FRASERS CENTREPOINT TRUST

FRASERS CENTREPOINT TRUST

PROSPECTUS DATED 27 June 2006

This overview section is qualified in its entirety and should be read in conjunction with the full text of this Prospectus.

FRASERS CENTREPOINT TRUST ("FCT") is a real estate investment trust ("REIT") established in Singapore with the investment objective of owning and investing in real estate and real estate-related assets. The strategy of the Manager of FCT, Frasers Centrepoint Asset Management Ltd., is to invest in income-producing properties or properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes, in Singapore and overseas.

FCT has an initial portfolio of three well-established suburban malls, namely, Causeway Point, Northpoint and Anchorpoint (collectively, the "Properties"). They have a combined Appraised Value of S$115.2 million as at 31 December 2005.

FCT is a developer-sponsored REIT with the ability to tap into a strong pipeline of quality assets and offers investors greater investment potential through its acquisition growth strategy and active asset enhancement initiatives.

Frasers Centrepoint Trust Management Limited ("FCL Trust Holdings Pte. Ltd.") is a real estate investment trust ("REIT") established in Singapore with the investment objective of owning and investing in real estate and real estate-related assets. The strategy of the Manager of FCT, Frasers Centrepoint Asset Management Ltd., is to invest in income-producing properties or properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes, in Singapore and overseas.

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FCT has an initial portfolio of three well-established suburban malls, namely, Causeway Point, Northpoint and Anchorpoint (collectively, the "Properties"). They have a combined Appraised Value of S$815.2 million as at 31 December 2005.

FCT is a developer-sponsored REIT with the ability to tap into a strong pipeline of quality assets and offers investors greater investment potential through its acquisition growth strategy and active asset enhancement initiatives.

FRASERS CENTREPOINT TRUST

PROSPECTUS DATED 27 June 2006

FRASERS CENTREPOINT TRUST

PROSPECTUS DATED 27 June 2006
Key Investment Highlights

Exposure to robust retail property market
- The Sponsor for the Fund Industry in Singapore ensures robust retail property market. This average rental rate in the properties is forecast to grow between 2.0% to 3.0% in the short-term, according to Knight Frank Pte Ltd.

Investment in a portfolio of strong and well-established retail properties with large catchment areas and stable cash flow
- Gateway Point and Northpoint are both strategically located within densely occupied residential areas of Woodlands and Yishun, respectively. Both are close to large trade areas and enjoy strong competition from limited retail spaces.
- Both are located in large trade areas in which they hold strong competitive positions. Gateway Point and Northpoint are respectively located near MRT stations and bus interchanges.
- Patrons of staff and students from several schools in the vicinity, workers from nearby car showrooms, industrial estates and office buildings in the area.

The Properties currently enjoy high occupancy rates. However, with asset enhancement initiatives, the yield of FCT’s property portfolio and net asset value per Unit is expected to grow.

Benefits of FCL as the Sponsor
- FCL is a wholly-owned subsidiary of Fraser and Neave, Limited, a leading international and diversified business group with a market capitalisation of approximately S$6.0 billion, as of 31 May 2006. FCL is one of the fastest growing real estate owners and has a strong foothold in property development, property investment and serviced residences in Singapore.
- In the same industries, FCL also has development projects in overseas markets, such as Hong Kong, London and Leeds. FCL can leverage its experience in other markets, such as the PRC, Thailand, Australia, New Zealand and the United Kingdom, to drive growth in overseas developments and offer them to FCT when appropriate.
- FCT is granted the right of first refusal for future acquisitions. This includes overseas developers to expand FCT’s portfolio overseas.
- FCT enjoys substantial alignment with those of Unitholders.

The Sponsor’s interests are aligned with those of Unitholders
- The Sponsor will receive 57.4% of the total number of Units in issue immediately after completion of the Offering, subject to the exercise of the Over-allotment Option. As such, the Sponsor’s interests will be substantially aligned with those of Unitholders.

