15,954)</td>
<td>(3,429)</td>
<td>(19,383)</td>
<td></td>
</tr>
<tr>
<td>Net Property Income</td>
<td>37,654</td>
<td>5,519</td>
<td>43,173</td>
<td></td>
</tr>
<tr>
<td>Borrowing Costs</td>
<td>(5,678)</td>
<td></td>
<td>(7,226)</td>
<td></td>
</tr>
<tr>
<td>Trust Expenses</td>
<td>(556)</td>
<td></td>
<td>(589)</td>
<td></td>
</tr>
<tr>
<td>Manager’s Management Fee</td>
<td>(4,009)</td>
<td></td>
<td>(4,599)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>27,411</td>
<td></td>
<td>30,759</td>
<td></td>
</tr>
<tr>
<td>Net Tax Adjustments(^{(2)})</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution from Associate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income Available for Distribution</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributable Income to Unitholders(^{(3)})</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units in Issue ('000)</td>
<td>825,968(^{(4)})</td>
<td></td>
<td>914,246(^{(5)})</td>
<td></td>
</tr>
<tr>
<td><strong>Basic DPU (cents)</strong></td>
<td>3.66</td>
<td></td>
<td>3.70</td>
<td></td>
</tr>
<tr>
<td>Annualised DPU (cents)</td>
<td>10.99</td>
<td></td>
<td>11.10</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

1. The forecast DPU will vary to the extent that the New Units under the Private Placement are issued on a date other than 1 June 2014.
2. These include, where applicable, non-tax deductible expenses relating to the portion of the Manager’s management fee which is paid or assumed to be paid in the form of Units, amortisation of upfront fee for credit facilities, the Trustee’s fee and other expenses which are not deductible for tax purposes.
3. Distributions for the Forecast Period are based on 100.0% of the total income available for distribution.
4. The average Units in issue at the end of the Forecast Period.
5. The average Units in issue at the end of the Forecast Period include the forecast number of Units and the assumed number of New Units to be issued (i) pursuant to the Private Placement, (ii) as payment for the Acquisition Fee and (iii) as part payment of the Manager’s management fee for the Forecast Period which is assumed to be paid in the form of Units. For (i), the Illustrative Issue Price has been assumed, while an issue price of S$1.81 per Unit has been assumed for (ii) and (iii). The assumed number of New Units to be issued under the Private Placement to part finance the Acquisition is approximately 86.5 million.
1. **SECTION A: ASSUMPTIONS**

The major assumptions made in preparing the Profit Forecast are set out below. The Manager considers these assumptions to be appropriate and reasonable at the date of this Circular.

### 1.1 Gross Revenue

Gross Revenue comprises (a) Gross Rental Income and (b) Other Revenue. A summary of the assumptions which have been used in calculating Gross Revenue for the Forecast Period is set out below:

#### 1.1.1 Gross Rental Income

Gross Rental Income consists of base rental income (after rent rebates, refunds, credits or discounts, where applicable, but excluding turnover rent), service charge and advertising & promotion levy payable by tenants. For the majority of leases, rents payable under the lease agreements are subject to pre-determined annual increases by way of step-up clauses provided in the lease agreements. The bulk of lease terms are for two and three years, which is consistent with the market practice in Singapore.

The percentages of forecast Gross Rental Income of the Existing Portfolio and Changi City Point for the Forecast Period which are attributable to Committed Leases as at 28 February 2014 are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>92.6</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>98.9</td>
</tr>
</tbody>
</table>

(i) **Base rental income**

In order to forecast base rental income, the Manager has, in the first instance, used rents payable under the Committed Leases. The forecast base rental incomes of the Existing Portfolio and Changi City Point for the Forecast Period are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>40,775</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>6,085</td>
</tr>
</tbody>
</table>

The Manager has assessed the market rent for each portion of the lettable area in each property as at 28 February 2014. The market rent is the rent which the Manager believes could be achieved if each lease was renegotiated as at 28 February 2014, and is estimated with reference to base rents payable under comparable leases that have been recently negotiated, the effects of competing retail developments, prevailing market conditions, inflation levels and tenant demand levels. If a Committed Lease expires during the Forecast Period, the Manager has assumed that the base rent for the new lease (or renewed lease) which commences in the Forecast Period, to be the market rent.
(ii) **Service charge and advertising & promotion levy**

The service charge and advertising & promotion levy are contributions paid by tenants towards the Property Expenses (as defined herein) of the Enlarged Portfolio. In order to forecast service charge and advertising & promotion levy, the Manager has used service charges and advertising & promotion levy payable under the Committed Leases. If a Committed Lease expires in the Forecast Period, the Manager has assumed that the service charge and advertising & promotion levy payable for the new lease (or renewed lease) will be the same as the amount payable under the existing Committed Lease. The forecast service charge and advertising & promotion levy of the Existing Portfolio and Changi City Point for the Forecast Period are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>7,509</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>1,983</td>
</tr>
</tbody>
</table>

(iii) **Lease renewal rate and vacancy allowance**

For the leases expiring during the Forecast Period, the Manager has reviewed the details of each of these leases with regards to the likelihood of renewal. There are no committed leases of Changi City Point expiring in the Forecast Period. Based on the Manager's assessment, leases of the Existing Portfolio expiring in the Forecast Period which are expected to be renewed constitute 7.5% of the Gross Rental Income of the Existing Portfolio for the Forecast Period.

For the balance of the leases of the Existing Portfolio expiring during the Forecast Period which are assumed not to be renewed, vacancy allowances are assumed before rent becomes payable under new leases. The average vacancy allowance that has been assumed is two months.

(iv) **Occupancy rate**

The forecast average occupancy rates (weighted by NLA) for the Existing Portfolio and Changi City Point for the Forecast Period are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>99.1</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>94.4</td>
</tr>
</tbody>
</table>

In preparing the figures in the table above, the Manager has carefully reviewed the current tenancy status and profiles of the Enlarged Portfolio, having regard to, among others, current market conditions and the general business conditions of the Enlarged Portfolio. For prudence, reasonable allowances for lease pre-terminations and other forms of rental income disruptions that may happen from time to time and for various reasons in the ordinary course of business of multi-tenanted retail malls, have been incorporated.
1.1.2 Other Revenue

Other Revenue includes turnover rent, revenue from car parking facilities, licence fees, revenue from casual leasing (such as kiosks and atrium space), and other miscellaneous income.

(i) Turnover rent

The majority of tenants have provisions in their leases for the payment of turnover rent (generally computed as a fixed percentage of monthly sales turnover) in addition to the Gross Rental Income. In order to forecast turnover rent for the Enlarged Portfolio, the Manager has reviewed the average historical turnover rent figures for each tenant that pays turnover rent. Where historical turnover rent figures are not available, the Manager has estimated the tenant’s expected sales turnover, based on information provided by the tenant and having regards to the business activity of the tenant and other relevant factors.

As at 28 February 2014, the percentage (by NLA) of leases with turnover rent provisions out of all the Committed Leases in the Existing Portfolio and Changi City Point are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>80.6</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>95.0</td>
</tr>
</tbody>
</table>

For the Forecast Period, the percentage of turnover rent to the Gross Revenue of the Existing Portfolio and Changi City Point are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>5.0%</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

(ii) Other revenue (excluding turnover rent)

The assessment of other revenue (excluding turnover rent) is based on existing agreements, historical income collections and the Manager’s assessment of the business operations and conditions of the Enlarged Portfolio. For the Forecast Period, the percentage contributions of other income (excluding turnover rent) to the Gross Revenue of the Existing Portfolio and Changi City Point are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>5.4</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>3.7</td>
</tr>
</tbody>
</table>
1.2 Property Expenses

Property expenses consist of (a) Property Manager’s fee, (b) property tax, (c) maintenance expenses and (d) other miscellaneous property expenses. A summary of the assumptions which have been used in deriving the Property Expenses for the Forecast Period is set out below:

1.2.1 Property Manager’s Fee

Pursuant to the Property Management Agreement, the Property Manager’s fees are based on a fee of 2.0% per annum of the Gross Revenue for each property, plus a fee of 2.0% per annum of the NPI (calculated before accounting for the Property Manager’s fees in that financial period) for each property, and a fee of 0.5% per annum of the NPI (calculated before accounting for the Property Manager’s fees in that financial period) for each property, in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

1.2.2 Property Tax

It has been assumed that the applicable property tax rate for the Enlarged Portfolio for the Forecast Period will remain at the prevailing 10.0%. Property tax for the Forecast Period is computed based on the base rental income and rental income from kiosks, car park income (net of associated operating expenses) and any other income that are taxable.

1.2.3 Maintenance Expenses

Maintenance expenses include the general repairs and maintenance costs of, as well as non-capital expenditures to improve, the Enlarged Portfolio. The Manager adopts a policy of regular maintenance on all operating aspects of the Existing Portfolio and plans to do the same for Changi City Point. These regular maintenance costs are expensed as incurred.

In the case of Anchorpoint, the Anchorpoint Management Corporation is responsible for the repair, maintenance and operation of, as well as the capital expenditure and improvement works relating to, the common property of Anchorpoint Development\(^1\). The maintenance expenses for Anchorpoint include the contributions to the management fund and sinking fund established by the Anchorpoint Management Corporation.

In the case of YewTee Point, the YewTee Point Management Corporation is responsible for the repair, maintenance and operation of, as well as the capital expenditure and improvement works relating to, the common property of YewTee Development\(^2\) including the limited common property for the exclusive benefit of YewTee Point. The maintenance expenses for YewTee Point include the contributions to the management fund and sinking fund established by the YewTee Point Management Corporation\(^3\) and the subsidiary management corporation of the limited common property in the YewTee Development which are for the exclusive benefit of YewTee Point.

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1. Located at Anchorpoint but are part of common property of strata sub-divided mix-use development, which comprises Anchorpoint and The Anchorage (a condominium) (collectively, the “Anchorpoint Development”), managed by the Management Corporation Strata Title Plan No. 2304, being the Management Corporation of the Anchorpoint Development (the “Anchorpoint Management Corporation”) established under the Building Maintenance & Strata Management Act.

2. The mix-use development comprising YewTee Point and YewTee Residences.

3. The Management Corporation Strata Title Plan No. 3516, being the management corporation of YewTee Development established under the Building Maintenance & Strata Management Act.
For each property in the Enlarged Portfolio, an individual assessment has been made of the repairs and maintenance expenses for the Forecast Period, on the basis of, among others, the general state of repair of the Enlarged Portfolio, actual historical repairs and maintenance expenses and the rates under the existing service and maintenance contracts with suppliers. For the Forecast Period, the estimated maintenance expenses, expressed as a percentage of Gross Revenue for the Existing Portfolio and Changi City Point, are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>11.0</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>16.6</td>
</tr>
</tbody>
</table>

The figure for Changi City Point is comparatively higher as it is a small property relative to some of the larger properties in the Existing Portfolio and therefore does not enjoy similar economies of scale.

1.2.4 Other Property Expenses

Other property expenses include advertising and promotional expenses, expenses associated with the operation of car parking facilities, insurance costs, allowance for doubtful receivables and general and administrative expenses.

For each property in the Enlarged Portfolio, an individual assessment has been made of such property expenses for the Forecast Period, on the basis of, among others, actual historical expenses and existing service and maintenance contracts with suppliers.

For the Forecast Period, the estimated other property expenses, expressed as a percentage of Gross Revenue for the Existing Portfolio and Changi City Point, are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>6.0</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>10.1</td>
</tr>
</tbody>
</table>

The figure for Changi City Point is comparatively higher as it is a small property relative to some of the larger properties in the Existing Portfolio and therefore does not enjoy similar economies of scale.

1.3 Manager’s Management Fee

The Manager’s management fee comprises a base fee of 0.3% per annum of the value of the Deposited Property and a performance fee of 5.0% per annum of FCT’s NPI.

In the Profit Forecast, 20.0% of the Manager’s aggregate management fee is assumed to be paid in the form of Units and the balance in cash. The portion of the Manager’s management fee payable in the form of Units is payable quarterly in arrears and the portion of the Manager’s management fee payable in cash is payable monthly in arrears.
1.4 **Trust Expenses**

Trust expenses comprise FCT’s recurring operating expenses such as Trustee’s fee, annual listing fee, registry fees, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expenses.

The Trustee’s fee is presently charged on a scaled basis not exceeding 0.1% per annum of the value of the Deposited Property, subject to a minimum of S$9,000 per month, excluding out-of-pocket expenses and GST.

1.5 **Distributions from Associate**

Distribution from associate refers to distribution income (net of withholding tax) received from FCT’s investment in 31.17% of the units in Hektar Real Estate Investment Trust listed on the Main Board of Bursa Malaysia Securities Berhad. The distribution amount for the Forecast Period is estimated based on actual historical distributions received in the previous corresponding period.

1.6 **Borrowing Costs**

The Manager has assumed an all-in, effective average interest rate of 2.90% per annum (including margin and amortisation of upfront fee for credit facilities) for the borrowings that will be taken up to part finance the acquisition of Changi City Point. As a point of reference, the 3-year and 5-year Singapore dollar swap offer rate was 1.00% and 1.68% per annum, respectively, as at the Latest Practicable Date. The Manager has assumed a blended interest rate of 2.88% for the borrowings of the Existing Assets.

1.7 **Capital Expenditure**

The Manager has made allowances for the forecast capital expenditures based on the budget for regular capital expenditure for the Existing Portfolio and Changi City Point, as shown in the table below. It has been assumed that such capital expenditure will be funded by borrowings. Such capital expenditure incurred is capitalised as part the Deposited Property and has no impact on the income statements and distributions of FCT other than in respect of interest incurred on the borrowings.

<table>
<thead>
<tr>
<th></th>
<th>(S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Portfolio</td>
<td>6,237</td>
</tr>
<tr>
<td>Changi City Point</td>
<td>192</td>
</tr>
</tbody>
</table>

1.8 **Investment Properties**

As at 28 February 2014, the Manager has made a hypothetical assumption that the carrying value for the Existing Portfolio is S$2.0 billion (based on the aggregate valuation of the Existing Portfolio by independent professional valuers as at 30 September 2013) adjusted for subsequent capitalised capital expenditure. It has been assumed that the property valuations of the Existing Portfolio for the Forecast Period will only increase by the amount of forecast capital expenditure shown in paragraph 1.7 above. This assumption is made when estimating the value of the Deposited Property for the purposes of forecasting the base fee component in the Manager’s management fee and the Trustee’s fee.

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1 Comprising 124.9 million units out of a total of 400.6 million units in Hektar Real Estate Investment Trust as at the Latest Practicable Date.
The carrying value for Changi City Point is hypothetically assumed to be S$305.0 million. It has been assumed that the valuation of Changi City Point for the Forecast Period will only increase by the amount of forecast capital expenditure shown in paragraph 1.7 above. This assumption is made when estimating the value of the Deposited Property for the purposes of forecasting the base fee component in the Manager’s management fee and the Trustee’s fee.

1.9 Accounting Standards

The Manager has assumed that there is no significant change in applicable accounting standards or other financial reporting requirements during the Forecast Period that may have a material bearing on the forecast distributable income of FCT.

1.10 Other Assumptions

The Manager has made the following additional assumptions in preparing the Profit Forecast:

- Other than the acquisition of Changi City Point, the property portfolio remains unchanged;
- There will be no material change to the respective carrying value of the property assets and other investments held by FCT;
- Other than for the purposes mentioned in this Circular, there will be no further capital raised during the Forecast Period;
- There will be no material change to the taxation legislation or other legislation;
- There will be no material change to the tax ruling dated 15 March 2006 issued by the Inland Revenue Authority of Singapore on the taxation of FCT and the Unitholders;
- All leases and licences are enforceable and will be performed in accordance with their terms; and
- 100% of FCT’s distributable income in respect of the Forecast Period will be distributed.

2. SECTION B: SENSITIVITY ANALYSIS FOR THE EXISTING PORTFOLIO AND THE ACQUISITION

The Profit Forecast is based on a number of key assumptions that have been outlined earlier in this appendix.

Unitholders should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast in this Circular are to be expected. To assist Unitholders in assessing the impact of these assumptions on the Profit Forecast, the sensitivity of DPU to changes in the key assumptions is set out below.

The sensitivity analysis below is intended as a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Unless otherwise stated, the sensitivity analysis has been prepared using the same assumptions as those set out earlier in this appendix.
2.1 Gross Revenue

Changes in the Gross Revenue will impact the NPI of FCT. The impact of variations in Gross Revenue on DPU is set out in the table below.

**Impact on DPU pursuant to changes in Gross Revenue for the Forecast Period**

<table>
<thead>
<tr>
<th>Based on the Illustrative Issue Price</th>
<th>Distribution per Unit (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Existing Assets with Changi City Point</td>
</tr>
<tr>
<td>Gross Revenue is 1.0% above Base Case</td>
<td>11.30</td>
</tr>
<tr>
<td>Base Case(^{(1)})</td>
<td>11.10</td>
</tr>
<tr>
<td>Gross Revenue is 1.0% below Base Case</td>
<td>10.89</td>
</tr>
</tbody>
</table>

**Note:**

\(^{(1)}\) Refers to the relevant figures appearing in, or underlying, the “Forecast Consolidated Statement of Net Income and Distribution of FCT – Existing Assets and Changi City Point” under paragraph 4.5 of the Letter to Unitholders.

2.2 Property Expenses

Changes in Property Expenses will impact the NPI of FCT. The impact of variations in Property Expenses on DPU is set out in the table below.

**Impact on DPU pursuant to changes in Property Expenses for the Forecast Period**

<table>
<thead>
<tr>
<th>Based on the Illustrative Issue Price</th>
<th>Distribution per Unit (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enlarged Assets</td>
</tr>
<tr>
<td>Property Expenses are 2.5% above Base Case</td>
<td>10.94</td>
</tr>
<tr>
<td>Base Case(^{(1)})</td>
<td>11.10</td>
</tr>
<tr>
<td>Property Expenses are 2.5% below Base Case</td>
<td>11.26</td>
</tr>
</tbody>
</table>

**Note:**

\(^{(1)}\) Refers to the relevant figures appearing in, or underlying, the “Forecast Consolidated Statement of Net Income and Distribution of FCT – Existing Assets and Changi City Point” under paragraph 4.5 of the Letter to Unitholders.
2.3 Borrowing Costs

Changes in interest rates in respect of the borrowings to be incurred to part finance the acquisition of Chang City Point and to finance capital expenditure and other additions as well as other loans which are subject to refinancing under the Forecast Period will impact the financing costs, and therefore the distributable income of FCT. The impact of variations in interest rate on DPU is set out in the table below.