Stable distributions
- FCT will distribute 100% of its taxable income for the period commencing from the Listing Date to 30 September 2006 and for the Projection Year 2007. Furthermore, FCT will distribute at least 90.0% of its taxable income in each fiscal year.
- The objective is to provide Unitholders with stable distributions on a quarterly basis. FCT’s forecast and projected distribution yield, based on the Offering Price of S$1.03, is as shown below:

<table>
<thead>
<tr>
<th>Forecast Period</th>
<th>Distribution Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Apr 2006 to 30 Sep 2006</td>
<td>5.50%</td>
</tr>
<tr>
<td>1 Oct 2006 to 30 Sep 2007</td>
<td>5.68%</td>
</tr>
</tbody>
</table>

Capital structure that provides future financing flexibility
- FCT’s relatively low gearing of 28.6% gives FCT financial flexibility when considering future acquisitions and capital expenditure for asset enhancement initiatives.

Experienced and professional management
- The Manager of FCT consists of a team of experienced professionals who have extensive experience and track records in the real estate industry in Singapore and the region. They have strong relationships with Singapore commercial assets and property market dynamics is supported by their commercial property and equity market experience in other markets.

Tax benefits
- Individuals who hold FCT Units as investment assets will not be taxed on the distributions received from FCT.

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Tax benefits
- Individuals who hold FCT Units as investment assets will not be taxed on the distributions received from FCT.
Key Investment Highlights

- Exposure to robust retail property market
  - The retail market in Singapore remains positive. FCT provides investors with exposure to Singapore’s resilient retail property market. The average rental value for the Properties is forecast to grow between 2.0% to 3.0% in the short term, according to Knight Frank Pte Ltd.

- Investment in a portfolio of strong and well-established retail properties with large catchment areas and stable cash flow
  - Causeway Point and Northpoint are both strategically located near transportation hubs such as MRT stations and bus interchanges.
  - Anchorpoint is located in Queenstown, and benefits from the patronage of staff and students from several schools in the vicinity.
  - The Properties enjoy strong tenancy demand and stable cash flows, with a weighted average occupancy rate of 99.1% for the three months ended 30 September 2005.
  - The Properties are conveniently located near transportation hubs such as MRT stations and bus interchanges.

- Benefits of FCL as the Sponsor
  - The Sponsor will receive 57.4% of the total number of Units in issue immediately after completion of the Offering, subject to the exercise of the Over-allotment Option. As such, the Sponsor’s interests will be substantially aligned with those of Unitholders.
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- Opportunities for growth through active asset management and acquisitions
  - The Manager of FCT consists of a team of experienced professionals who have extensive experience and track records in the real estate industry in Singapore and the region. Their familiarity with Singapore commercial assets and property market dynamics is complemented by their commercial property and equity market experience in other markets.

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<th>Distribution Yield (%)</th>
<th>Offering Price Distribution Yield (1)</th>
<th>Profit Forecast and Profit Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.00</td>
<td>5.50% (2)</td>
<td>5.68%</td>
</tr>
<tr>
<td>5.10</td>
<td>5.50% (2)</td>
<td>5.68%</td>
</tr>
<tr>
<td>5.20</td>
<td>5.50% (2)</td>
<td>5.68%</td>
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<tr>
<td>5.30</td>
<td>5.50% (2)</td>
<td>5.68%</td>
</tr>
<tr>
<td>5.40</td>
<td>5.50% (2)</td>
<td>5.68%</td>
</tr>
<tr>
<td>5.50</td>
<td>5.50% (2)</td>
<td>5.68%</td>
</tr>
<tr>
<td>5.60</td>
<td>5.50% (2)</td>
<td>5.68%</td>
</tr>
<tr>
<td>5.70</td>
<td>5.50% (2)</td>
<td>5.68%</td>
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<td>5.50% (2)</td>
<td>5.68%</td>
</tr>
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The Properties

- Located in areas of high connectivity, the three initial properties under FCT enjoy a wide captive market and high occupancy rates.

- Causeway Point
  Causeway Point is an award-winning mall located in the heart of Woodlands, one of the three regional centres in Singapore. It is a 7-storey shopping/entertainment complex and is conveniently located adjacent to the Woodlands MRT station and the Woodlands regional bus interchange. In addition, Causeway Point is situated close to Woodlands Civic Centre which houses branch offices of major government related agencies such as CPF Board, Northwest Community Development Council, National Library Board, Singapore Post and Singapore Power. Causeway Point has a Net Lettable Area of 425,268 sq ft as at 31 December 2005 and a 99.7% occupancy rate for FY2005.