Impact on DPU pursuant to changes in Borrowing Costs for the Forecast Period

<table>
<thead>
<tr>
<th>Based on the Illustrative Issue Price</th>
<th>Distribution per Unit (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enlarged Assets</td>
</tr>
<tr>
<td>Interest Rates are 25 Basis Points above Base Case</td>
<td>11.05</td>
</tr>
<tr>
<td>Base Case(^{(1)})</td>
<td>11.10</td>
</tr>
<tr>
<td>Interest Rates are 25 Basis Points below Base Case</td>
<td>11.14</td>
</tr>
</tbody>
</table>

Note:

\(^{(1)}\) Refers to the relevant figures appearing in, or underlying, the “Forecast Consolidated Statement of Net Income and Distribution of FCT – Existing Assets and Chang City Point” under paragraph 4.5 of the Letter to Unitholders.
INDEPENDENT ACCOUNTANTS’ REPORT ON THE PROFIT FORECAST

12 May 2014

The Board of Directors
Frasers Centrepoint Asset Management Ltd.
(as Manager of Frasers Centrepoint Trust)
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Frasers Centrepoint Trust)
21 Collyer Quay
#10-02 HSBC Building
Singapore 049320

Dear Sirs,

Letter from the Independent Accountants on the Profit Forecast for the financial period from 1 June 2014 to 30 September 2014

This letter has been prepared for inclusion in the circular to unitholders dated 12 May 2014 (the “Circular”) to be issued by Frasers Centrepoint Trust (“FCT”) in connection with the proposed acquisition of Changi City Point and the proposed issue of up to 90.0 million new units to part finance the acquisition of Changi City Point (the “Acquisition”).

The directors of Frasers Centrepoint Asset Management Ltd. (the “Directors”) are responsible for the preparation and presentation of the forecast consolidated statement of net income and distribution of the existing assets of FCT and Changi City Point for the financial period from 1 June 2014 to 30 September 2014 (the “Profit Forecast”), as set out in Appendix B of the Circular, which have been prepared on the basis of the assumptions as set out on pages B-1 to B-11 of the Circular.

We have examined the Profit Forecast in accordance with Singapore Standards on Assurance Engagements (SSAE) 3400, The Examination of Prospective Financial Information, issued by the Institute of Singapore Chartered Accountants (“ISCA”). The Directors are solely responsible for the Profit Forecast including the assumptions set out on pages B-1 to B-11 of the Circular on which the Profit Forecast is based.

Based on our examination of the evidence supporting the relevant assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions and is presented in accordance with Recommended Accounting Practice (RAP) 7, Reporting Framework for Unit Trusts (but not all the required disclosures), issued by ISCA, which is the framework adopted by FCT in the preparation of its financial statements.
Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the Profit Forecast since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted. For these reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast.

Attention is drawn, in particular, to the sensitivity analysis of the Profit Forecast as set out in Section B of Appendix B of the Circular.

This letter has been prepared for inclusion in the Circular of FCT to be issued in connection with the Acquisition and should not be used for any other purpose.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

(Partner-in-charge: Nagaraj Sivaram)
## VALUATION CERTIFICATE

**Property**: 5 Changi Business Park Central 1  
"Changi City Point"  
Singapore 486038

**Client**: Frasers Centrepoint Asset Management Ltd.  
(Manager of Frasers Centrepoint Trust)

**Purpose**: Acquisition and Corporate Finance

**Legal Description**: Part of Land Lot No. 10950L  
Mukim 27

**Tenure**: Leasehold 60 years commencing 30 April 2009 (balance of about 55.2 years as at 1 March 2014)

**Basis Of Valuation**: Market Value subject to existing tenancies, occupational arrangements and proper strata subdivision

**Registered Lessor/Lessee**: Leased from JTC Corporation to Ascendas Frasers Pte Ltd

**Land Area of Lot No.**: 46,969.0 sm  
Mukim 27

**Master Plan 2008**: "Business Park - White" with a gross plot ratio of 2.5

**Brief Description**: Changi City Point is a 3-storey retail complex with a basement level. It is the retail component of Changi City – an integrated retail, hotel and business park development. It is located directly opposite the Expo MRT station and next to the proposed Expo Downtown Line station (under construction). The Property accommodates retail units, restaurants, food courts, food outlets, a supermarket, kiosks and schools from Basement 1 to 2nd storey. The 3rd storey is used as Civic & Community Institution (C&CI) space. An outdoor dry and wet playground and a tree-house trail for children are located on the 2nd storey. Also located on the 3rd storey are a landscaped rooftop garden with interactive art installations and the “Arena @ L3” – an outdoor performing area. The Property was completed in 2011.

**Tenancy Profile**: Cold Storage Singapore (1983) Pte Ltd, Copitiam Pte Ltd, Tung Lok Millennium Pte Ltd, Challenger Technologies Limited, Gain City Best-Electric Pte Ltd, Koufu Pte Ltd, NIKE Singapore Pte Ltd and retail non-major tenancies

**Gross Floor Area**: 28,463.21 sm

**Net Lettable Area**: 19,253.0 sm, excluding C&CI space of 315.0 sm

**Valuation Approaches**: Capitalisation Approach and Discounted Cash Flow Analysis

**Date Of Valuation**: 1 March 2014

**Market Value**: $306,000,000/-  
(Singapore Dollars Three Hundred And Six Million Only)

**Assumptions, Disclaimers, Limitations & Qualifications**: This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader’s acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorized use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

**Prepared By**: Knight Frank Pte Ltd

---

*Low Kin Hon*  
B.Sc.(Estate Management) Hons., FSISV  
Managing Director, Valuation  
Appraiser’s Licence No. AD 041-20037521

*Png Poh Soon*  
M.Sc., B.Sc.(Real Estate) Hons., MSISV  
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Tel: (65) 6222 1333 Fax: (65) 6224 5432 Reg No: 198205243Z CEA Licence No: L3605536J  
KnightFrank.com.sg

**Other Offices**

Knight Frank Estate Management Pte Ltd 160 Paya Lebar Road 405-09 EnterPay Paya Lebar Singapore 409832  
Knight Frank Shopping Centre Management Pte Ltd 16 Raffles Quay #10-03 Hong Leong Building Singapore 049581  
67 Property Network Pte Ltd 451B River Valley Road 407-03 Valley Point Singapore 249373
LIMITING CONDITIONS

This Valuation Certificate is subject to the following limiting conditions:

(1) The Valuer’s responsibility in connection with this certificate is limited to the client to whom the certificate is addressed. The Valuer disclaims all responsibility and will accept no liability to any other party.

(2) Reproduction of this certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement without the Valuer’s prior written approval of the form and context in which may appear is prohibited.

(3) The opinion expressed in this certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

(4) All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

(5) The Valuer does not warrant to the client to whom the certificate is addressed and any other person the title or the rights of any person with regard to the property.

(6) Unless otherwise stated all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

(7) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.

(8) The Valuer is not obliged to give testimony or to appear in Court with regard to this certificate, with reference to the property unless specific arrangement has been made therefor.
### VALUATION CERTIFICATE

| Address of Property | 5 Changi Business Park Central 1  
| CHANGI CITY POINT  
Singapore 486038 |
| Our Reference | 2013/225 |
| Valuation Prepared for | HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Frasers Centrepoint Trust). |
| Legal Description | Lot 10950L Mukim 27 |
| Tenure | 60-year lease commencing on 30 April 2009 (balance of approximately 55.2 years un-expired term) |
| Registered Lessee(s)/ Proprieter(s) | Ascendas Frasers Pte Ltd |
| Brief Description | The subject property is located at Changi Business Park Central 1, off Changi South Avenue 1/Changi South Avenue 2, in the heart of Changi Business Park. It is approximately 14 km from the City Centre. Vehicular access to the subject property is via Changi Business Park Central 1. Changi City Point is a 3-storey with a basement level retail mall. It started trading since end-2011 and was officially opened in April 2012. The shopping mall provides a wide range of trades and services such as food court, F&B outlets, supermarket, household services, electronica/electronics, furniture, health care/ pharmacy services, sports/fashion/accessories, jewelry and hair & beauty, amongst others. In addition, #03-01 within the mall accommodates a Civic & Community Institution space occupied by Very Special Arts Singapore. The building also incorporates a rooftop outdoor amphitheater for art performances and activities. There are a total of 627 car parking lots within Changi City shared by ONE@Changi City, Capri By Fraser and Changi City Point. However, we have been instructed to exclude the car parking lots in our valuation as they will be part of the common property. All essential public services and tele-communication services are connected. |
| Land Area | 46,969.0 sm |
| Gross Floor Area | 28,463.1 sm, as provided and subject to final survey |
| Lettable Floor Area | Approximately 19,253.0 sm excluding the lettable area of about 315.0 sm for #03-01 which is used as Civic & Community Institution space. |
The Temporary Occupation Permit for Changi City Point was issued on 7 September 2011.

Good state of repair and maintenance.

Based on latest information provided to us, the subject property is about 98.0% let at a total monthly gross rental of S$1,946,450 /-.

The monthly service charge is generally at S$1.80 psf and advertising & promotion fee is generally at S$0.60 psf.

Major tenants in the Changi City Point include Cold Storage Supermarket, Koufu, Gain City, Bagus, Nike Factory Store, Challenger and Tung Lok Signatures, etc.

Nominal (currently waived)

S$21,138,500/-

Business Park – White 40 with plot ratio of 2.5

For Business Park, Retail and Hotel activities only and for no other purpose whatever

As-Is Basis and subject to existing tenancies

Income Capitalisation Method, Discounted Cashflow Analysis and Direct Comparison Method

5.75%

7.75%

6.25%

7.86%

1 March 2014

S$304,000,000/-

(Singapore Dollars Three Hundred And Four Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

KH/CN/ha

This valuation certificate is subject to the attached Limiting Conditions.
LIMITING CONDITIONS

1. Values are reported in Singapore currency unless otherwise stated.

2. In our valuation it is presumed that the property as currently used is not in contravention of any planning or similar regulations. We shall not be responsible if it is otherwise.

3. For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.

4. No requisition on road, MRT, LRT, drainage and other government proposals has been made. Such information will not be tendered unless specifically requested for and we be properly reimbursed.

5. While due care is exercised in the course of our inspection to note any serious defects, we will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible. Further, we will not be able to report that the building is free from rot, infestations or other defects. The building services will not be tested but will be presumed to be in good working order. We recommend that appropriately qualified persons be engaged to undertake investigations excluded from our scope of work.

6. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular or statement or be published in any way without our prior written consent to the form and context in which it may appear. We shall bear no responsibility for any unauthorised inclusion or publication and reserve the right to claim for any loss, liability, costs or expenses (including but not limited to professional or executive time) we may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.

7. In accordance with our usual practice, we must state that this valuation report is restricted to the client or person to whom this valuation report is specifically addressed to and for the specific purpose stated therein and to be used within a reasonable time. We disclaim any liability should it be used by any other person or for any other purpose(s) or beyond a reasonable time.

8. Where it is stated in the valuation report that information has been supplied to us by another party, the information is presumed to be reliable and we do not accept any responsibility should it be proven otherwise. The study of possible alternative development options and the related economics are not within the scope of this report unless expressly stated.

9. Our opinion of the market value of the property is free from any influence and/or point of view of any other parties.

10. Any market projections incorporated within our services including but not limited to, income, expenditure, associated growth rates and other variables are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.

11. No allowance will be made in our valuation report for any charges, mortgages or other claims affecting the property nor for any costs, expenses, taxation or outgoings which may be involved in any transaction of the property.

12. The title to the property is presumed to be good and marketable and, unless mentioned in this valuation report, be free from any encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title, searches and requisitions and other such legal matters.

13. Any plans included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.

14. All Location Plans are obtained from Streetdirectory.com. Whilst we do make every endeavour to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.

15. We shall not be required to give testimony or to appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed. For the avoidance of doubt, our directors and employees shall have no liability in respect of their private assets. The amount of aggregate liability of Colliers is limited to the fee for this service.
12 May 2014

The Independent Directors of
Frasers Centrepoint Asset Management Ltd.
(as Manager of Frasers Centrepoint Trust)
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Frasers Centrepoint Trust)
21 Collyer Quay
#10-02 HSBC Building
Singapore 049320

Dear Sirs

(A) THE PROPOSED ACQUISITION OF CHANGI CITY POINT AS A RELATED PARTY TRANSACTION

(B) THE PROPOSED PLACEMENT OF NEW UNITS TO FRASERS CENTREPOINT LIMITED AND/OR ANY OF ITS SUBSIDIARIES AS A RELATED PARTY TRANSACTION

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the draft circular dated 12 May 2014 to the unitholders of Frasers Centrepoint Trust (the “Circular”).

1. INTRODUCTION

FCT is a Singapore-domiciled retail real estate investment trust. It was listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 5 July 2006 and is managed by Frasers Centrepoint Asset Management Ltd. (the “Manager”). The Manager is a real estate management company that is a subsidiary of Frasers Centrepoint Limited (“FCL”). FCT’s principal activity is to invest in income-producing properties used primarily for retail purposes in Singapore and overseas. As at 30 September 2013, FCT’s portfolio comprised five suburban malls in Singapore with an aggregate appraised value of approximately S$2.0 billion. FCT also owns a 31.17% equity stake in the Bursa Malaysia-listed Hektar REIT.
The Acquisition

On 8 April 2014, the Trustee entered into the conditional sale and purchase agreement with Ascendas Frasers Pte. Ltd. (the “Vendor”), to acquire the property known as Changi City Point\(^1\) (“Changi City Point” or the “Property”), together with the plant and equipment (the “Acquisition”). The Vendor is a joint venture between FCL and Ascendas Development Pte. Ltd. FCL holds an indirect 50.0% interest in the Vendor through its wholly-owned subsidiary, FCL Emerald (1) Pte. Ltd. The purchase consideration for the Property is agreed at S$305.0 million (the “Purchase Consideration”) and was arrived at on a willing-buyer and willing-seller basis and based on the two independent valuations.

The FCL Group Placement

The Manager intends to finance the Acquisition with a combination of equity and debt financing so as to ensure that the Acquisition will provide overall DPU accretion to Unitholders while maintaining an optimum level of gearing. The final decision regarding the proportion of equity and debt financing to be employed for the purposes of financing the acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions. Details of the methods of financing of the Acquisition are set out in Paragraph 4.1 of the Letter to Unitholders in the Circular. The equity financing is proposed to comprise a private placement of up to 90.0 million New Units (which is equivalent to up to approximately S$155.7 million\(^2\) or 10.9% of the 825,400,343 Units in issue as at 5 May 2014, being the latest practicable date prior to the printing of the Circular (the “Latest Practicable Date”). To enable FCL and/or any of its subsidiaries (collectively, the “FCL Group”) to be in a position to support FCT, the Manager is seeking Unitholders’ approval for the FCL Group to subscribe for such number of New Units under the Private Placement up to its proportionate pre-placement unitholding in FCT, in percentage terms\(^3\) (the “FCL Group Placement”). The New Units placed to the FCL Group under the FCL Group Placement will be issued at the same price as the New Units issued to other investors under the Private Placement.

As at the Latest Practicable Date, FCL holds an aggregate deemed interest in 339,270,343 Units (which is equivalent to approximately 41.1% of the 825,400,343 Units in issue and is therefore regarded as a “controlling Unitholder” of FCT under both the Listing Manual of the SGX-ST (the “Listing Manual”) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “Property Funds Appendix”). As FCL holds an indirect 50.0% interest in the Vendor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being an associate of a controlling Unitholder) is considered an “interested person” of FCT under the Listing Manual and an “interested party” of FCT under the Property Fund Appendix. Therefore the Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under Paragraph 5 of the Property Funds Appendix. Similarly, the FCL Group Placement also constitutes an “interested person transaction” under Chapter 9 of the Listing Manual.

As the consideration for the Acquisition exceeds 5% of the latest audited NAV of S$1,462.4 million and the value of New Units placed to the FCL Group under the FCL Group Placement may also exceed this threshold, the Manager is seeking the approval of the Unitholders for

\(^1\) Being the whole of Strata Lot U49285C together with Accessory Lots A101C, A102M, A103W and A104V, all of Mukim 27 together with the building comprised thereon and known as 5 Changi Business Park Central 1, Changi City Point, Singapore 486038.

\(^2\) Based on the Illustrative Issue Price of S$1.73.

\(^3\) This excludes the Units to be issued to the Manager as payment of the Acquisition Fee (the “Acquisition Fee Units”).

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the Acquisition and the FCL Group Placement. We note that the Manager is also seeking Unitholders’ approval for the Private Placement (Resolution 2). In the event that Unitholders do not approve Resolution 2 (the Private Placement), the Manager will not proceed with Resolution 3 (the FCL Group Placement).

2. TERMS OF REFERENCE

We have been appointed as the independent financial adviser to the Independent Directors of the Manager in respect of whether the Acquisition and the FCL Group Placement (collectively the “Proposed Transactions”) are on normal commercial terms and are not prejudicial to the interests of FCT and its minority Unitholders. This letter, which sets out our evaluation for the Independent Directors in respect of our engagement, is an integral part of the Circular.

We were neither a party to the negotiations entered into in relation to the Proposed Transactions, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into these transactions or arrangements. We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed Transactions. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion. The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of FCT. We do not express any view as to the price at which the Units may trade upon completion of the Acquisition nor on the future value, financial performance or condition of FCT after the Proposed Transactions. It is also not within our terms of reference to compare the merits of the Proposed Transactions to any alternative transactions that were or may have been available to FCT. Such comparison and consideration remain the responsibility of the Directors, the Manager and their advisers.

We have relied upon the assurances of the Directors who have collectively and individually accepted full responsibility for the accuracy and completeness of the information provided to us. The Directors have confirmed to us that to the best of their knowledge, information and belief, all material information available to them in connection with the Proposed Transactions have been disclosed to us and that such information constitutes full and true disclosure of all material information relating to such transactions and that there is no other information the omission of which would cause any of the information disclosed to us or relied on by us in making our recommendation to be inaccurate, incomplete, untrue or misleading in any material respect. We have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of FCT or the Acquisition. We have been furnished with the valuation reports for the Property prepared by the Independent Valuers. With respect to such reports, we are not experts and do not hold ourselves to be experts in the evaluation of Property and have relied solely upon such reports.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our
opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Unitholders should take note of any announcements relevant to their considerations of the Proposed Transactions which may be released by the Manager after the Latest Practicable Date.

The Manager has been separately advised by its own legal adviser in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this letter.

Our opinion in relation to the Proposed Transactions as set out in Paragraph 9 of this letter should be considered in the context of the entirety of our advice. This letter may only be reproduced, disseminated or quoted in the form and context in which it appears in the Circular or with our prior consent.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. As Unitholders will have different investment objectives, we advise the Independent Directors to recommend that any Unitholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

3. INFORMATION ON CHANGI CITY POINT

Information on Changi City Point is set out in Paragraph 2.1 of the Letter to Unitholders in the Circular and a detailed description of the Property is set out in Appendix A of the Circular. We recommend that the Independent Directors advise the Unitholders to read this information carefully.

The Property obtained its TOP in September 2011 and commenced operations in November 2011. The table below sets out a summary of selected information on the Property as at 28 February 2014 (unless otherwise indicated).

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFA (sq ft)</td>
<td>306,375</td>
</tr>
<tr>
<td>NLA (sq ft)</td>
<td>207,237</td>
</tr>
<tr>
<td>Number of Committed Leases</td>
<td>134</td>
</tr>
<tr>
<td>Number of Storeys</td>
<td>Three (with one basement level)</td>
</tr>
<tr>
<td>Number of Car Park Lots</td>
<td>627</td>
</tr>
<tr>
<td>Title</td>
<td>Leasehold estate of 60 years commencing 30 April 2009</td>
</tr>
<tr>
<td>Committed Occupancy Rate as at 28 February 2014 (%)</td>
<td>97.8</td>
</tr>
<tr>
<td>Weighted Average Lease Expiry (&quot;WALE&quot;) by NLA (years)</td>
<td>1.68</td>
</tr>
<tr>
<td>Purchase Price per sq ft based on the Purchase Consideration (S$)</td>
<td>1,472</td>
</tr>
</tbody>
</table>
4. THE PROPOSED ACQUISITION

4.1. The Acquisition

Pursuant to the Conditional Sale and Purchase Agreement made between the Trustee and the Vendor, the Vendor shall sell the Property to the Trustee together with the plant and equipment and the Trustee shall purchase the Property together with the plant and equipment upon the terms and subject to the conditions of the Conditional Sale and Purchase Agreement. The Vendor is a joint venture between FCL and Ascendas Development Pte. Ltd. in which FCL holds an indirect 50.0% interest. The Purchase Consideration of S$305.0 million was arrived at on a willing-buyer and willing-seller basis and based on the two valuations by Knight Frank and Colliers. The Manager (on behalf of the Trustee) and the Vendor have negotiated the Conditional Sale and Purchase Agreement in good faith with each other on an arm’s length basis and have agreed on the terms and conditions of the Conditional Sale and Purchase Agreement, including all other agreements or documents thereunder required to give effect to the Conditional Sale and Purchase Agreement and facilitate the completion of the Acquisition.

4.2. Estimated Acquisition Cost

The current estimated Acquisition Cost is approximately S$312.5 million, comprising:

(i) the Purchase Consideration of S$305.0 million;

(ii) the Acquisition Fee of S$3.05 million (being 1.0% of the Purchase Consideration); and

(iii) the estimated professional and other fees and expenses of approximately S$4.5 million which will be incurred by FCT in connection with the Acquisition and the Private Placement, comprising (a) underwriting and financial advisory fees in respect of the Private Placement of S$1.62 million, (b) debt facility fees of S$1.19 million and (c) transaction costs of S$1.67 million.

As the Acquisition will constitute an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, the Acquisition Fee payable to the Manager in respect of the Acquisition will be in the form of Units which shall not be sold within one year from their date of issuance.

4.3. Conditions Precedent

Completion of the Acquisition is conditional upon the fulfilment of the conditions precedent as set out in Paragraph 2.5 in the Letter to Unitholders. The Trustee has, pursuant to the Conditional Sale and Purchase Agreement, paid to the Vendor a deposit of 5.0% of the Purchase Consideration on 8 April 2014, which may be refunded to the Trustee if the Conditional Sale and Purchase Agreement is terminated under certain circumstances as provided in the Conditional Sale and Purchase Agreement. The Trustee shall, on completion of the Acquisition, pay to the Vendor the balance 95.0% of the Purchase Consideration.

4.4. Proposed Method of Financing

The Manager intends to finance the Acquisition with a combination of equity and debt financing, so as to ensure that the Acquisition will provide overall DPU accretion to Unitholders while maintaining an optimum level of gearing. The final decision regarding the proportion of equity and debt financing to be employed for the purposes of financing the Acquisition will be made by the Manager at the appropriate time taking into account the then
prevailing market conditions. The illustrative proportion of equity and debt financing to be employed for the purposes of financing the Acquisition (excluding the Acquisition Fee of S$3.05 million to be paid to the Manager in the form of Units) adopted in the Circular is as follows:

- Equity financing – S$149.7 million; and
- Debt financing and/or internal sources – S$159.8 million

4.4.1. Equity Financing

Under the equity financing plan, the Manager proposes to issue up to 90.0 million New Units (which is equivalent to up to approximately S$155.7 million\(^1\) or 10.9% of the 825,400,343 Units in issue as at the Latest Practicable Date) under the Private Placement to part finance the Acquisition\(^2\). The structure and timing of the Private Placement have not been finally determined. If and when the Manager decides to carry out the Private Placement, the Private Placement will comprise a private placement of New Units to institutional and other investors. The Manager will work with the Joint Lead Managers and Underwriters to determine the structure of the Private Placement, the time schedule for the Private Placement and the Issue Price, taking into account the then prevailing market conditions, and other factors that the Manager and the Joint Lead Managers and Underwriters may consider relevant. The structure and time schedule of the Private Placement and the Issue Price will be determined in accordance with Chapter 8 of the Listing Manual. The Manager will announce details of the Private Placement at the appropriate time.

We highlight that in the event that the Acquisition and the Private Placement are approved by Unitholders, but market conditions are not conducive to carry out the Private Placement or the Private Placement cannot be effected on acceptable terms, the Manager may decide to delay the Acquisition or alternatively fully finance the Acquisition by debt or a combination of debt and other forms of equity fund raising. Should the Manager part-finance the Acquisition through other forms of equity fund raising other than a private placement, the Manager will rely on any available general unit issue mandate for the purpose of issuing new Units.

An overview of the Private Placement and use of proceeds is set out in Paragraph 5.1 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read these carefully.

4.4.2. Debt Financing

The Manager has put in place loan facilities and may from time to time put in place new loan facilities, as the case may be (the “FCT Loan Facilities”), which may be utilised to part finance the Acquisition in accordance with the funding structure to be determined by the Manager. A summary of the FCT Loan Facilities is set out in Paragraph 4.1.2 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read these carefully.

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\(^1\) Based on the Illustrative Issue Price of S$1.73.

\(^2\) For the avoidance of doubt, the Private Placement is inclusive of the FCL Group Placement.
4.4.3. Aggregate Leverage of FCT

FCT’s Aggregate Leverage is 27.6% as at 30 September 2013. Following the completion of the Acquisition and assuming that the Manager raises S$149.7 million from the Private Placement and borrows S$159.8 million to finance the Acquisition, FCT’s Aggregate Leverage will be 30.6%. The level of Aggregate Leverage set out above is within the limits allowed under the Property Funds Appendix.

5. THE CHANGI CITY POINT PMA

If FCT acquires Changi City Point, it will be managed by Frasers Centrepoint Property Management Services Pte. Ltd. (the “Property Manager”), a wholly-owned subsidiary of FCL.

The Trustee, the Manager and the Property Manager have entered into a property management agreement on 8 April 2014 to provide services in respect of Changi City Point for the period commencing on the date of completion of the Acquisition (“Completion”) (or such other date as the parties may agree in writing) and ending on the date falling five years from the date of Completion (the “Changi City Point PMA”).

Under the terms of the Changi City Point PMA, the Property Manager will be paid certain fees for property management (including lease management), property tax services and project management services rendered in respect of Changi City Point as set out in Paragraph 4.7 of the Letter to Unitholders in the Circular.

6. THE FCL GROUP PLACEMENT

To enable the FCL Group to be in a position to support FCT, the Manager is seeking Unitholders’ approval for the proposed issue of New Units to the FCL Group, as part of the Private Placement. The FCL Group may subscribe for such number of New Units under the Private Placement up to the FCL Group’s proportionate pre-placement unitholding in FCT, in percentage terms¹.

The New Units placed to the FCL Group under the FCL Group Placement will be issued at the same price as the New Units issued to other investors under the Private Placement.

The Issue Price will be subject to Rules 811(1) and 811(5) of the Listing Manual, and will not be issued at more than 10.0% discount to the volume weighted average price for trades done on the SGX-ST for the full market day on which the placement agreement is signed or, if trading in the Units is not available for a full market day, for the preceding market day up to the time the placement agreement is signed, excluding (where applicable) declared distributions provided that the placees under the Private Placement are not entitled to the declared distributions.

7. EVALUATION OF THE ACQUISITION

In reaching our recommendation in respect of the Acquisition, we have given due consideration to the following factors:

(1) The Rationale for the Acquisition;

(2) The Independent Valuations of the Property;

¹ This excludes the Acquisition Fee Units.
7.1. The Rationale for the Acquisition

The Manager’s view of the key benefits of the Acquisition is set out in Paragraph 3 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this section of the Circular carefully.

7.2. The Independent Valuations of the Property

The Manager commissioned an independent valuer (that is, Knight Frank) and the Trustee commissioned another independent valuer (that is, Colliers) to value the Property. The valuation certificates of the Independent Valuers are attached as Appendix D of the Circular. The market values of the Property as determined by the Independent Valuers are set out below:

<table>
<thead>
<tr>
<th>Property</th>
<th>Appraised Value</th>
<th>Average Valuation</th>
<th>Agreed Consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Knight Frank</td>
<td>Colliers</td>
<td></td>
</tr>
<tr>
<td>Changi City Point</td>
<td>S$306.0 million</td>
<td>S$304.0 million</td>
<td>S$305.0 million</td>
</tr>
</tbody>
</table>

Note:

(1) For the avoidance of doubt, the agreed Purchase Consideration does not include the Acquisition Fee payable to the Manager and the estimated professional and other fees and expenses which will be incurred by FCT in connection with the Acquisition and the Private Placement.

The key points to be highlighted in respect of the Independent Valuations are as follows:

(i) The basis of valuation used is “Market Value”, the definitions of which are broadly consistent as between the Independent Valuers;

(ii) The relevant date for the valuations undertaken is 1 March 2014;

(iii) Knight Frank used the capitalisation approach and discounted cash flow analysis, while Colliers used the capitalisation approach, discounted cash flow analysis and the direct comparison method; and

(iv) The methods used by the Independent Valuers are widely accepted methods for the purpose of valuing income-producing properties.

We note that the Purchase Consideration for the Property of S$305.0 million is equal to the average of the appraised values by Knight Frank and Colliers.

7.3. Comparison of Capitalisation Rates, Discount Rates and Terminal Yields

We have compared the capitalisation rates, discount rates and terminal yields used by the Independent Valuers with those used in the latest independent valuation of the retail properties owned by FCT (the “FCT Existing Properties”) as set out below:
<table>
<thead>
<tr>
<th>Properties</th>
<th>Discount Rate (%)</th>
<th>Capitalisation Rate (%)</th>
<th>Terminal Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property ~ Knight Frank&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>7.75</td>
<td>5.70</td>
<td>5.95</td>
</tr>
<tr>
<td>Property ~ Colliers&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>7.75</td>
<td>5.75&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>6.25</td>
</tr>
<tr>
<td>FCT Existing Properties&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>7.75 – 8.00</td>
<td>5.25 – 5.60</td>
<td>5.45 – 5.85</td>
</tr>
</tbody>
</table>

Notes:

(1) Capitalisation rates, discount rates and terminal yields are the rates for the retail space of the Property extracted from the reports of the Independent Valuers.

(2) Capitalisation rates, discount rates and terminal yields used by independent valuers in arriving at the market value of the FCT Existing Properties as at 30 September 2013 as disclosed in the respective independent valuation reports provided by the Manager.

(3) Colliers adopts two capitalisation rates in its valuation of the Property: (1) 5.5% for term income; and (2) 5.75% for reversionary income.

Based on the table above we highlight the following:

(i) The discount rates used by the Independent Valuers in their valuations of the Property are in line with the range used in the latest independent valuation of the FCT Existing Properties; and

(ii) The capitalisation rates and terminal yields used by the Independent Valuers in their valuations of the Property are higher than the capitalisation rates and terminal yields used in the latest independent valuation of the FCT Existing Properties.

The above analysis serves only as one factor considered by us in our evaluation and may not be meaningful to a satisfactory extent as the Property differs from the FCT Existing Properties in many aspects (such as location, accessibility, profile and composition of tenants, proximity to major venues and/or attractions, outstanding lease tenure and other relevant factors). Accordingly, the Independent Directors should note that any comparisons made with respect to the Property to the FCT Existing Properties serve as an illustrative guide only.

### 7.4. Comparison with NPI Yields of Selected Retail Properties

We have extracted information in respect of valuations of selected retail properties owned by FCT and certain other Singapore listed REITs which own and invest in assets which are used, or predominantly used for retail purposes in Singapore (the “Selected Retail Properties”) in order to benchmark the NPI yield implied by the Purchase Consideration with the NPI yields for the Selected Retail Properties.

We highlight that the NPI yield of the Property is based on the annualised NPI for the Forecast Period (1 June 2014 to 30 September 2014) whereas the NPI yields for all the Selected Retail Properties (except the one owned by SPH REIT) is based on their historical NPI for their latest financial year.

<table>
<thead>
<tr>
<th>Selected Retail Properties&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>NPI Yield&lt;sup&gt;(2)&lt;/sup&gt; (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average 5.6%</td>
</tr>
<tr>
<td></td>
<td>High 6.0%</td>
</tr>
<tr>
<td></td>
<td>Low 5.4%</td>
</tr>
</tbody>
</table>
### Selected Retail Properties

<table>
<thead>
<tr>
<th>Property</th>
<th>NPI Yield&lt;sup&gt;(2)&lt;/sup&gt; (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CapitaMall Trust (“CMT”)&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>Average: 6.1%</td>
</tr>
<tr>
<td></td>
<td>High: 6.5%</td>
</tr>
<tr>
<td></td>
<td>Low: 5.4%</td>
</tr>
<tr>
<td>Mapletree Commercial Trust (“MCT”) (VivoCity)</td>
<td>5.1%</td>
</tr>
<tr>
<td>SPH REIT (Clementi Mall)</td>
<td>5.6%&lt;sup&gt;(4)&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>All Selected Retail Properties</strong></td>
<td>Average: 5.8%</td>
</tr>
<tr>
<td></td>
<td>High: 6.5%</td>
</tr>
<tr>
<td></td>
<td>Low: 5.1%</td>
</tr>
<tr>
<td><strong>Changi City Point</strong></td>
<td>5.4%</td>
</tr>
</tbody>
</table>

**Sources:** REIT or company filings; circulars to unitholders where available; DTCF analysis

**Notes:**

1. We have selected only pure retail properties within each REIT’s portfolio; as such, the NPI yields are not representative of the entire portfolio properties for each REIT.
2. The NPI yields of the Selected Retail Properties is calculated based on the annual NPI for their latest financial year divided by the latest market value, as extracted from the latest available annual reports and announcements of the respective REITs.
3. We have excluded Bugis Junction, a pure retail property, from CMT’s portfolio of companies as it underwent asset enhancement initiatives from April 2013 to October 2013.
4. NPI Yield calculated based on forecast FY2014 NPI with income support as set out in the IPO prospectus of SPH REIT dated 17 July 2013 and revised valuation as at August 2013.

Based on the table above, we note the following:

(i) The NPI yield of the Property is broadly in line with the NPI yields for the FCT Existing Properties; and

(ii) The NPI yield of the Property is broadly in line with the NPI yields for all the Selected Retail Properties.

The Property obtained its TOP in September 2011 and commenced operations in November 2011. The Selected Retail Properties have been operational for longer. We note that the tenancy agreements for the Property are generally of 2 to 3 years duration and that the first cycle of lease renewals is underway. It is to be expected that rentals will increase to reflect market rents on first renewal.

We highlight that the analysis above is only one factor considered by us in our evaluation and is limited in its utility to the extent that the Property differs from the Selected Retail Properties in aspects such as location, accessibility, title, net lettable area, composition of tenants, proximity to major venues and/or attractions, outstanding lease tenure, market risks, track record and other relevant factors. In addition, the valuations of the selected properties were undertaken at different points in time under different market and economic conditions. Accordingly, the Independent Directors should note that any comparisons made with respect to the Property to the Selected Retail Properties serve as an illustrative guide only.
7.5. Comparison with Selected Retail Properties Transactions

We have also extracted information from selected transactions involving purchases of retail properties located in Singapore that are publicly available (the "Comparable Transactions") in order to compare the acquisition price psf and the NPI yields implied by the Purchase Consideration for the Property with the acquisition price psf and the NPI yields implied by the properties which are included in our list of Comparable Transactions.

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Property Name</th>
<th>Acquirer</th>
<th>Lease Expiry(1)</th>
<th>Purchase Price (S$ million)</th>
<th>NPI Yield at Acquisition(2)</th>
<th>Purchase Price psf(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-13</td>
<td>Clementi Mall</td>
<td>SPH REIT</td>
<td>96</td>
<td>571(4)</td>
<td>5.4%(4)</td>
<td>2,970</td>
</tr>
<tr>
<td>Jul-12</td>
<td>Nex</td>
<td>Mercatus Co-operative Ltd</td>
<td>95</td>
<td>825(5)</td>
<td>(50%)</td>
<td>2,592(5)</td>
</tr>
<tr>
<td>May-12</td>
<td>Compass Point</td>
<td>Gemshine Investments (S) Pte Ltd(6)</td>
<td>87</td>
<td>519</td>
<td>5.6%</td>
<td>1,926</td>
</tr>
<tr>
<td>Jul-11</td>
<td>Bedok Point</td>
<td>FCT</td>
<td>66</td>
<td>127</td>
<td>5.5%(7)</td>
<td>1,569</td>
</tr>
<tr>
<td>Jun-11</td>
<td>Jurong Point Extension</td>
<td>Prestige Realty Pte Ltd</td>
<td>94</td>
<td>229(8)</td>
<td>(50%)</td>
<td>2,132(8)</td>
</tr>
<tr>
<td>Feb-11</td>
<td>Bugis+ (formerly Iluma)</td>
<td>CapitaMall Trust</td>
<td>55</td>
<td>295</td>
<td>3.8%(9)</td>
<td>1,593</td>
</tr>
<tr>
<td>Jan-10</td>
<td>Northpoint</td>
<td>FCT</td>
<td>89</td>
<td>165</td>
<td>5.8%(10)</td>
<td>1,924</td>
</tr>
<tr>
<td>Jan-10</td>
<td>YewTee Point</td>
<td>FCT</td>
<td>91</td>
<td>126</td>
<td>5.9%(10)</td>
<td>1,736</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Average</td>
<td>5.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Median</td>
<td>5.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>High</td>
<td>5.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Low</td>
<td>3.8%</td>
</tr>
<tr>
<td>March-14</td>
<td>Changi City Point</td>
<td>FCT</td>
<td>55</td>
<td>305.0</td>
<td>5.4%</td>
<td>1,472</td>
</tr>
</tbody>
</table>

Sources: REIT or company filings; circulars to unitholders or shareholders (as the case may be) in relation to the respective transactions where available; DTCF analysis

Notes:

(1) The years to lease expiry is calculated at point of acquisition.