- Northpoint
  Northpoint is part of Northpoint Shopping Centre, the pioneer suburban shopping centre in Yishun Town. Northpoint Shopping Centre comprises a 4-storey shopping complex with two basement retail floors, one basement carpark and a 2-storey building extension. Northpoint is next to the Yishun MRT station and bus interchange. It is located near a Golden Village cineplex and within the Yishun Town Centre. The Net Lettable Area of Northpoint (excluding the extension building) is 144,227 sq ft as at 31 December 2005 and its occupancy rate is 99.6% for FY2005.

- Anchorpoint
  Anchorpoint is a boutique mall located at the junction of Queensway and Alexandra Road and has a prominent frontage along Alexandra Road. It is primarily a food and beverage hub, with specialty shops in home furnishing, gifts and apparel. Anchorpoint comprises two levels of shops located within a 5-storey commercial cum-residential block with a basement carpark, as well as a 2-storey conservation building. It has a Net Lettable Area of 71,000 sq ft as at 31 December 2005 and its occupancy rate is 95.9% for FY2005.

Competitive Strengths

- Strategic locations
  - The Properties are strategically located in their respective trade areas and enjoy high levels of connectivity via public transportation, which enhances their ability to draw high volumes of visitors. Causeway Point and Northpoint are conveniently situated next to MRT stations and bus interchanges, while Anchorpoint is well served by various forms of public transport and is accessible via Queenstown MRT station. Furthermore, Anchorpoint is also accessible via an overhead bridge to IKEA and benefits from the high visitor volume enjoyed at IKEA.

- Large immediate catchment and trade areas
  - The Properties are located within established high-density housing estates to ensure a wide captive market and are “one-stop” destinations for shoppers within their respective trade areas. This is further enhanced by their accessibility via public transport.

- Strong brand recognition
  - The Properties are part of a stable of shopping centres owned and/or managed by the Sponsor and together, they form the “Frasers Centrepoint Malls”. The Properties enjoy joint branding and marketing initiatives with the “Frasers Centrepoint Malls” whose branding rests on a formula that includes strategic location, good retail conceptualisation, quality management and sound tenant relationships. The Manager intends to build on this branding and ensure that the Properties continue to enjoy successful branding through this approach.

- High occupancy rates
  - The Properties enjoy high occupancy rates, reflecting the robust level of demand for suburban retail space. The Properties enjoy a weighted average occupancy rate of 99.1% for the three months ended 31 December 2005, compared to the market average occupancy rate of 92.6% for retail space in Singapore (source: Urban Redevelopment Authority, 4th quarter 2005).

- Large and diverse tenant base
  - The Properties have a large tenant base of 223 tenants as at 31 December 2005. These tenants cover a wide variety of trade sectors, thus providing the Properties with trade diversification.

- Quality tenant base
  - The Properties’ tenants rank as some of Singapore’s largest retailers such as Cold Storage Singapore (1983) Pte Ltd, Courts (Singapore) Limited, Metro (Private) Limited and Cathay Cineplexes Pte Ltd. These quality tenants provide income stability and enable FCT to maintain a certain level of rental income for the term of the lease.
Located in areas of high connectivity, the three initial properties under FCT enjoy a wide captive market and high occupancy rates.

Causeway Point

Causeway Point is an award-winning mall located in the heart of Woodlands, one of the three regional centres in Singapore. It is a 7-storey shopping/entertainment complex and is conveniently located adjacent to the Woodlands MRT station and the Woodlands regional bus interchange. In addition, Causeway Point is situated close to Woodlands Civic Centre which houses branch offices of major government related agencies such as CPF Board, Northwest Community Development Council, National Library Board, Singapore Post and Singapore Power. Causeway Point has a Net Lettable Area of 425,268 sq ft as at 31 December 2005 and a 99.7% occupancy rate for FY2005.