(2) The implied NPI yield are based on market reports, circulars or calculated based on the purchase price of the respective property at acquisition.

(3) Based on the purchase price divided by the NLA of the properties.

(4) The Clementi Mall’s valuation was inclusive of income support. In the absence of income support, the valuation was S$553m. The NPI yield is based on the profit forecast and profit projection, together with the accompanying assumptions in SPH’s prospectus and includes guaranteed income amount. In the absence of guaranteed income amount, NPI yield is 4.6%.

(5) Mercatus Co-operative Ltd acquired a 50% stake in Nex for S$825 million. The NLA psf and NPI yield is calculated based on the implied valuation and NPI of 100% of the property.

(6) In May 2012, FCL through a wholly owned subsidiary entered into an agreement with Asia Property Fund ("APF") to jointly bid for Compass Point via a newly incorporated JV, Gemshine Investments (S) Pte Ltd (81.01% held by APF and 18.99% held by FCL).

(7) NPI yield for Bedok Point is based on the net property income for forecast period 2012.

(8) Prestige Realty Pte Ltd acquired a 50% interest in Jurong Point Extension. The NLA psf and NPI yield is calculated based on the implied valuation and NPI of 100% of the property of S$670 million.

(9) Bugis’s estimated net property income for FY2010 of S$11.1 million is based on the revenue derived from its tenancy schedule as at 1 February 2011 and the Manager’s estimate of the operating expenses as disclosed by CapitaMall Trust in their circular.

(10) NPI yield of Northpoint and YewTee Point are computed based on the forecast period 2010 NPI (annualised) divided by the purchase consideration of the respective property as per FCT’s circular dated 7 January 2010.
From the table above, we note the following:

(i) The NPI yield of the Property of 5.4% is within the range of NPI yields at which the Comparable Transactions occurred and is in line with both the average and the median of such yields; and

(ii) The implied purchase price for the Property of S$1,472 psf is lower than the equivalent implied purchase prices psf for the Comparable Transactions.

The analysis above is only one factor considered by us in our evaluation herein and may not be meaningful to a satisfactory extent as the Property differs from the selected transacted properties in many aspects, such as location, accessibility, title, net lettable area, composition of tenants, proximity to major venues and/or attractions, outstanding lease tenure, market risks, track record and other relevant factors. In addition, the valuations of the selected properties were undertaken at different points in time under different market and economic conditions. Accordingly, the Independent Directors should note that any comparisons made between the Property and the selected transacted properties serve as an illustrative guide only.

7.6. The Financial Effects of the Acquisition

The pro forma impact of the Acquisition is set out in Paragraph 4.4 of the Letter to Unitholders in the Circular. We note that assumptions were made for the purpose of preparation of the pro forma financial effects. We recommend that the Independent Directors advise Unitholders to read these carefully, as well as take them into consideration when considering the financial effects of the Acquisition. Based on the information set out in Paragraph 4.4 of the Letter to Unitholders in the Circular, we note the following:

(i) The pro forma DPU increases by 0.06 cents (or approximately 0.55%) following the Acquisition. The increase in DPU is largely due to the increase in distribution following the Acquisition. We note that the increase in DPU is being offset by the dilution effect of the Private Placement;

(ii) The pro forma NAV per Unit remains unchanged following the Acquisition;

(iii) The total debt increases from S$589.0 million to S$748.8 million and Total Unitholders’ funds increases from S$1,462.4 million to S$1,615.1 million; and

(iv) The Transactions, taken as a whole, increase FCT’s Aggregate Leverage to 30.6% on a pro forma basis.

8. EVALUATION OF THE FCL GROUP PLACEMENT

In reaching our recommendation in respect to the FCL Group Placement, we have given due consideration to the following factors:

(1) The Rationale for the FCL Group Placement;

(2) The Basis for the FCL Group Placement; and

(3) Precedent Placements to Interested Persons.
8.1. The Rationale for the FCL Group Placement

The Manager’s view of the rationale for the FCL Group Placement is set out in Paragraph 6.2 of the Letter to Unitholders in the Circular and is reproduced below:

“The Manager believes that the size of the FCL Group’s unitholdings in FCT provides a degree of stability to FCT as an investment vehicle. Allowing New Units to be placed to the FCL Group would help to maintain such stability, which is ultimately to the benefit of Unitholders. The ability of the FCL Group to subscribe for New Units under the Private Placement would also enhance investors’ confidence in FCT by providing a higher degree of certainty for the successful completion of the Private Placement.

The Manager is thus of the view that the FCL Group should be given the opportunity to apply for such New Units under the Private Placement.”

8.2. The Basis for the FCL Group Placement

We note that the FCL Group may subscribe for such number of New Units under the Private Placement up to the FCL Group’s proportionate pre-placement unitholding in FCT, in percentage terms\(^1\), and may do so at the same price as the New Units issued to other investors under the Private Placement.

We note further that under Rule 811(1) of the Listing Manual, the issue price of the New Units must not be priced at more than 10% discount to the weighted average price for the Units on the SGX-ST for the full market day on which the placement agreement was signed. The Manager will work with the Joint Lead Managers and Underwriters to determine the structure of the Private Placement, the time schedule for the Private Placement and the Issue Price, taking into account the then prevailing market conditions, and other factors that the Manager and the Joint Lead Managers and Underwriters may consider relevant. The Manager will announce details of the Private Placement at the appropriate time.

We further note that the interested persons of FCT and each of its associates, including the Manager, are prohibited from voting on the said resolution to permit such a placement of New Units.

8.3. Precedent Placements to Interested Persons

We have considered the details of other completed placements undertaken by SGX-ST listed companies and REITs wherein there was a placement of shares and/or units to an interested person. Based on our review, we note that:

(i) There were a total of six transactions in the period from 1 January 2010 to the Latest Practicable Date wherein an interested person was granted the right to subscribe to a placement;

(ii) Of those six transactions, two involved entities (that is, Ascott Residence Trust and CapitaRetail China Trust) that are comparable to FCT in that they are REITs listed on the Main Board of the SGX-ST;

(iii) The rationale used in both these transactions were similar in that subscription by the interested person enhanced investors’ confidence by giving a higher degree of certainty for the successful completion of the placement.

\(^1\) This excludes the Acquisition Fee Units.
A summary of the two transactions are as follows.

<table>
<thead>
<tr>
<th>Companies</th>
<th>Date of Announcement</th>
<th>Unitholding of interested person prior to placement (%)</th>
<th>Total Proceeds Raised (S$ million)</th>
<th>Issue/Subscription Price (S$)</th>
<th>Premium over/(discount to) VWAP for trades done on the SGX-ST for the full market day on date of signing (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascott Residence Trust</td>
<td>20 Aug 2010</td>
<td>47.7</td>
<td>560.6</td>
<td>47.7(1)</td>
<td>1.080</td>
</tr>
<tr>
<td>CapitaRetail China Trust</td>
<td>06 May 2011</td>
<td>41.0</td>
<td>70.0</td>
<td>39.5</td>
<td>1.170</td>
</tr>
</tbody>
</table>

Note:

(1) The unitholding of the interested person was expected to remain unchanged post completion of the private placement and preferential offering, which were part of the equity fund raising exercise undertaken by Ascott Residence Trust.

Sources: SGX-ST announcements; circulars to unitholders

(i) We note that in the case of Ascott Residence Trust and CapitaRetail China Trust the interested person held 47.7% and 41.0% respectively which is broadly in line with that percentage unitholding of FCL in FCT held through its wholly-owned subsidiaries, FCL Trust Holdings Pte. Ltd. and the Manager;

(ii) The discount to VWAP applied for Ascott Residence Trust and CapitaRetail China Trust were 4.7% and 6.5% respectively and this pricing was determined by joint lead managers and underwriters, working with the managers having regard to the then prevailing market conditions amongst other relevant factors; and

(iii) The process and pricing to be adopted in the case of the Private Placement is similar to that adopted by Ascott Residence Trust and CapitaRetail China Trust.

9. OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the Acquisition and the FCL Group Placement.

The Acquisition

(i) The rationale for the Acquisition;

(ii) The Purchase Consideration for the Property of S$305.0 million is equal to the average of the appraised values ascribed by Colliers and Knight Frank;

(iii) The NPI yield of the Property is broadly in line with the NPI yields both for the FCT Existing Properties and for the Selected Retail Properties; and

(iv) The NPI yield of the Property is within the range of NPI yields at which the selected transacted properties were acquired and higher than the average of such yields.

The FCL Group Placement

(i) The rationale for the FCL Group Placement;
(ii) The FCL Group may subscribe for such number of New Units under the Private Placement up to the FCL Group's proportionate pre-placement unitholding in FCT, in percentage terms¹ and may do so at the same price as the New Units are issued to other investors under the Private Placement; and

(iii) There are two precedent transactions which were undertaken using a structure and on terms which are similar to those contemplated under the FCL Group Placement.

Subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interest of FCT and its minority Unitholders. Accordingly, we are of the opinion that the Independent Directors recommend that Unitholders vote in favour of the Acquisition and the FCL Group Placement resolutions to be proposed at the Extraordinary General Meeting.

In arriving at our recommendation, we emphasise that we have, *inter alia*, relied upon representations made by the Directors and the Manager in relation to the current intentions and future direction of FCT. The Independent Directors should note that we have arrived at these conclusions based upon the information made available to us up to and including the Latest Practicable Date.

Our recommendation is addressed to the Independent Directors and the Trustee for their benefit in connection with and for the purpose of their consideration of the Proposed Transactions. Any recommendation made by the Independent Directors in respect of the Acquisition and the FCL Group Placement resolutions shall remain their responsibility.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Deloitte & Touche Corporate Finance Pte Ltd

Jeff Pirie
Executive Director

¹ This excludes the Acquisition Fee Units.
**URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Director</td>
<td>Peter Holland</td>
</tr>
<tr>
<td>Review Director</td>
<td>Jack Backen</td>
</tr>
</tbody>
</table>

**URBIS PROJECT TEAM**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
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</thead>
<tbody>
<tr>
<td>Consultant</td>
<td>David Barbalatt</td>
</tr>
<tr>
<td>Research Analyst</td>
<td>Marc Fegredo</td>
</tr>
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**Job Code**  MPEA-0120  
**Date of Issue**  31 March 2014
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Disclaimer

Appendix A – Changi City Point Layout Plans
Executive Summary

The principal findings from this retail market study for Changi City Point are as outlined below.

ECONOMIC OVERVIEW

- Despite some volatility attributable to fluctuating global growth during the past decade, Singapore’s economy has grown strongly, averaging 5.6% per annum in real terms between 2001 and 2013, but with only modest growth in 2012 and 2013. Growth in Singapore’s economy is expected to improve over the next few years, in tandem with the continued global recovery, with real GDP growth forecast to average 4.7% p.a. from 2013 to 2018.

- Inflation has historically remained under control, although it has risen over the past few years on the back of rising housing, food and transport costs. For 2013-2018, Consumer Price Inflation is forecast at 2.3% p.a. and Retail Price Inflation at 1.0% p.a.

- From 2013 to 2018, nominal retail sales in Singapore are expected to grow on average at 4.0% per annum largely on the back of an improving local and global economy.

CHANGI CITY POINT

- Changi City Point is considered a sub-regional centre in the Singapore context, providing 207,237 sq.ft NLA. The main anchor is Cold Storage, with 15,360 sq.ft (or 7% of total floorspace). The centre is still relatively new, having only opened in late 2011.

- Changi City point has a number of unique features including:
  - Its extensively landscaped setting making it “a mall within a garden.”
  - Its mixture of both traditional retail and outlet retail with the centre having 15 outlet stores including Nike, Adidas and Lacoste.
  - Its location within Changi Business Park which gives it access to a sizeable and relatively affluent workforce.

- As a result of its location close to the airport, Changi City Point enjoys excellent access by road. The centre is well-connected to the Pan-Island Expressway, the East Coast Parkway and (slightly further afield) the Tampines Expressway. Between them, these three major roads provide rapid access to the whole of eastern Singapore.

- The closest MRT station to Changi City Point is Expo, which serves the Singapore Expo Centre on the East-West Line. The service to Changi Business Park (and hence also to Changi City Point) will be further enhanced by the completion of Downtown Line Phase 3. This phase is expected to complete in 2017.

- The centre provides 627 car parks. This equates to 3.0 spaces per 1,000 sq.ft of NLA. The parking lots are shared between the mall, One@Changi City and the adjacent hotel, Capri by Fraser.

- During 2013, the mall generated an estimated SGD 142.7 million, at an average productivity of SGD 57.4 per sq.ft per month. Growth has been healthy, with productivity increasing from SGD 49.6 per sq.ft per month in 2012, and expected to remain healthy as the mall becomes more established.

- In 2013 Changi City Point generated SGD 24.8 million in gross rent, at an average of SGD 10.0 per sq.ft per month, and with an overall average occupancy cost ratio (OCR) for the centre of 17.4%, decreasing from 18.9% in 2012. The 2013 OCR is relatively high by international standards reflecting:
  - The fact that the centre is still in its establishment phase and is yet to reach its fully stabilised level.
Singapore typically has OCRs that are higher than other markets.

In 2013 healthy rental growth was achieved at the time of lease renewal for a number of tenants.

TRADE AREA ANALYSIS

- Changi City Point is served by a number of different market segments, including:
  - Trade area residents
  - Changi Business Park workers
  - Hotel guests
  - Expo visitors
  - Nearby university students

- The main trade area is expected to grow on average by 3.1% per annum from SGD 3.0 billion in 2013 to SGD 3.5 billion in 2018. Over the same period, the total trade area is expected to grow from SGD 5.9 billion to 7.0 billion, with the main trade area accounting for around 50% of this market.

- The worker, guest, visitor and students markets are expected to experience healthy growth over the coming years and will be of considerable benefit to Changi City Point.

- Taking into account worker, guest, visitor and nearby student spending markets, the total available retail spending market is estimated at SGD 6.2 billion, growing to SGD 7.3 billion in 2018 at an average of 3.4% per annum.

COMPETITION

- The overall trade area retail provision is considered to be relatively strong. The most relevant competition for Changi City Point is the concentration of retail around the Tampines MRT Station to the north and the retail at Bedok Town Centre to the west, particularly Bedok Mall. The centre does however benefit from a lack of competition within the primary trade area.

- In terms of future competition, Project Jewel at Changi Airport will provide a nearby retail offer of considerable scale and is expected to be designed and tenanted to a high level. This project is a joint venture between CapitaLand and Changi Airport Group. Some minor additional competition at the local level will also be provided with the reopening of Eastpoint Mall in Simei.

- The Outer East Region has a considerably lower provision of shopping centre floorspace per capita compared with average provision across Singapore. This is forecast to increase over time as retail developers look to take advantage of the growing retail market in this area. However, even by 2018 the shopping centre floorspace provision in the Outer East Region is still projected to remain below the Singapore average.

MARKET OUTLOOK FOR CHANGI CITY POINT

- Changi City Point, being just over two years old, is still going through its establishment phase as would be expected for a centre of this type and scale and located in an area which is gradually being developed and still with a long way to reach its fully built-out capacity.

- The centre however should experience solid growth over the next few years and is in a good position to take advantage of the following developments in the Singapore and local retail market, including:
  - Ongoing healthy growth in the resident retail spending market over the next five years.
  - The constantly improving public transportation network including the completion of the Downtown Extension Line.
- A growing office workforce at Changi Business Park, with the future built-out capacity for a further 29,000 workers.
- The continued development, usage and patronage of Singapore Expo.
- Growth in the nearby student population with the 2014 opening of the new campus of the Singapore Technology and Design University.

- In relation to future competition, we would expect there to be only a minor localized impact resulting from the reopening of Eastpoint Mall in 2014. Similarly in the case of the Project Jewel centre at Changi Airport, because of its scale, market positioning and location at the airport, it is expected again to not have a significant impact on Changi City Point’s trading performance with the Project Jewel centre performing a much wider regional role and with a very strong focus on the tourist market.
Introduction

RESEARCH BRIEF

Urbis has been commissioned by Frasers Centrepoint to undertake a retail market overview of Changi City Point as part of Fraser Centrepoint’s due diligence and for inclusion in a circular for Unitholders.

OBJECTIVES OF STUDY

The principal objectives of the research are to provide the following:

- An overview of the Singapore retail market including an assessment of the outlook for the market over the next five years.
- An overview of the centre as well as an evaluation of centre performance in calendar year 2013.
- An analysis of the existing and future retail market segments from which Changi City Point is expected to draw custom.
- An overview of existing and forthcoming retail competition of relevance to Changi City Point.

SOURCES OF INFORMATION

This report draws on a variety of information, both official and unofficial. The principal sources of information used in this study include:

- Economic data and forecasts provided by the Economist Intelligence Unit (EIU).
- Statistical information, both published and unpublished, from the Singapore Department of Statistics including:
  - Population Census 2010
  - Tourism Statistics for 2006-2013
  - Population Trends 2013
  - Household Income and Expenditure Survey, 2007/08
  - Retail Sales and Catering Trade Index Series
  - Wholesale and Retail Sales Economic Review
- Publications from the Singapore Tourism Board (STB), the Urban Redevelopment Authority (URA) and the Housing Development Board (HDB).
- Previous studies and research undertaken by Urbis on the retail market for specific shopping centres (including Changi City Point) within the Singapore market.
- Information provided directly by Frasers Centrepoint for the purposes of this study.
FORMAT OF REPORT
This report includes five sections as follows:

- **Section 1** – Singapore Retail Market Overview
- **Section 2** – Changi City Point Site & Performance Evaluation
- **Section 3** – Trade Area Analysis
- **Section 4** – Review of Retail Competition
- **Section 5** – Market Outlook – Changi City Point

ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>RPI</td>
<td>Retail Price Inflation</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GFA</td>
<td>Gross Floor Area</td>
</tr>
<tr>
<td>NLA</td>
<td>Net Lettable Area</td>
</tr>
<tr>
<td>GFC</td>
<td>Global Financial Crisis</td>
</tr>
<tr>
<td>HES</td>
<td>Household Expenditure Survey</td>
</tr>
<tr>
<td>OCR</td>
<td>Occupancy Cost Ratio</td>
</tr>
<tr>
<td>PCE</td>
<td>Private Consumption Expenditure</td>
</tr>
<tr>
<td>STB</td>
<td>Singapore Tourism Board</td>
</tr>
<tr>
<td>EIU</td>
<td>Economist Intelligence Unit</td>
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</table>
1 Singapore Retail Market Overview

Singapore is a small, highly integrated and mature economy. Its on-going performance plays an important role in growth in retail sales. This section provides some economic context to assist in our examination of the outlook for the retail market.

1.1 ECONOMIC GROWTH – PAST & FORECAST

Singapore economic growth has remained healthy in recent years, with GDP growing by 5.6% per annum between 2001 and 2013. There have been weaker years - the recent Global Financial Crisis (GFC) restricted growth to 1.7% and -0.8% in 2008 and 2009 respectively. However, the economy has managed to rebound from each downturn, and maintained a solid level of growth.

As a major trading nation and financial hub, the story behind Singapore’s economic performance is highly correlated with the state of the global economy. During the last economic boom (up to 2007), Singapore benefited greatly with economic growth significantly above trend levels. In more recent times, the major issues confronting the global economy – the Euro crisis, the slow rebound of the US economy, the slowing of the major emerging economies – have all acted as a drag on Singapore’s economy.

However, the global economy has stabilised over the past twelve months. The rebound in the US finally appears to be taking a firm hold, in contrast to the stuttering of the past few years. Japan, which has been a long-term underperformer, has started to see signs of improvement. Europe appears to have muddled its way through the Euro crisis, and markets are now less nervous about China than they have been.

All of this points to an improving outlook for Singapore. After a weak 2012 (1.3% growth), Economist Intelligence Unit (EIU) forecasts are for the Singapore economy to continue a gradual improvement, growing by 3.5% in 2013 (consistent with Ministry of Trade and Industry forecasts). Between 2013 and 2018, the EIU expects growth to average 4.7% per annum. This is lower than the long term trend, but a healthy rate of growth nonetheless. It reflects a lower growth global economy – much of the growth over the past decade was fuelled by debt, a situation that is unlikely to return over the short to medium term.

Obviously, these growth forecasts are dependent on a continued global economic recovery, with any stagnation or negative shocks to the global economy likely to be reflected in Singapore’s future real GDP growth. Conversely, better than expected global economic performance will positively impact Singapore’s real GDP growth.

Real GDP Growth

SINGAPORE, 2001 - 2018

CHART 1.1

Source: Economic Intelligence Unit; December 2013
1.2 PRIVATE CONSUMPTION EXPENDITURE – PAST & FORECAST

Chart 1.2 presents historical and forecast real private consumption expenditure (PCE) growth from 2001 to 2018. PCE is a measure of the contribution of households to GDP. Typically, PCE growth tracks that of GDP, and it is closely linked as retail sales growth, with retail spending by households is a major component of private consumption.

Real PCE growth averaged 3.8% from 2001 to 2013, with notable contractions in the growth rate during the SARS epidemic in 2003 and the GFC in 2008 and 2009. 2012 also saw a temporary reduction in the real PCE growth rate, which was associated with decreased consumer confidence related to weaker global economic conditions.

In 2013 real PCE growth rebounded somewhat, estimated at 2.6% with key drivers of this growth being household spending on housing and utilities, health, recreation and culture. The EIU forecasts real PCE growth to rebound from 2013 to 2018, recording a CAGR of 4.8% over the forecast period.

1.3 INFLATION – PAST & FORECAST

From 2001 to 2013 Consumer Price Inflation (CPI) averaged 2.3% per annum. Years in which prices recorded significantly higher growth have included 2008, 2011 and 2012, with price increases in recent years mainly driven by rising housing, food and transport costs.

CPI moderated over 2013, recorded at 2.4%, due in part to a moderation in growth of transport cost price increases. The main drivers of inflation continue to be housing, food and transport costs (despite the recent decrease). The EIU expects CPI to rise marginally to 2.7% in 2014, recording an average of 2.3% from 2013 to 2018.

The Retail Price Inflation (RPI) is a subset of CPI that measures the price variance of retail goods and services. RPI in Singapore typically trends slightly below CPI, and between 2003 and 2013 averaged approximately 1.3%. Preliminary data suggests 2013’s RPI at -0.3%, reflective of decreases in prices in watches and jewellery, furniture and household goods. In turn, this reflects a relatively weak year for retail sales (discussed below). From 2013 to 2018 Urbis expects RPI to average approximately 1.0%.
1.4 POPULATION GROWTH – PAST & FORECAST

In June, Statistics Singapore estimated the total Singapore population to be 5.39 million. The estimates are comprised of Singapore ‘residents’ and ‘non-residents’. Residents are comprised of Singaporean citizens and permanent residents, whilst non-residents typically consist of expatriate workers on long-term working visas. The total resident population for 2013 was estimated at 3.84 million, whilst non-residents consisted of 1.55 million.

Singapore’s population growth is largely driven by growth in non-residents. Growth, therefore, is largely contingent of Government policy which controls the level of migration. We expect with a slightly below trend economic growth outlook, the level of immigration will be kept in check, and non-residential population growth might be lower than in recent years. This segment is likely to grow at around 4.3% per annum over the next five years, or 72,800 people.

Due to an aging population and low fertility rates, the resident population should exhibit lower and more stable growth over time. We expect it to grow at 0.6% per annum over the next five years, or 24,700 people, in line with recent trends.

As a result, Urbis forecast total population growth at 1.7% per annum (97,500 people per annum), reaching 5.89 million by 2018.
1.5 TOURIST VISITATION TO SINGAPORE – PAST & FORECAST

Tourism has seen significant growth in Singapore since the early 2000s, with international visitors (excluding Malaysian day trippers) growing at 6.2% per annum from 2001 to 2013. The last 3 years have seen particularly strong growth in tourism numbers, with an average growth rate of 14.4% (1.5 million visitors per annum) from 2009 to 2013. This growth has been supported by a number of large tourist-oriented developments such as Marina Bay Sands & Resorts World Sentosa, as well as the rapidly increasing number of ‘destinational’ events such as the Grand Prix and Arts Festival. Most recently growth has been slowing, from a peak of 20% in 2010, to an estimated 7.5% in 2013.

To date the Singapore Tourism Board has only released tourist spending statistics for the first half of 2013. In Q1 2013, even though visitor numbers increased by 9.0% compared to Q1 2012, total retail sales from tourists decreased by an estimated 4.0% relative to the preceding year. Of particular note was the absolute decrease in the number of business travellers to Singapore and their associated retail spending, something that has also been experienced in Hong Kong and Japan.

As the global economy improved over the course of 2013, we expect that retail spending by tourists also recovered, and this is indicated by Q2 2013 figures that show an increase in tourism retail spending of around 9% relative to Q2 2012. Despite the rebound in tourist retail spending in Q2 2013, which is expected to have continued over the remainder of the year, we estimate that overall 2013 saw only a small annual increase in tourist retail spending (~2.5%). Taking into account the estimated 7.5% increase in international visitors; this is representative of a slight reduction in retail spending per visit in 2013.

Urbis estimates tourist retail spending in Singapore for 2013 at SGD 7.1 billion, comprising approximately 17.2% of total retail sales. This is a high proportion by international standards, reflecting the importance of tourism to the overall retail market.

From 2013 to 2018 international visitor numbers are forecast to grow at around 3.9% per annum (in line with Singapore Tourism Board projections), representing a moderation in growth relative to the very strong growth experienced over the last few years coinciding with the opening of the Integrated Resorts. The slowing in forecast growth is partly due to an expected moderation in the global tourism growth rate (particularly as China’s economy slows), as well as increased regional competition. This still translates to tourist spending accounting for an increasing proportion of the total retail spending market over time, reaching 18.9% in 2018.

International Visitor Arrivals¹
SINGAPORE, 2001 - 2018 (MILLION)

<table>
<thead>
<tr>
<th></th>
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<tr>
<td></td>
<td>7.5</td>
<td>7.6</td>
<td>6.1</td>
<td>8.3</td>
<td>8.9</td>
<td>9.8</td>
<td>10.3</td>
<td>10.1</td>
<td>9.7</td>
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<td>17.1</td>
<td>17.7</td>
<td>18.3</td>
<td>18.9</td>
</tr>
</tbody>
</table>

¹ Visitor arrivals exclude Malaysia day trippers.
* 2013 visitor arrivals estimated based on Jan-Nov arrivals
Source: Singapore Tourism Board Statistics; Urbis
1.6 RETAIL SALES – PAST & FORECAST

Singapore’s retail sales growth has remained resilient over the last decade, with only major global economic shocks such as the SARS epidemic, GFC and more recently contractions in the Eurozone, US and Chinese being the main drags on growth at various times. Between 2001 and 2013 nominal retail sales grew by 3.8% per annum. In real terms, retail sales grew by 2.6% per annum over the same period.

In 2013 retail sales recorded flat real year-on-year growth (0.1%), while nominal retail sales growth was slightly negative (-0.2%) as a result of retail price deflatation. Price deflation is not often seen in Singapore; in this case it was driven by price pressure on watches and jewellery, furniture and household goods.

A key factor impacting the flat retail sales over 2013 has been subdued retail spending from tourists, with retail spending from tourists increasing by an estimated 2.5% despite an estimated 7.5% rise in the number of international visitors. This is representative of a decrease in tourist retail spending per visit.

Taking account of the overall level of retail sales growth in 2013 and the various sources of retail spending, it is estimated that per capita retail spending in Singapore declined marginally over 2013. This is representative of subdued consumer sentiment, particularly over the first half of the year, due to economic uncertainty.

On the back of an improving local and global economy, retail sales growth is expected to increase in 2014 to 3.9%, consistent with rebounds after downturns post the SARS epidemic and the GFC. From 2013 to 2018, nominal and real retail sales are expected to record respective CAGRs of 4.0% and 3.0%.

Retail Sales Growth^1

SINGAPORE, 2001 - 2018

*2013 figures estimated based on January-October data
^1. Excludes motor vehicle sales but includes food catering sales
Source: Indices of Retail Sales and Catering Trade, Singapore Department of Statistics; Urbis
1.7 RETAIL SUPPLY – EXISTING & FORECAST

Urbis estimates that at year-end 2013 the total retail net lettable area (NLA) in Singapore was 61.1 million sq.ft NLA. Of this amount, roughly 27.3 million sq.ft (44.7%) is estimated to have been shopping centre floorspace.

Retail Floorspace Supply\(^1\)
SINGAPORE, 2004 – 2018 (MILLION SQ.FT NLA)

During 2013 around 1.7 million sq.ft NLA of shopping centre floorspace was added to the Singapore market, with notable completions including Jem (560,000 sq.ft NLA), Westgate (350,000 sq.ft NLA) and Bedok Mall (220,000 sq.ft NLA). In 2014 the most significant forecast addition to the stock of shopping centre floorspace in Singapore is Singapore Sports Hub (250,000 sq.ft NLA).

From 2013 to 2018, we expect the total stock of shopping centre floorspace to increase by an average of 690,000 sq.ft NLA per annum (taking into account an assumed 1.0% obsolescence rate), reaching a total of 30.8 million sq.ft NLA in 2018, and making up 47.0% of total retail floorspace. Significant retail developments from 2015 to 2018 include Jurong Big Box (366,000 sq.ft NLA) and Waterway Point (365,000 sq.ft NLA) in 2015 and CapitaLand’s Project Jewel (600,000 sq.ft NLA) in 2018.

\(^1\) At year end
Source: Urbis
Proposed Shopping Centres by Region
SINGAPORE: 2014 - 2018

TABLE 1.1

<table>
<thead>
<tr>
<th>Planning Region</th>
<th>NLA (sq.ft)</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central Core</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitol Piazza</td>
<td>160,000</td>
<td>2014</td>
</tr>
<tr>
<td>6 Shenton Way</td>
<td>148,000</td>
<td>2014</td>
</tr>
<tr>
<td>Orchard Gateway</td>
<td>143,900</td>
<td>2014</td>
</tr>
<tr>
<td>268 Orchard Road</td>
<td>95,900</td>
<td>2014</td>
</tr>
<tr>
<td>Asia Square Tower 2</td>
<td>27,000</td>
<td>2014</td>
</tr>
<tr>
<td>South Beach</td>
<td>83,400</td>
<td>2015</td>
</tr>
<tr>
<td>Tanjong Pagar Site</td>
<td>150,000</td>
<td>2016</td>
</tr>
<tr>
<td>Marina One</td>
<td>119,000</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Central East</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sports Hub</td>
<td>250,000</td>
<td>2014</td>
</tr>
<tr>
<td>Wyndham Hotel</td>
<td>60,000</td>
<td>2014</td>
</tr>
<tr>
<td>Paya Lebar Square</td>
<td>100,000</td>
<td>2015</td>
</tr>
<tr>
<td>One KM</td>
<td>210,000</td>
<td>2016</td>
</tr>
<tr>
<td>Geylang Serai Civic Plaza</td>
<td>20,000</td>
<td>2016</td>
</tr>
<tr>
<td>Paya Lebar White Site</td>
<td>250,000</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Outer West</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HillV2</td>
<td>55,000</td>
<td>2014</td>
</tr>
<tr>
<td>Jurong Big Box</td>
<td>366,000</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Outer North-East</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Seletar Mall</td>
<td>192,000</td>
<td>2014</td>
</tr>
<tr>
<td>Waterway Point</td>
<td>365,000</td>
<td>2015</td>
</tr>
<tr>
<td>Yishun White Site</td>
<td>339,000</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Outer North</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hillion Mall</td>
<td>168,000</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Outer East</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastpoint Mall</td>
<td>211,000</td>
<td>2014</td>
</tr>
<tr>
<td>Project Jewel</td>
<td>600,000</td>
<td>2018</td>
</tr>
</tbody>
</table>

Source: Urbis

1.8 RETAIL MARKET OUTLOOK & IMPLICATIONS FOR CHANGI CITY POINT

In a country where the vast majority of visitors to shopping centres arrive by public transport, Changi City Point's location directly on Singapore's East-West Line provides a significant advantage in terms of exposure to visitors. Proximity to the popular Singapore Expo centre, which attracted around 7.5 million visitors in 2013, and its location within the fast growing Changi Business Park also bolsters this exposure further. We note:

- Singapore's economy is highly integrated with the global economy and is therefore vulnerable to fluctuations in it. Conversely this can be viewed positively – when global conditions are good, Singapore is able to perform well, and the country recovers quickly from economic downturns.
Despite some volatility attributable to fluctuating global growth during the past decade, Singapore’s economy has grown relatively strongly at around 5.6% per annum in real terms between 2001 and 2013. Inflation has historically remained under control, although it has risen over the past few years on the back of rising housing, food and transport costs.

Growth in Singapore’s economy is expected to improve further over the next few years, in tandem with the continued global recovery, with real GDP growth forecast to average 4.7% p.a. from 2013 to 2018.

Tourism growth in Singapore has been particularly strong in recent years, averaging 14.4% per annum between 2009 and 2013. Although this is forecast to moderate between 2013 and 2018, Changi City Point is relatively well positioned to take advantage of the growing Singapore business tourist market.

Between 2001 and 2013 nominal retail sales grew by approximately 3.8% per annum. From 2013 to 2018, nominal retail sales are expected to average 4.0% per annum largely on the back of an improving local and global economy.
2 Changi City Point Overview

Changi City Point forms part of a larger mixed-use project on a 4.7 hectare site in the Changi Business Park developed by a joint venture between Frasers Centrepoint and Ascendas. The other components of the development include 759,000 sq.ft GFA of office space (One@Changi City), as well as a Capri by Fraser hotel with 313 rooms. Both the hotel and the office space were not completed and operating until some time after the completion of the retail mall in November 2011.

2.1 LOCATION & ACCESSIBILITY

Changi City Point is located in the eastern-most part of Singapore, in Changi Business Park (as shown in Map 2.1), around 12km east of the CBD. The Business Park is adjacent to Changi Airport (to the north-east), whilst the residential areas of Simei, Tampines and Bedok are to the north-west and west respectively. To the south-east are three golf courses, the Tanah Merah Country Club, the Laguna National Golf & Country Club and the National Service Resort & Country Club.

2.1.1 ROAD ACCESS

As a result of its location close to the airport, Changi City Point enjoys excellent access by road (shown on Map 2.2). The centre is well-connected to the Pan-Island Expressway, the East Coast Parkway and (slightly further afield) the Tampines Expressway. Between them, these three major roads provide rapid access to the whole of eastern Singapore. At a more local level, the centre is situated at the corner of Changi South Avenue 1 and Changi South Avenue 2. These then connect directly to the ECP and PIE via Simei Avenue and Xilin Avenue.

Proximity to the Singapore Expo does pose some challenges, due to the fact that it generates considerable local traffic congestion, particularly on weekends. At the same time, however, it must be recognised that Expo visitors form an important market segment for Changi City Point with many Expo visitors combining a visit to the Expo with a shopping trip to Changi City Point.
2.1.2 MRT ACCESS

The closest MRT station to Changi City Point is Expo (marked on Map 2.3), which serves the Singapore Expo Centre. The station is directly opposite the western end of the centre, and is on the Changi Airport spur of the East-West Line. This spur includes only the Changi Airport and Expo stations, via a train change at Tanah Merah. The East-West line then runs through the centre of the city, via City Hall and Raffles Place, out as far as Joo Koon in the west. Journey times are slightly increased by the requirement to change trains at Tanah Merah, but the service to Expo station remains reasonably frequent (5 services per hour in each direction between Tanah Merah and Expo).