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Northpoint is part of Northpoint Shopping Centre, the pioneer suburban shopping centre in Yishun Town. Northpoint Shopping Centre comprises a 4-storey shopping complex with two basement retail floors, one basement carpark and a 2-storey building extension. Northpoint is next to the Yishun MRT station and bus interchange. It is located near a Golden Village cineplex and within the Yishun Town Centre. The Net Lettable Area of Northpoint (excluding the extension building) is 144,227 sq ft as at 31 December 2005 and its occupancy rate is 99.6% for FY2005.

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Strategic locations

- The Properties are strategically located in their respective trade areas and enjoy high levels of connectivity via public transportation, which enhances their ability to draw high volumes of visitors. Causeway Point and Northpoint are conveniently situated next to MRT stations and bus interchanges, while Anchorpoint is well served by various forms of public transport and is accessible via Queenstown MRT station. Furthermore, Anchorpoint is also accessible via an overhead bridge to IKEA and benefits from the high visitor volume enjoyed at IKEA.

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An indicative timetable is set out below:

<table>
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<tr>
<th>Date and Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>27 June 2006</td>
<td>Opening date for the Offering</td>
</tr>
<tr>
<td>3 July 2006, 12 p.m.</td>
<td>Closing date and time for the Offering</td>
</tr>
<tr>
<td>5 July 2006, 9 a.m.</td>
<td>Commence trading on a “ready” basis <em>(3)</em></td>
</tr>
</tbody>
</table>

*(3) Subject to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) being satisfied that all conditions necessary for the commencement of trading in the Units on a “ready” basis have been fulfilled.*
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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of FCT, the Manager or any of the Joint Financial Advisors or Underwriters, the Sponsor or the Trustee. Neither the delivery of this Prospectus nor any offer, subscription, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of FCT, the Manager or the Units since the date hereof. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, the Manager will make an announcement of the same to the SGX-ST and, if required, issue and lodge a supplementary document or replacement document pursuant to Section 298 of the Securities and Futures Act and take immediate steps to comply with the said Section 298. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes. No representation, warranty or covenant, express or implied, is made by any of FCT, the Manager, the Joint Financial Advisors, the Underwriters, the Sponsor or the Trustee or any of their respective affiliates, directors, officers, employees, agents, representatives or advisors as to the accuracy or completeness of the information contained herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise, representation or covenant by any of FCT, the Manager, the Joint Financial Advisors, the Underwriters, the Sponsor or the Trustee or their respective affiliates, directors, officers, employees, agents, representatives or advisors.

None of FCT, the Manager, the Joint Financial Advisors, the Underwriters, the Sponsor and the Trustee or any of their respective affiliates, directors, officers, employees, agents, representatives or advisors is making any representation or undertaking to any purchaser or subscriber of Units regarding the legality of an investment by such purchaser or subscriber under appropriate legal, investment or similar laws. In addition, investors in the Units should not construe the contents of this Prospectus as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in the Units for an indefinite period of time. Investors should consult their own professional advisors as to the legal, tax, business, financial and related aspects of an investment in the Units.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, from:

DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

UBS AG, acting through its business group,
UBS Investment Bank
5 Temasek Boulevard
#18-00 Suntec Tower Five
Singapore 038985

and from branches of DBS Bank (including POSB), selected branches of OCBC Bank and, where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website: http://www.sgx.com.

The distribution of this Prospectus and the offering, subscription, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. FCT, the Manager, the Joint Financial Advisors, the Underwriters, the Sponsor and the Trustee require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and
without liability to FCT, the Manager, any of the Joint Financial Advisors or the Underwriters, the
Sponsor or the Trustee. This Prospectus does not constitute an offer of, or an invitation to subscribe for
or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful.
Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person,
reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever
nor permit or cause the same to occur.