The service to Changi Business Park (and hence also to Changi City Point) will be further enhanced by the completion of Downtown Line Phase 3. This phase will run from Chinatown, via Geylang, Bedok and Tampines and will terminate at Expo, which will therefore become an interchange station. Downtown Line Phase 3 is expected to open in 2017, at which time, Changi City Point will have a direct basement connection from the shopping mall into the station, thus improving MRT connectivity particularly from the areas of Bedok North, Simei and Tampines.
2.1.3 BUS SERVICES

Changi City Point is not as well-served by buses as by the MRT, with the nearest stops located on Xilin Avenue (bus route 35) and Upper Changi Road East (routes 12, 24, 38, NR7). These services operate as follows:

- 12 – Pasir Ris to New Bridge Road
- 24 – Ang Mo Kio to Changi Airport
- 38 – Tampines to Bedok
- 35 – Bedok to Tanah Merah Ferry Terminal
- NR7 – Night service from Marina Centre to Pasir Ris

2.1.4 LOCAL SHUTTLE

A local shuttle bus completes circuits of Changi Business Park at lunchtimes on weekdays (11.30 – 14.30, at 15 minute intervals) in order to enable access to the centre by local workers. This service is provided free of charge by the mall, and means that it remains a strong option for workers whose buildings sit outside easy walking distance in Singapore's climate. An additional shuttle service is provided to Simei MRT station seven days a week, between 11.30 – 21.00 at 30 minute intervals.
2.1.5 PEDESTRIAN ACCESS

A ten minute walk from Changi City Point covers the majority of the Changi Business Park, together with around a third of Changi International Logis Park and the Singapore Expo Centre. The centre is rare in Singapore in that it does not have a walk-up residential catchment population. However, it does have a good sized worker population within a comfortable walking distance, and this is supplemented by the workers served by the shuttle bus service.

2.2 SURROUNDING LAND USES

Map 2.4 highlights the key surrounding land uses for Changi City Point. Changi Business Park comprises a significant office worker population that is an important source of shopper traffic for Changi City Point. Close by within Changi Business Park itself are the UE BizHub (a business park development including offices, a 251 room hotel and some local retail), The Signature (the landmark office tower for the Business Park as a whole) and Plaza 8, an office building which also offers a small amount of retail space. Various other office buildings of note that are already operating within the Business Park include offices for Standard Chartered, Citi and DBS Asia. In addition, directly adjacent and connected with Changi City Point are the One@Changi City office building and the 313-room Capri by Fraser hotel. The first of these two buildings has Credit Suisse and J.P. Morgan as its anchor tenants.

Wrapping around Changi Business Park to the south and east is Changi International Logis Park, an area of warehousing and logistics businesses. To the west and on the other side of the MRT line is Singapore Expo, which attracted 7.5 million convention and exhibition visitors to a total of over 800 events in 2013. Beyond the Expo lies the Institute of Technical Education College East. This tertiary education facility has 680 staff and a capacity of 8,500 full-time and 5,800 part-time students.

To the north of the Expo is the site of a new campus of Singapore University of Technology and Design. This is currently under construction, scheduled to be completed during 2014.

In addition to workers, therefore, students also form an important source of business for Changi City Point.
2.3 DESCRIPTION OF CENTRE & TENANT MIX

Changi City Point is a simply designed centre with a single gallery running its full length, a secondary mall leading to the main atrium in the south western corner and an outdoor dining and entertainment area towards the eastern end (as shown in the layout plans included in Appendix A). There is a further secondary mall running from north to south, which is a 24-hour pedestrian access route mandated by the URA. The main gallery of the centre includes a number of full height light wells which include landscaped planting and water features. These contribute to the overall feel of the centre, which has a strong emphasis on natural materials and the integration of plants and landscaping, providing a point of difference from many malls in Singapore.

Table 2.1 shows the breakdown of the centre by tenant category. The mall is considered a sub-regional centre in the Singapore context, providing 207,237 sq.ft NLA. The main anchor is Cold Storage with 15,360 sq.ft (or 7% of total floorspace) and is located in the basement.

Changi City Point has a number of unique features including:

- Its extensively landscaped setting making it "a mall within a garden."
- Its mixture of both traditional retail and outlet retailers with the centre having 15 outlet stores including Nike, Adidas and Lacoste.
- Its location within Changi Business Park which gives it access to sizeable and relatively affluent workforce.

The mall has two small food courts – Bagus and Koufu. Combined these tenants occupy 23,691 sq.ft. Bagus is located in the basement, while Koufu is the main anchor on Level 2.

There are 138 specialty shops in the mall, providing a combined 140,350 sq.ft. Of this, 4,026 sq.ft is currently vacant. Of the occupied specialty shop floorspace, around 40% of floorspace is allocated to F&B tenancies, while the remainder is allocated to non-food specialty tenants such as apparel and homewares, with 15 of the specialty shops being outlet stores.

The roof of the centre features a 450 seat arena for events and performances. There is also an open semi-landscaped area on the roof which is designed to function as a kind of public park.

Changi City Point provides 627 car parks. This equates to 3.0 spaces per 1,000 sq.ft of NLA. The parking lots are shared between the mall, One@Changi City and the adjacent hotel, Capri by Fraser.
2.4 CENTRE PERFORMANCE TO DATE

2.4.1 VISITATION

Footfall growth was relatively solid in 2013. Throughout the year, total visitation was 11.1 million, up 14% from 9.7 million in 2012. This reflects the gradual establishment of the mall within its catchment, ongoing growth in the market and the completion and occupation of the adjacent One@Changi Business Park and the Capri by Fraser hotel.

It should be noted that daily footfall at Changi City Point is relatively stable over the week, with the busiest days being Thursday and Friday, and foot traffic dropping off slightly over the weekend. This speaks to the importance of the surrounding worker markets to the centre in terms of driving traffic during the week.

### Pedestrian Footfall by Month

![Chart showing monthly pedestrian count with a 2013 Annual Increase of 14%](source)

**Source**: Frasers Centrepoint; Urbis
2.4.2 SALES PRODUCTIVITY

The centre's overall performance is quite typical of a newly opened mall in suburban Singapore. During 2013, the mall generated an estimated SGD 142.7 million in total sales, at an average productivity of SGD 57.4 per sq.ft per month. Growth has been healthy, with productivity increasing from SGD 49.9 per sq.ft per month in 2012. Typically suburban malls in Singapore have an average productivity of SGD 80-90 per sq.ft per month. While this performance is not as strong as many more established malls within Singapore, the centre remains in its establishment phase, and should benefit from strong growth in its local market over the next few years together with the completion of the Downtown Line.

2.4.3 AVERAGE RENTAL

The following summarises the gross rent and occupancy cost ratios for the centre. Note that gross rent includes service charges and turnover rent, as well as base rent.

In 2013 Changi City Point generated SGD 24.8 million in gross rent, at an average of SGD 10.0 per sq.ft per month.

The occupancy cost ratio (OCR) for the centre (i.e. the ratio of gross rent to sales) is estimated at 17.4% in 2013. This is relatively high by international standards, however it reflects:

- The fact that the centre remains in its establishment phase means that turnover levels have not yet reached stabilised levels, and we would expect as turnover increases OCRs will come down slightly; and
- Singapore typically has OCRs that are higher than other markets. OCRs for specialty shops of around or slightly in excess of 20% are quite typical and sustainable.

It is noted that in 2013 healthy rental growth was achieved at the time of lease renewal for a number of tenants.

2.5 CONCLUSIONS

Changi City Point is still very much in its establishment phase with its performance improving steadily over time as it matures as a centre and as further development in the immediate surrounding area is completed. With further development set to come (including the completion of more business park space as Changi Business Park, the Downtown Line extending to the Expo Station and the Singapore University of Technology and Design), the sales performance of the centre should continue to improve and grow over the next five years.
3 Trade Area Analysis

This section discusses the market segments from which Changi City Point is able to attract retail spending. The market segments of relevance include:

- Trade Area Residents
- Workers from Changi Business Park and Logis Park
- Retail workers
- Hotel workers
- Hotel guests
- Expo visitors
- Nearby university students

3.1 Resident Trade Area Definition

The resident trade area of a shopping centre is dependent on a number of factors including:

- The strength, range and appeal of services offered by the centre
- The proximity and composition of competitive centres
- The level of accessibility by road and public transport
- The presence of physical barriers such as rivers, freeways, railways, etc.

Normally a trade area for an existing centre is defined using the results from an Exit Survey carried out at the centre, and which can provide, amongst other things, details of the place of residence for its customers that took part in the survey. In the case of Changi City Point such a survey has not yet been completed and as such, the trade area has been defined according to Urbis’ professional opinion, which is informed by an evaluation of access routes to the centre, surrounding competition, and significant experience assessing shopping centre trade areas elsewhere in Singapore.

Map 3.1 shows the trade area we have defined for the proposed centre. The sectors are defined as follows:

- The Primary sector is bordered by the Pan Island Expressway to the north, Bedok Canal to the east and the Laguna and Tanah Merah golf courses to the south-east. This sector is basically contained within a 2 km radius from the subject site and the only sizeable shopping centre within this sector is the Eastpoint Centre approximately 2 km to the north-west.
- The Secondary North sector is a small sector bordered by the Tampines Expressway, Upper Changi Road, New Loyang Link and Pasir Ris Drive. The only centre of any relevance within the secondary north sector is a small neighbourhood centre known as Loyang Point.
- The Secondary North-West sector extends north-west from the Pan Island Expressway to Tampines Avenue 10 and the Tampines Canal. It is bordered to the south-west by Bedok Canal and to the north-east by the Tampines Expressway. This sector has a relatively extensive retail offer and included within the Tampines Town Centre are three significant shopping malls namely Tampines Mall, Century Square and Tampines 1.
- The Secondary West sector extends into the Bedok DGP zone, as far west as Bedok North Avenue 3 and Bedok South Avenue 1. At present there are no significant retail centres within the secondary west sector.
A Tertiary sector has been defined to encompass the rest of the populated areas of Singapore’s East Region. It is bordered to the west by the Kallang-Paya Lebar Expressway and the Eunos Link, and to the east encompasses Changi Airport.

Collectively the primary and secondary trade area sectors comprise the main trade area. The total trade area on the other hand also includes a tertiary sector, which is of relevance only if there is a significant retail outlet component included in the centre.

3.2 TRADE AREA POPULATION & SPENDING FORECASTS

Table 3.1 shows the estimated resident population of the trade area from 2013 to 2018. In 2013 the main trade area population is estimated at 457,000, with 70,000 residents in the primary. The tertiary is estimated to comprise a further 451,000 residents. From 2013 to 2018 the main trade area is expected to grow by 1.3% per annum (6,000 people per annum), reaching around 411,000, with 77,000 in the primary.
Trade Area Population Forecasts
CHANGI CITY POINT TRADE AREA, 2013 - 2018

<table>
<thead>
<tr>
<th>Sector</th>
<th>Population ('000) 2013</th>
<th>Population ('000) 2018</th>
<th>CAGR (%) 2013-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>70</td>
<td>77</td>
<td>1.7%</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
<td>1.3%</td>
</tr>
<tr>
<td>Secondary North</td>
<td>57</td>
<td>63</td>
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<tr>
<td>Secondary North West</td>
<td>208</td>
<td>218</td>
<td>1.0%</td>
</tr>
<tr>
<td>Secondary West</td>
<td>122</td>
<td>130</td>
<td>1.3%</td>
</tr>
<tr>
<td>Total Secondary</td>
<td>387</td>
<td>411</td>
<td>1.2%</td>
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<tr>
<td>Main Trade Area</td>
<td>457</td>
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<tr>
<td>Tertiary</td>
<td>451</td>
<td>492</td>
<td>1.7%</td>
</tr>
<tr>
<td>Total Trade Area</td>
<td>909</td>
<td>979</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Source: Urbis

Table 3.1 presents trade area retail spending per capita estimates from 2013 to 2018. Forecast nominal growth in per capita spending is 1.8% per annum and the sector with the highest per capita spending is the secondary north followed by the secondary west. Per capita spending in the primary is slightly below the Singapore average, while average per capita spending across the main trade area is close to the Singapore average. Taking the tertiary into account, the total trade area variation is around 1% higher than the Singapore average.

Trade Area Retail Spending Per Capita
CHANGI CITY POINT TRADE AREA, 2013 – 2018 (SGD NOMINAL)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Variation from Singapore Average 2013 (%)</th>
<th>Per Capita Retail Spending (SGD) 2013</th>
<th>Per Capita Retail Spending (SGD) 2018</th>
<th>CAGR (%) 2013-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>-2.8%</td>
<td>6,307</td>
<td>6,899</td>
<td>1.8%</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td>6,849</td>
<td>7,492</td>
<td>1.8%</td>
</tr>
<tr>
<td>Secondary North</td>
<td></td>
<td>6,307</td>
<td>6,899</td>
<td>1.8%</td>
</tr>
<tr>
<td>Secondary North West</td>
<td></td>
<td>6,669</td>
<td>7,295</td>
<td>1.8%</td>
</tr>
<tr>
<td>Total Secondary</td>
<td></td>
<td>6,501</td>
<td>7,115</td>
<td>1.8%</td>
</tr>
<tr>
<td>Main Trade Area</td>
<td></td>
<td>6,472</td>
<td>7,081</td>
<td>1.8%</td>
</tr>
<tr>
<td>Tertiary</td>
<td>-0.3%</td>
<td>6,618</td>
<td>7,240</td>
<td>1.8%</td>
</tr>
<tr>
<td>Total Trade Area</td>
<td></td>
<td>6,544</td>
<td>7,161</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

1. Includes assumed average Retail Price Inflation of 1.0% p.a. between 2013 and 2018

Table 3.3 shows the estimated size of the trade area retail spending market for Changi City Point. The main trade area is expected to grow on average by 3.1% per annum from SGD 3.0 billion in 2013 to SGD 3.5 billion in 2018. Over the same period, the total trade area is expected to grow from SGD 5.9 billion to 7.0 billion, with the main trade area accounting for around 50% of this market.
3.3 OTHER MARKET SEGMENT SPENDING FORECASTS

Changi Business Park and the surrounding area encompass a number of other market segments from which Changi City Point is able to attract retail spending. The market segments include:

- Office and Logis Park workers
- Retail workers
- Hotel workers
- Hotel guests
- Expo visitors
- University students

3.3.1 LOCAL WORKERS

Changi City Point’s location at Changi Business Park affords it access to the retail spending from a large pool of local workers, including office, Logis Park and hotel workers.

Table 3.4 shows the estimated office workers capacity (at 100% occupancy) of Changi Business Park by building through to 2018. At year-end 2013 it is estimated that Changi Business Park comprised 4.7 million sq.ft NLA of office floorspace, translating to a worker capacity of 25,900. Known projects indicate that the office workforce capacity is expected to expand to 26,300 by year-end 2015. Based on historical additions to office floorspace at Changi Business Park, it is expected that the office workforce capacity will expand to 30,000 by 2018. Notable existing office buildings include The Signature, One@Changi City and Citi, which are occupied by a number of higher order tenants such as Credit Suisse, J.P. Morgan and Citi.
Office Worker Population Capacity
CHANGI CITY POINT, 2013 - 2018

Table 3.4 shows the estimated office worker spending market at Changi Business Park. It is our understanding that average occupancy of office space at Changi Business Park is around 95% and that a significant proportion of the forthcoming office space has been pre-committed. The existing average occupancy has been used to derive the number of office workers currently at Changi Business Park and a small one-year establishment effect has been applied to future floorspace, after which a 95% occupancy rate has been applied.

Given the above assumptions the office worker retail spending market is estimated at SGD 129.9 million in 2013, growing to SGD 180.5 million in 2018.

By 2018 Changi Business Park is expected to be approximately 54% complete, with 29,600 office workers. There is the capacity to accommodate a further 25,000 workers in the business park over time as it reaches its fully built out capacity over the next 20-30 years. There is therefore considerable office worker growth potential beyond 2018 for Changi City Point.

### Table 3.4

<table>
<thead>
<tr>
<th>Building</th>
<th>GFA</th>
<th>Efficiency (%)</th>
<th>NLA</th>
<th>Workplace Ratio</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Office Space</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Signature</td>
<td>505,133</td>
<td>85.0%</td>
<td>429,363</td>
<td>180</td>
<td>2,385</td>
</tr>
<tr>
<td>1 Changi Business Park Avenue</td>
<td>123,248</td>
<td>88.4%</td>
<td>108,951</td>
<td>180</td>
<td>605</td>
</tr>
<tr>
<td>IBM</td>
<td>172,224</td>
<td>85.0%</td>
<td>146,390</td>
<td>180</td>
<td>813</td>
</tr>
<tr>
<td>Invensys</td>
<td>213,127</td>
<td>85.0%</td>
<td>181,158</td>
<td>180</td>
<td>1,006</td>
</tr>
<tr>
<td>Eightrum</td>
<td>209,325</td>
<td>85.0%</td>
<td>177,927</td>
<td>180</td>
<td>988</td>
</tr>
<tr>
<td>Honeywell</td>
<td>195,076</td>
<td>81.0%</td>
<td>158,012</td>
<td>180</td>
<td>878</td>
</tr>
<tr>
<td>Xilinx</td>
<td>221,943</td>
<td>85.0%</td>
<td>188,651</td>
<td>180</td>
<td>1,048</td>
</tr>
<tr>
<td>Hansapoint</td>
<td>204,516</td>
<td>85.0%</td>
<td>173,839</td>
<td>180</td>
<td>966</td>
</tr>
<tr>
<td>Applied Materials</td>
<td>209,180</td>
<td>89.0%</td>
<td>186,311</td>
<td>180</td>
<td>1,035</td>
</tr>
<tr>
<td>3 CBP Crescent</td>
<td>226,292</td>
<td>86.5%</td>
<td>200,268</td>
<td>180</td>
<td>1,113</td>
</tr>
<tr>
<td>Plaza B @ CBP</td>
<td>351,068</td>
<td>38.8%</td>
<td>136,214</td>
<td>180</td>
<td>757</td>
</tr>
<tr>
<td>Standard Chartered @ Changi</td>
<td>225,000</td>
<td>85.0%</td>
<td>191,250</td>
<td>180</td>
<td>1,063</td>
</tr>
<tr>
<td>DBS Asia Hub</td>
<td>340,000</td>
<td>85.0%</td>
<td>289,000</td>
<td>180</td>
<td>1,606</td>
</tr>
<tr>
<td>One@Changi City</td>
<td>759,000</td>
<td>86.0%</td>
<td>650,000</td>
<td>180</td>
<td>3,611</td>
</tr>
<tr>
<td>UE Biz Hub East</td>
<td>470,240</td>
<td>90.0%</td>
<td>423,216</td>
<td>180</td>
<td>2,351</td>
</tr>
<tr>
<td>Standard Chartered @ Changi 2</td>
<td>202,901</td>
<td>85.0%</td>
<td>172,466</td>
<td>180</td>
<td>958</td>
</tr>
<tr>
<td>Rohde &amp; Schwarz</td>
<td>137,209</td>
<td>85.0%</td>
<td>116,627</td>
<td>180</td>
<td>648</td>
</tr>
<tr>
<td>Citi</td>
<td>644,118</td>
<td>85.0%</td>
<td>547,500</td>
<td>180</td>
<td>3,042</td>
</tr>
<tr>
<td>Akznobel</td>
<td>217,971</td>
<td>85.0%</td>
<td>185,275</td>
<td>180</td>
<td>1,029</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,627,729</td>
<td></td>
<td>4,662,419</td>
<td>180</td>
<td>25,902</td>
</tr>
</tbody>
</table>

**Planned at year-end 2015**

<table>
<thead>
<tr>
<th>Building</th>
<th>GFA</th>
<th>Efficiency (%)</th>
<th>NLA</th>
<th>Workplace Ratio</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBS Hub Phase II</td>
<td>76,000</td>
<td>85.0%</td>
<td>64,600</td>
<td>180</td>
<td>359</td>
</tr>
<tr>
<td>Rigel Technology’s R&amp;D Centre</td>
<td>unknown</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Potential Supply at year-end 2015</strong></td>
<td>5,703,729</td>
<td></td>
<td>4,727,019</td>
<td>180</td>
<td>26,261</td>
</tr>
</tbody>
</table>

**Forecast Supply 2015-2018**

<table>
<thead>
<tr>
<th>Building</th>
<th>GFA</th>
<th>Efficiency (%)</th>
<th>NLA</th>
<th>Workplace Ratio</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Space p.a</td>
<td>342,824</td>
<td>85.0%</td>
<td>291,400</td>
<td>180</td>
<td>1,619</td>
</tr>
<tr>
<td><strong>Total Potential Supply at year-end 2018</strong></td>
<td>6,732,199</td>
<td></td>
<td>5,601,219</td>
<td>180</td>
<td>29,562</td>
</tr>
</tbody>
</table>

Source: Ascendas; Urbis

Table 3.5 shows the estimated office worker spending market at Changi Business Park. It is our understanding that average occupancy of office space at Changi Business Park is around 95% and that a significant proportion of the forthcoming office space has been pre-committed. The existing average occupancy has been used to derive the number of office workers currently at Changi Business Park and a small one-year establishment effect has been applied to future floorspace, after which a 95% occupancy rate has been applied.