In connection with the Offering, the Stabilising Manager (or persons acting on behalf of the Stabilising
Manager) may, in consultation with the other Underwriters and at its discretion, over-allot or effect
transactions which stabilise or maintain the market price of the Units at levels which might not otherwise
prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions
where it is permissible to do so, in each case in compliance with all applicable laws and regulations,
including the Securities and Futures Act and any regulations thereunder. However, there is no
assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will
undertake stabilising action. Such transactions may commence on or after the date of commencement
of trading of the Units on the SGX-ST and, if commenced, may be discontinued at any time and shall
not be effected after the earlier of (i) the date falling 30 days from the date of commencement of trading
of the Units on the SGX-ST, (ii) the date when the over-allotment of the Units which are the subject of
the Over-allotment Option has been fully covered (through the purchase of Units on the SGX-ST and/or
the exercise of the Over-allotment Option by the Stabilising Manager, on behalf of itself and the other
Underwriters), or (iii) the date falling 30 days after the date of adequate public disclosure of the price
of the Units.
FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute "forward-looking statements". This Prospectus also contains forward-looking financial information in "Profit Forecast and Profit Projection". Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of FCT or the Manager, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager’s present and future business strategies and the environment in which FCT or the Manager will operate in the future. Because these statements and financial information reflect the Manager’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

Among the important factors that could cause FCT’s or the Manager’s actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information are the condition of, and changes in, the domestic, regional or global economy that result in reduced occupancy or rental rates for FCT’s properties, changes in government laws and regulations affecting FCT, competition in the Singapore property market, changes in interest rates, relations with service providers, relations with lenders and the quality of tenants and other matters not yet known to the Manager or not currently considered material by the Manager. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Profit Forecast and Profit Projection”, “Business and Properties” and “The Retail Property Market in Singapore”. These forward-looking statements and financial information speak only as of the date of this Prospectus. The Manager expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained herein to reflect any change in the Manager’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.
CERTAIN DEFINED TERMS AND CONVENTIONS

FCT will publish its financial statements in Singapore dollars. In this Prospectus, references to “S$” or “Singapore dollars” are to the lawful currency of the Republic of Singapore.

FCT’s pro forma statements of total return for FY2003, FY2004 and FY2005 and each of the three months ended 31 December 2004 and 31 December 2005, pro forma cash flow statements for FY2005 and each of the three months ended 31 December 2004 and 31 December 2005 and pro forma balance sheets as at 30 September 2005 and 31 December 2005 (collectively, the “Pro Forma Financial Information”) have been prepared in accordance with the Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the MAS and the provisions of the trust deed dated 5 June 2006 constituting FCT (the “Trust Deed”), and on the bases set out in Appendix B — “Independent Accountants’ Report on the Pro Forma Financial Information”.

Capitalised terms used in this Prospectus shall have the meanings set out in the Glossary. Certain historical financial data in this Prospectus is derived from the Pro Forma Financial Information and is presented on a pro forma basis (see “Pro Forma Financial Information”).

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

The forecast yields and yield growth are calculated based on the Offering Price. Such yields will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price.

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place and measurements in square metres (“sq m”) are converted to square feet (“sq ft”) and vice versa based on the conversion rate of 1 sq m = 10.7639 sq ft. References to “Appendices” are to the appendices set out in this Prospectus. All references in this Prospectus to dates and times shall mean Singapore dates and times unless otherwise specified.
MARKET AND INDUSTRY INFORMATION

This Prospectus includes market and industry data and forecast that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.
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<tr>
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SUMMARY

The following summary is qualified in its entirety by, and is subject to, the Profit Forecast and Profit Projection, the Pro Forma Financial Information and the more detailed information contained or referred to elsewhere in this Prospectus. Investors should read this Prospectus in its entirety and, in particular, the sections from which the information in this summary is extracted and the “Risk Factors”. The meanings of terms not defined in this summary can be found in the Glossary or in the Trust Deed. A copy of the Trust Deed can be inspected at the registered office of the Manager.

Statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions which could cause actual results of FCT to differ materially from those forecast or projected (see “Forward-Looking Statements”). 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 FCT, the Manager, the Joint Financial Advisors, the Underwriters, the Sponsor, the Trustee or any other person or that these results will be achieved or are likely to be achieved. Investing in the Units involves risks.

OVERVIEW OF FCT

FCT is a real estate investment trust established in Singapore with the investment objective of owning and investing in real estate and real estate-related assets, directly or indirectly through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate properties. The Manager’s principal investment strategy is to invest in income-producing properties and properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes, in Singapore and overseas. The Manager aims to produce regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per Unit.