Given the above assumptions the office worker retail spending market is estimated at SGD 129.9 million in 2013, growing to SGD 180.5 million in 2018.

By 2018 Changi Business Park is expected to be approximately 54% complete, with 29,600 office workers. There is the capacity to accommodate a further 25,000 workers in the business park over time as it reaches its fully built out capacity over the next 20-30 years. There is therefore considerable office worker growth potential beyond 2018 for Changi City Point.
Office Worker Retail Spending Market  
**CHANGI CITY POINT, 2013 – 2018 (SGD NOMINAL)**  
**TABLE 3.5**

<table>
<thead>
<tr>
<th>Unit</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Floorspace (sq.ft NLA ('000))</td>
<td>4,662</td>
<td>5,893</td>
</tr>
<tr>
<td>Average Occupancy (%)</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Worker Space Ratio (sq.ft NLA / Worker)</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td>On-Site Office Workers (no. Workers)</td>
<td>24,607</td>
<td>29,481</td>
</tr>
<tr>
<td>Spend Per Working Day (SGD)</td>
<td>22</td>
<td>26</td>
</tr>
<tr>
<td>Average Working Days (no. Days)</td>
<td>240</td>
<td>240</td>
</tr>
<tr>
<td>Total Retail Spending (SGD Mil.)</td>
<td>129.9</td>
<td>180.5</td>
</tr>
</tbody>
</table>

Source: Urbis

The adjacent Changi International Logis Park will also provide a local worker population. As shown in Table 3.6 we estimate this to be slightly under 6,000 workers, which, due to the park already being fully occupied, is not expected to change significantly from this figure over the forecast period.

Logis Park Worker Retail Spending Market  
**CHANGI CITY POINT, 2013 – 2018 (SGD NOMINAL)**  
**TABLE 3.6**

<table>
<thead>
<tr>
<th>Unit</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Land (ha)</td>
<td>66</td>
<td>66</td>
</tr>
<tr>
<td>Roads &amp; Services (%)</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Industrial Land excl. Roads &amp; Services (ha)</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>FAR</td>
<td>0.37</td>
<td>0.37</td>
</tr>
<tr>
<td>GFA (sq.ft / Worker)</td>
<td>196,544</td>
<td>196,544</td>
</tr>
<tr>
<td>GFA Per Worker (sq.ft / Worker)</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>On-Site Workers (no. Workers)</td>
<td>5,781</td>
<td>5,781</td>
</tr>
<tr>
<td>Spend Per Working Day (SGD)</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Average Working Days (no. Days)</td>
<td>240</td>
<td>240</td>
</tr>
<tr>
<td>Total Retail Spending (SGD Mil.)</td>
<td>18.0</td>
<td>20.9</td>
</tr>
</tbody>
</table>

Source: Urbis

Table 3.7 presents the retail worker retail spending market attributable to those retail workers at the various retail components of Changi Business Park, including:

- Changi City Point
- The Signature
- UE BizHub East
- Plaza 8 @ CBP

The retail worker spending market is significantly smaller than the office and Logis Park worker markets, estimated at SGD 4.7 million in 2013 and forecast to reach SGD 5.4 million in 2018.
Changi Business Park includes two hotels in Capri by Fraser, which is adjacent to Changi City Point, and Park Avenue. These consist of a combined 564 rooms and are estimated to employ around 508 hotel workers. Hotel worker spending is estimated to be relatively small in comparison to the other worker markets, at SGD 2.4 million in 2013, SGD 2.8 million in 2018.

Table 3.9 shows the estimated worker population and associated retail spending from 2013 to 2018. In order to avoid double counting in assessing the total retail spending market, a discount has been applied to the worker numbers such that 60% of the workers are assumed to come from beyond the resident trade area. This means that the additional worker retail spending market, as distinct from the resident trade area spending market, is estimated to be SGD 93.0 in 2013 and SGD 125.7 million in 2018.
### Combined Worker Retail Spending Market

**CHANGI CITY POINT, 2013 – 2018 (SGD NOMINAL)**

#### TABLE 3.9

<table>
<thead>
<tr>
<th>Workers</th>
<th>Unit</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Workers</td>
<td>Persons</td>
<td>24,607</td>
<td>29,481</td>
</tr>
<tr>
<td>Retail Workers</td>
<td>Persons</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Hotel Workers</td>
<td>Persons</td>
<td>508</td>
<td>508</td>
</tr>
<tr>
<td>LogisPark Workers</td>
<td>Persons</td>
<td>5,781</td>
<td>5,781</td>
</tr>
<tr>
<td><strong>Total Workers</strong></td>
<td>Persons</td>
<td>26,115</td>
<td>30,989</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Working Days</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Worker Days</td>
<td>Days</td>
<td>240</td>
<td>240</td>
</tr>
<tr>
<td>Retail Worker Days</td>
<td>Days</td>
<td>360</td>
<td>360</td>
</tr>
<tr>
<td>Hotel Worker Days</td>
<td>Days</td>
<td>365</td>
<td>365</td>
</tr>
<tr>
<td>LogisPark Worker Days</td>
<td>Days</td>
<td>240</td>
<td>240</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spend Per Office Worker Per Day</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>SGD</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Non-Food</td>
<td>SGD</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total Spend</strong></td>
<td>SGD</td>
<td>22</td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Spend Per Annum</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>SGD Mil.</td>
<td>59.1</td>
<td>82.0</td>
</tr>
<tr>
<td>Non-Food</td>
<td>SGD Mil.</td>
<td>70.9</td>
<td>98.4</td>
</tr>
<tr>
<td><strong>Total Spend</strong></td>
<td>SGD Mil.</td>
<td>129.9</td>
<td>180.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spend Per Retail Worker Per Day</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>SGD</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Non-Food</td>
<td>SGD</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Spend Per Day</strong></td>
<td>SGD</td>
<td>13</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Spend Per Annum</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>SGD Mil.</td>
<td>2.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Non-Food</td>
<td>SGD Mil.</td>
<td>2.5</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Total Spend</strong></td>
<td>SGD Mil.</td>
<td>4.7</td>
<td>5.4</td>
</tr>
</tbody>
</table>

*Source: Urbis*
3.3.2 HOTEL GUESTS

Table 3.10 presents an estimation of the existing hotel guest retail spending market and forecast market to 2018. The total retail spending market for hotel guests is estimated at SGD 31.4 million in 2013 and forecast to reach SGD 34.6 million in 2018.

It should be noted that hotel guest retail spending is likely to be distributed more broadly across Singapore than spending from other local market segments, as well-known retail districts such as Orchard Road will attract some of tourist retail spending.

Having said that, it is expected that a high proportion of the guests in the hotels at Changi Business Park are traveling for business purposes and therefore are less likely to shop at Orchard Road and the other popular centres and shopping precincts in Singapore.
### Hotel Guest Retail Spending Market

**CHANGI CITY POINT, 2013 – 2018 (SGD NOMINAL)**

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Rooms</td>
<td>no. Rooms</td>
<td>564</td>
<td>564</td>
</tr>
<tr>
<td>Occupancy Rate</td>
<td>%</td>
<td>83%</td>
<td>83%</td>
</tr>
<tr>
<td>Occupied Room Nights</td>
<td>no. Nights</td>
<td>169,835</td>
<td>169,835</td>
</tr>
<tr>
<td>Double Occupancy Factor</td>
<td>no. Guests</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Guest Nights of Demand</td>
<td>no. Nights</td>
<td>237,768</td>
<td>237,768</td>
</tr>
</tbody>
</table>

### Retail Spend Per Guest Night

<table>
<thead>
<tr>
<th></th>
<th>SGD</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>53</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Non-Food</td>
<td>79</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>132</td>
<td>146</td>
<td></td>
</tr>
</tbody>
</table>

### Total Retail Spend

<table>
<thead>
<tr>
<th></th>
<th>SGD Mil.</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>12.5</td>
<td>13.8</td>
<td></td>
</tr>
<tr>
<td>Non-Food</td>
<td>18.8</td>
<td>20.8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>31.4</td>
<td>34.6</td>
<td></td>
</tr>
</tbody>
</table>

Source: Urbis

#### 3.3.3 EXPO VISITORS

Table 3.1.1 provides an estimate of the potential spending market generated by visitors to Singapore Expo. According to management, Expo receives around 7.5 million visitors in 2013 translating to a retail spending market of approximately SGD 97.5 million. Notable events held at Singapore Expo during 2013 included IT Expo, Asia Education Expo and Singapore Food Expo.

In the absence of more detailed information, we have adopted the same spend per visit figures as for workers. This generates a spending market of SGD 113.0 million in 2018.

### Singapore Expo Visitors Retail Spending Market

**CHANGI CITY POINT, 2013 – 2018 (SGD NOMINAL)**

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expo Visitors</td>
<td>Persons</td>
<td>7,500,000</td>
<td>7,500,000</td>
</tr>
<tr>
<td>Spend Per Visit</td>
<td>SGD</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Total Retail Spending</td>
<td>SGD Mil.</td>
<td>97.5</td>
<td>113.0</td>
</tr>
</tbody>
</table>

Source: Singex; Urbis

#### 3.3.4 UNIVERSITY STUDENTS

Another separate spending market available to the Changi City Point will be that generated by students attending the soon to be completed Singapore University of Technology and Design and the already complete ITE College East.

We understand the estimated ultimate population for Singapore University of Technology and Design is around 6,000 students while ITE College East has a capacity of 8,500 full-time and 5,800 part-time students. We would expect these students to generate some retail spending although the spend per capita figure in this instance will be significantly below that estimated for the Changi Business Park workers.
3.3.5 TOTAL AVAILABLE RETAIL SPENDING MARKET

Table 3.12 summarises the sum total of the retail markets estimated in this section. This shows that the total available retail spending market is estimated at SGD 6.2 billion, growing to SGD 7.3 billion in 2018.

Total Available Retail Spending Market
CHANGI CITY POINT, 2013 – 2018 (SGD NOMINAL)  

<table>
<thead>
<tr>
<th>Trade Area Sector</th>
<th>Retail Spending (SGD Mil.) 2013</th>
<th>Retail Spending (SGD Mil.) 2018</th>
<th>CAGR (%) 2013-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>443</td>
<td>528</td>
<td>3.6%</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary North</td>
<td>393</td>
<td>468</td>
<td>3.6%</td>
</tr>
<tr>
<td>Secondary North West</td>
<td>1,309</td>
<td>1,503</td>
<td>2.8%</td>
</tr>
<tr>
<td>Secondary West</td>
<td>815</td>
<td>950</td>
<td>3.1%</td>
</tr>
<tr>
<td>Total Secondary</td>
<td>2,517</td>
<td>2,921</td>
<td>3.0%</td>
</tr>
<tr>
<td>Main Trade Area</td>
<td>2,960</td>
<td>3,450</td>
<td>3.1%</td>
</tr>
<tr>
<td>Tertiary</td>
<td>2,987</td>
<td>3,562</td>
<td>3.6%</td>
</tr>
<tr>
<td>Total Trade Area</td>
<td>5,946</td>
<td>7,012</td>
<td>3.4%</td>
</tr>
<tr>
<td>Office Workers</td>
<td>78</td>
<td>108</td>
<td>6.8%</td>
</tr>
<tr>
<td>LogisPark Workers</td>
<td>11</td>
<td>13</td>
<td>3.0%</td>
</tr>
<tr>
<td>Retail Workers</td>
<td>3</td>
<td>3</td>
<td>3.0%</td>
</tr>
<tr>
<td>Hotel Workers</td>
<td>1</td>
<td>2</td>
<td>3.0%</td>
</tr>
<tr>
<td>Hotel Guests</td>
<td>31</td>
<td>35</td>
<td>2.0%</td>
</tr>
<tr>
<td>Expo Visitors</td>
<td>98</td>
<td>113</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total On-Site Market</td>
<td>222</td>
<td>273</td>
<td>4.3%</td>
</tr>
<tr>
<td>Total Retail Spending Market</td>
<td>6,168</td>
<td>7,285</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

1. Includes assumed average Retail Price Inflation of 1.0% p.a. between 2013 and 2018

Source: Household Income & Expenditure Survey 2007/08; Singstat; Urbis

3.4 IMPLICATIONS FOR CHANGI CITY POINT

Changi City Point is able to draw from significantly sized resident trade area which accounts for the large majority of the total retail spending market from which the centre is able to attract custom. Growth in the resident retail spending market over the forecast period is expected to be strong, particularly in the primary, and this is set to benefit the centre moving forward.

The location of Changi City Point and surrounding land uses also provides the centre with the opportunity to draw upon a number of sizeable market segments, which are set to grow strongly through to 2018. However, the combined size of the surrounding market segments is small compared with the resident trade area spending market. The market shares that Changi City Point should be able to achieve from these market segments in close proximity to the centre however, should be considerably higher than those for the resident trade area sectors.
4 Review of Retail Competition

The competitive environment included both existing and future competition relevant to Changi City Point is now considered.

4.1 EXISTING CENTRES

Table 4.1 presents a list of existing and future shopping centre competition for Changi City Point, with the locations shown in Map 4.1. Further discussion pertaining to existing key competitors is then provided.
### Existing Shopping Centres
**CHANGI CITY POINT TRADE AREA, 2014**

#### TABLE 4.1

<table>
<thead>
<tr>
<th>Primary</th>
<th>Distance (km)</th>
<th>NLA (sq.ft)</th>
<th>Major Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>UE BizHub East</td>
<td>0.1</td>
<td>60,000</td>
<td>NTUC FairPrice Xtra</td>
</tr>
<tr>
<td>The Signature</td>
<td>0.2</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Plaza 8 @ CBP</td>
<td>0.2</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Singapore Expo</td>
<td>0.3</td>
<td>20,000</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary North-West</th>
<th>Distance (km)</th>
<th>NLA (sq.ft)</th>
<th>Major Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tampines Mart</td>
<td>2.3</td>
<td>40,000</td>
<td>Gaint</td>
</tr>
<tr>
<td>Tampines Mall</td>
<td>2.8</td>
<td>321,000</td>
<td>Isetan; Courts; NTUC Fairprice; Popular</td>
</tr>
<tr>
<td>Century Square</td>
<td>2.8</td>
<td>205,000</td>
<td>BHG department store; NTUC Fairprice</td>
</tr>
<tr>
<td>Tampines 1</td>
<td>2.9</td>
<td>260,000</td>
<td>Cold Storage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tertiary</th>
<th>Distance (km)</th>
<th>NLA (sq.ft)</th>
<th>Major Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedok Point</td>
<td>3.2</td>
<td>80,000</td>
<td>-</td>
</tr>
<tr>
<td>Bedok Mall</td>
<td>3.8</td>
<td>220,000</td>
<td>NTUC FairPrice Finest; Best Denki; Popular</td>
</tr>
<tr>
<td>Bedok Town Centre</td>
<td>3.3</td>
<td>235,000</td>
<td>Sheng Siong; NTUC; Giant</td>
</tr>
<tr>
<td>Changi Airport T1-T4</td>
<td>3.6</td>
<td>28,000</td>
<td>-</td>
</tr>
<tr>
<td>Loyang Point</td>
<td>3.7</td>
<td>75,000</td>
<td>Sheng Siong; Giant</td>
</tr>
<tr>
<td>White Sands</td>
<td>4.5</td>
<td>148,000</td>
<td>NTUC Fairprice; Kopitiam; Popular</td>
</tr>
<tr>
<td>Elias Mall</td>
<td>5.4</td>
<td>70,000</td>
<td>Golden Bamboo Brothers Supermarket</td>
</tr>
<tr>
<td>Tampines Retail Park</td>
<td>5.4</td>
<td>377,000</td>
<td>Courts; Giant; Ikea</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Beyond</th>
<th>Distance (km)</th>
<th>NLA (sq.ft)</th>
<th>Major Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parkway Parade</td>
<td>7.3</td>
<td>520,000</td>
<td>Isetan; Giant; Cold Storage; Best Denki</td>
</tr>
<tr>
<td>Nexus</td>
<td>10.0</td>
<td>600,000</td>
<td>Isetan; Hypermarket; Cinemas</td>
</tr>
</tbody>
</table>

Source: Urbis

#### 4.1.1 PRIMARY TRADE AREA COMPETITION
**CHANGI BUSINESS PARK & SINGAPORE EXPO**

**UE BIZHUB EAST**
This development is located north of Changi City Point and comprises around 60,000 sq.ft NLA of retail floorspace. The retail offer constitutes exclusively F&B, and is made up of a FairPrice Xtra hypermarket and a strip of restaurants located in a shaded walkway called Changi Link.

**THE SIGNATURE**
The Signature has a small F&B provision estimated at approximately 20,000 sq.ft NLA, which will provide some competition for F&B spending from business park workers, with its location being more convenient relative to a number of the surrounding office buildings.

**PLAZA 8 @ CBP**
Plaza 8 @ CBP comprises approximately 20,000 sq.ft NLA, almost all of which is F&B and anchored by a small food court and a 7-Eleven. This retail offer will provide some competition for the F&B spending of surrounding office workers.
SINGAPORE EXPO

Singapore Expo has a small provision of F&B specialty, estimated to comprise approximately 20,000 sq.ft NLA. As a result of Singapore Expo being slightly removed from Changi Business Park, this offer is unlikely to provide competition for office worker spending, rather catering for Singapore Expo workers. The offer will however provide competition for the F&B spending of Expo visitors.

4.1.2 SECONDARY TRADE AREA COMPETITION

TAMPINES TOWN CENTRE

Tampines Town Centre is located approximately 2.8 km north-west of Changi City Point and comprises a regional concentration of residential and commercial development, including three shopping centres, namely; Tampines Mall, Century Square and Tampines One.

TAMPINES MALL

Tampines Mall is a six-level 328,000 sq.ft NLA centre which is anchored by a two-level Isetan department store on Levels 1 and 2, a NTUC FairPrice supermarket in the basement, Courts and an 8-screen Golden Village Cinema. This centre, owned by CapitaMall Trust, is one of the strongest in eastern Singapore and is of primary competitive relevance to Changi City Point.
CENTURY SQUARE

Century Square is a 205,000 sq.ft NLA centre connected to Tampines Mall by an undercover walkway on Level 1. The centre’s offer is at a lower market position compared with Tampines Mall, characterised by its weaker anchors, which include a three-level BHG department store and a NTUC FairPrice Finest Supermarket in the basement. This centre benefits from its co-location with the Tampines Mall, as a significant amount of shopper traffic passes between the two centres.

TAMPINES 1

Tampines 1 is the weakest of the three centres surrounding Tampines MRT Station. The centre comprises 260,000 sq.ft NLA of retail floorspace spread over six levels. The centre is anchored by a 30,000 sq.ft Cold Storage in the Basement, a two-level Esprit and Muji. While the finishes of the centre are superior to those of the other malls, the tenancy mix is weaker, particularly on the upper levels. Further, the centre does not receive as high foot traffic as the other two due to its physical separation on the opposite side of the MRT station.
4.1.3 TERTIARY TRADE AREA COMPETITION

WHITE SANDS
White Sands is located approximately 4.5 km north of Changi City Point, adjacent to Pasir Ris MRT Station. The centre comprises 148,000 sq.ft NLA of retail floorspace spread over six levels. The retail offer is positioned at the mid-market and anchors include a NTUC FairPrice supermarket and Popular bookshop. White Sands is designed to serve the local catchment in Pasir Ris.

TAMPINES RETAIL PARK
This site is located around 5.3 km north-west of Changi City Point and was the first site opened under the “Warehouse Retail Scheme”. The retail park includes IKEA, Giant and Courts and has a total of 377,000 sq.ft NLA. Although this was not initially as successful as anticipated, we understand that IKEA is performing well. There is a direct shuttle to the retail park from Tampines MRT Station assists in improving access to the site, however access to the site is still considered to be weak.
BEDOK MALL

Bedok Mall is located 3.8 km west of Changi City Point adjacent to Bedok MRT Station. This CapitaMalls centre constitutes 220,000 sq.ft NLA of retail floorspace spread over four levels and opened fully leased in December 2013. Anchors include a NTUC FairPrice Finest supermarket, Uniqlo and BEST Denki. The centre derives significant benefit from its underground connection to the MRT, which provides easy access to the supermarket in the basement. The centre is further advantaged by the large walk-up population attributable to the considerable volume of HDB housing that surrounds Bedok Town Centre. This centre is expected to draw widely from suburban eastern Singapore.

BEDOK POINT

Bedok Point is a small centre of around 80,000 sq.ft NLA located near Bedok MRT Station. The centre is anchored by Challenger, with the residual retail offer largely comprising F&B. This centre assists in consolidating Bedok Town Centre as a retail hub, however does not have the scale of offer to be a primary retail location. It is our understanding that the centre is set to be remixed in 2014, with the most notable new addition being Harvey Norman.
DOWNTOWN EAST E! HUB

This centre is located approximately 4.7 km north of Changi City Point and comprises 130,000 sq.ft NLA. The centre is anchored by a FairPrice supermarket and has a particularly strong entertainment offer consisting of a Cathay Cineplex, Orchid Bowling Alley and an eXplorerkid entertainment centre. The primary retail offer is located in five level enclosed format, however there is additional retail, including Cotton On and Giordano on an adjacent semi-enclosed pad site.

4.1.4 BEYOND TRADE AREA COMPETITION

PARKWAY PARADE

Parkway Parade is a strong centre in the inner-suburban east consisting of 576,000 sq.ft NLA of retail floorspace, approximately 7.3 km west of Changi City Point and just beyond the border of the tertiary trade area sector. Parkway is anchored by an Isetan department store, Giant and Cold Storage. Although located beyond the trade area is of relevance due to its scale and strong trade mix. It is highly popular with residents of eastern Singapore.
NEX
Nex located approximately 10 km west of Changi City Point adjacent to the Serangoon MRT Station and comprises 618,000 sq.ft NLA. Anchors include FairPrice Xtra hypermarket, Cold Storage and Shaw Theatres. While a considerable distance from Changi City Point, the scope of offer at NEX means that it is able to draw retail customers widely from across eastern Singapore.

4.2 PROPOSED COMPETITION
EASTPOINT MALL
Eastpoint Mall is located approximately 1.4 km north-west of Changi City Point adjacent to Simei MRT Station. The centre is currently being refurbished and when complete will comprise approximately 210,000 sq.ft NLA. At present a 40,000 sq.ft NLA FairPrice Supermarket is located adjacent to the site. The mall is set to re-open in late 2014. The centre benefits from its strategic location adjacent to the MRT and a large walk-up population attributable to Simei Housing Estate. Once refurbished, this centre is expected to be of some relevance.
PROJECT JEWEL - CHANGI

Project Jewel is a mixed-used development by Changi Airport Group and CapitaMalls Asia which will include a 520,000 sq.ft NLA shopping centre. The mixed-use complex will be integrated with Terminals 1, 2 and 3 at Changi Airport and in addition to the retail offer, the development will provide indoor gardens and leisure attractions, hotel facilities. This development will be located 3.6 km east of Changi City Point, and upon completion in 2018 will be of competitive relevance, particularly in terms of drawing custom from tourists to Singapore.

Proposed Shopping Centres

<table>
<thead>
<tr>
<th>Proposed Shopping Centres</th>
<th>CHANGI CITY POINT TRADE AREA, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary</strong></td>
<td><strong>Opending Year</strong></td>
</tr>
<tr>
<td>Eastpoint Mall</td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td><strong>Tertiary</strong></td>
</tr>
</tbody>
</table>

Source: Urbis

4.3 FORECAST RETAIL FLOORSPACE

Chart 4.1 displays new shopping centre floorspace by region in Singapore from 2014-2018 (these are based on the planning regions defined by the URA as shown in Map 4.2). As shown, there is a moderate amount of floorspace planned for the Outer East, in which Changi City Point is located, with the most notable additions being Eastpoint Mall in 2014 and Project Jewel in 2018.
Between year-end 2013 and year-end 2018 the net shopping centre space built per annum in the Outer East Region, taking into account obsolescence (i.e. @ 1.0% per annum), on average will be around 162,000 sq.ft. At present we estimate the total amount of shopping centre floorspace within the Outer East region to be around 2.7 million sq.ft with total floorspace per capita for the region relatively low at 3.0 sq.ft per person compared with the Singapore average at 4.9 sq.ft per person.

1. At year end

*An additional allowance of 1 million sq.ft NLA has been included from 2013 to 2018 for future shopping centres that are as yet unknown. This allowance has been distributed by planning region based on projected population growth.

Source: URA; Urbis
As shown in Chart 4.2 we are forecasting the shopping centre floorspace per capita provision for the Outer East region to increase to around 3.6 sq.ft per person in 2018 after factoring in the inception of Project Jewel, which is still significantly below the overall Singapore provision of 5.2 sq.ft per person.

### Shopping Centre Floorspace by Region

**SINGAPORE, CALENDAR YEAR END 2013 - 2018**

As shown in Chart 4.2 we are forecasting the shopping centre floorspace per capita provision for the Outer East region to increase to around 3.6 sq.ft per person in 2018 after factoring in the inception of Project Jewel, which is still significantly below the overall Singapore provision of 5.2 sq.ft per person.

### 4.4 IMPLICATIONS FOR CHANGI CITY POINT

The overall trade area retail provision is considered to be relatively strong. The most relevant competition for Changi City Point is the concentration of retail around the Tampines MRT Station to the north and the retail at Bedok Town Centre to the west, particularly Bedok Mall. Both Tampines and Bedok however are located in the secondary and tertiary trade areas and Changi City Point has a very little competition in its primary trade area.

In terms of future competition, Frasers Centrepoint is in a position to mitigate the competition from Eastpoint Mall, however Project Jewel will provide a nearby retail offer of considerable scale and is expected to be designed and tenanted to a high level as it is being developed by an experienced retail developer in CapitaLand.

The Outer East has a considerably lower provision of shopping centre floorspace per capita compared with average provisions across Singapore. This is forecast to increase over time as retail developers look to take advantage of the growing retail market in this area.
5 Market Outlook

- Changi City Point, being just over two years old, is still going through its establishment phase as would be expected for a centre of this type and scale and located in an area which is being gradually developed and still has a long way to go to reach its fully built-out capacity.

- The centre however should experience solid growth over the next few years and it is in a good position to take advantage of the following developments in the Singapore and local retail market, including:
  - Ongoing healthy growth in the resident retail spending market over the next five years.
  - The constantly improving public transportation network including the completion of the Downtown Extension Line with its direct underground connection with Changi City Point.
  - A growing office workforce at Changi Business Park expected to double in size over the next 20-30 years.
  - The continued development, usage and patronage of Singapore Expo.
  - Growth in the nearby student population with the 2014 opening of the new campus of the Singapore Technology and Design University.

- In relation to future competition, we would expect there to be only a minor localized impact resulting from the opening of Eastpoint Mall in 2014. Similarly in the case of the Project Jewel centre at Changi Airport, because of its scale, market positioning and location at the airport, this centre is expected again to not have a significant impact on Changi City Point’s trading performance with the Project Jewel centre performing a much wider regional role and with a very strong focus on the tourist market.
Disclaimer

This report is dated 14 March 2014 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd’s (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Frasers Centrepoint Trust (Instructing Party) for the purpose of Independent Retail Market Review (Purpose) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

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This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.
Appendix A  Changi City Point Layout Plans
NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Frasers Centrepoint Trust ("FCT") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on 29 May 2014 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. THE PROPOSED ACQUISITION OF CHANGI CITY POINT AS A RELATED PARTY TRANSACTION

That:

(i) approval be and is hereby given for the acquisition of Changi City Point (as defined in the circular dated 12 May 2014 (the "Circular") issued by Frasers Centrepoint Asset Management Ltd., as manager of FCT (the "Manager"), to unitholders of FCT (the "Unitholders") from Ascendas Frasers Pte. Ltd. (the "Vendor"), a joint venture between Frasers Centrepoint Limited ("FCL") and Ascendas Development Pte. Ltd. in which FCL holds an indirect 50.0% interest through its wholly-owned subsidiary, FCL Emerald (1) Pte. Ltd., for an aggregate purchase consideration of S$305.0 million (the "Acquisition") on the terms and subject to the conditions set out in the conditional sale and purchase agreement entered into between the Vendor and HSBC Institutional Trust Services (Singapore) Limited, as trustee of FCT (the "Trustee"), in respect of the sale and purchase of Changi City Point; and

(ii) the Manager, any director of the Manager 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 of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to the Acquisition.

ORDINARY RESOLUTION

2. THE PROPOSED ISSUE OF UP TO 90.0 MILLION NEW UNITS UNDER THE PRIVATE PLACEMENT

That subject to and contingent upon the passing of Resolution 1:

(i) approval be and is hereby given for the issue of up to 90.0 million new units in FCT ("New Units") under a private placement (the "Private Placement") in the manner described in the Circular; and

(ii) the Manager, any director of the Manager 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 of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to the Private Placement.
ORDINARY RESOLUTION

3. THE PROPOSED PLACEMENT OF NEW UNITS TO THE FCL GROUP UNDER THE PRIVATE PLACEMENT AS A RELATED PARTY TRANSACTION

That subject to and contingent upon the passing of Resolution 1 and Resolution 2:

(i) approval be and is hereby given for the issue of up to such number of New Units, as part of the Private Placement, to FCL and/or any of its subsidiaries (collectively, the “FCL Group”, and the placement of New Units to the FCL Group, the “FCL Group Placement”) as described in the Circular; and

(ii) the Manager, any director of the Manager 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 of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to the FCL Group Placement.

BY ORDER OF THE BOARD
Frasers Centrepoint Asset Management Ltd.
(Company Registration No. 200601347G)
As manager of Frasers Centrepoint Trust

Anthony Cheong Fook Seng / Piya Treruangrachada
Company Secretaries
12 May 2014

Important Notice

A unitholder of FCT entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a unitholder of FCT.

The instrument appointing a proxy or proxies 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 Extraordinary General Meeting.
This page has been intentionally left blank.
IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of Frasers Centrepoint Trust ("FCT", and a unitholder of FCT, a "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 stead. A proxy need not be a Unitholder. The instrument appointing a proxy or proxies must be deposited with the Company Secretary of Frasers Centrepoint Asset Management Ltd., as manager of FCT ("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 Extraordinary General Meeting.

2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his 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 ("Proxy Form") 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 specify the total number of units in FCT ("Units") held. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited ("CDP"), he should specify that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of FCT, he should specify that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is specified, this form of proxy will be deemed to relate to all the Units held by the Unitholder.

5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 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 to 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 name in the Depository Register at as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.

8. CPF approved agent banks acting on the request of CPF Investors who wish to attend the Extraordinary General 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 CPF approved 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 Extraordinary General Meeting.
**FRASERS CENTREPOINT TRUST**  
(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 June 2006 (as amended))

**PROXY FORM EXTRAORDINARY GENERAL MEETING**

I/We (Names) of (Address) being a unitholder/unitholders of Frasers Centrepoint Trust ("FCT"), hereby appoint:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>NRIC/Passport Number</th>
<th>Proportion of Unitholdings (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

and/or (delete as appropriate)

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>NRIC/Passport Number</th>
<th>Proportion of Unitholdings (Note 2)</th>
</tr>
</thead>
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</tbody>
</table>

or, both of whom failing, Mr Bobby Chin Yoke Choong or failing him, Mr Soh Kim Soon, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of FCT to be held at 10.00 a.m. on 29 May 2014 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 resolution to be proposed at the Extraordinary General Meeting as indicated hereunder, as he/she may on any other matter arising at the Extraordinary General Meeting.

NOTE: The Chairman of the EGM will be exercising his right under paragraph 9 of Schedule 1 of the Deed of Trust constituting FCT (as amended) to demand a poll in respect of the resolutions to be put to the vote of members at the EGM and at any adjournment thereof. Accordingly, such resolutions at the EGM will be voted on by way of poll.

<table>
<thead>
<tr>
<th>Resolutions</th>
<th>No. of Votes For*</th>
<th>No. of Votes Against*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To approve the Proposed Acquisition of Changi City Point as a Related Party Transaction (Ordinary Resolution)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. To approve the Proposed Issue of Up to 90.0 Million New Units under the Private Placement (Ordinary Resolution) (Conditional upon Resolution 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. To approve the Proposed Placement of New Units to the FCL Group under the Private Placement as a Related Party Transaction (Ordinary Resolution) (Conditional upon Resolution 1 and Resolution 2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Dated this _______ day of ________________ 2014

Total number of Units held (Note 4)

Signature(s) of Unitholder(s)/Common Seal
The Company Secretaries
Frasers Centrepoint Asset Management Ltd.
(as manager of Frasers Centrepoint Trust)
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958
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CIRCULAR DATED 12 MAY 2014
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. 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 ("Units") in Frasers Centrepoint Trust ("FCT"), 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 affected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The New Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or other jurisdiction, and the New Units 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 Securities Act and applicable state or local securities laws. Any public offering of securities of FCT in the United States would be made by means of a prospectus that would contain detailed information about FCT and Frasers Centrepoint Asset Management Ltd., as manager of FCT (the "Manager"), as well as financial statements. The Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

CIRCULAR TO UNITHOLDERS IN RELATION TO:
(1) THE PROPOSED ACQUISITION OF CHANGI CITY POINT AS A RELATED PARTY TRANSACTION;
(2) THE PROPOSED ISSUE OF UP TO 90.0 MILLION NEW UNITS UNDER THE PRIVATE PLACEMENT; AND
(3) THE PROPOSED PLACEMENT OF NEW UNITS TO THE FCL GROUP UNDER THE PRIVATE PLACEMENT AS A RELATED PARTY TRANSACTION.

(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 June 2006 (as amended))
MANAGED BY
FRASERS CENTREPOINT ASSET MANAGEMENT LTD.

Sole Financial Adviser in relation to the Private Placement
Joint Lead Managers and Underwriters in relation to the Private Placement
Independent Financial Adviser to the Independent Directors of Frasers Centrepoint Asset Management Ltd.

CIRCULAR DATED 12 MAY 2014
IMPORTANT DATES AND TIMES FOR UNITHOLDERS
(The following is qualified by, and should be read in conjunction with, the section entitled "Indicative Timetable")

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last date and time for lodgement of Proxy Forms</td>
<td>27 May 2014 at 10.00 a.m.</td>
</tr>
<tr>
<td>Date and time of Extraordinary General Meeting</td>
<td>29 May 2014 at 10.00 a.m.</td>
</tr>
<tr>
<td>Venue of Extraordinary General Meeting</td>
<td>Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958</td>
</tr>
</tbody>
</table>