FCT’s property portfolio will, upon the Listing Date, comprise the following retail properties (collectively the “Properties” and each a “Property”) in Singapore:

- **Causeway Point**, the largest shopping centre in FCT’s portfolio, is located in the heart of Woodlands, one of three regional centres under the Singapore Concept Plan. With a Net Lettable Area of 425,268 sq ft as at 31 December 2005, the seven-storey shopping/entertainment complex is complemented with a retail basement and two levels of basement carparks. Causeway Point is conveniently located adjacent to two major transportation hubs, the Woodlands mass rapid transit (“MRT”) station and the Woodlands regional bus interchange. Causeway Point has a strong positioning as a one-stop family-oriented shopping destination for residents in the northern part of Singapore, and affords shoppers a wide range of shopping, dining and leisure activities. Causeway Point’s tenants include Courts (Singapore) Limited., Metro (Private) Limited, Cold Storage Singapore (1983) Pte Ltd, Cathay Cineplexes Pte Ltd, and Horizon Foodmalls (Causeway) Pte Ltd.

- **Northpoint** is part of Northpoint Shopping Centre, the pioneer suburban shopping centre in Yishun Town. Northpoint Shopping Centre, located within the Yishun Town Centre, comprises a four-storey shopping complex with two basement retail floors, one basement carpark, and a two-storey building extension. The basement carpark and the two-storey building extension with Net Lettable Area of 5,016 sq ft as at 31 December 2005 are part of the common property of

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1 Singapore’s strategic land use plan that allocates land use and standards and sets the long-term strategy for Singapore’s physical development. The broad visions of the Singapore Concept Plan are translated into detailed development guide plans. The development guide plans bring a local perspective to the macro vision of the Singapore Concept Plan, setting the detailed guidelines on land-use zoning, building height and development intensity for different areas in Singapore. Each development guide plan addresses housing needs, as well as community, commercial, industrial, transport and recreational facilities for the population of each area.

2 A passenger train service with stations all over Singapore.
Northpoint Shopping Centre which is currently managed by the Northpoint Management Corporation (as defined herein). The Net Lettable Area of Northpoint excluding the two-storey building extension is 144,227 sq ft as at 31 December 2005. The basement of Northpoint Shopping Centre is directly linked to the Yishun MRT station and the entrance to Northpoint Shopping Centre at level one is directly linked to the Yishun bus interchange. It is also located next to the Yishun 10 complex (which houses a Golden Village cineplex). Northpoint offers a wide assortment of apparel, jewellery, footwear and food outlets and its tenants include Cold Storage Singapore (1983) Pte Ltd, Food-Link Services Pte Ltd, Popular Book Company Pte Ltd, Pertama Merchandising Pte Ltd (which operates Harvey Norman, one of the largest consumer electronics and home appliances retailers in Singapore) and John Little Private Limited.

- **Anchorpoint**, located at the junction of Queensway and Alexandra Road, has a prominent frontage along Alexandra Road. The shopping centre is primarily a food and beverage hub affording residents and visitors to the vicinity a good mix of restaurants and cafes offering a wide variety of cuisine. The shopping experience is complemented by a supermarket and specialty shops dealing in home furnishings, gifts and apparel. Anchorpoint comprises two levels of shops located on the first storey and first basement level of a five-storey commercial-cum-residential block with a basement carpark (which comprises 130 parking lots and is part of the common property managed by the management corporation of the Anchorpoint Development (the “Anchorpoint Management Corporation”)) and a two-storey freestanding building that was given conservation status in 1993 under the Urban Redevelopment Authority’s (the “URA”) voluntary conservation scheme. The Net Lettable Area of Anchorpoint is 71,000 sq ft as at 31 December 2005. Anchorpoint’s tenants include Cold Storage Singapore (1983) Pte Ltd, Oscar’s Food Mall (A.P.) Pte. Ltd., Novena Furnishing Centre Pte. Ltd. and Tung Lok Millennium Pte Ltd.

**Competitive Strengths**

The Manager believes that the competitive strengths of the Properties include:

- **Strategic locations.**
  
The Properties are strategically located in their respective trade areas and enjoy high levels of connectivity via public transportation, which enhances their ability to draw high volumes of visitors. Causeway Point and Northpoint are conveniently situated next to the MRT stations and the bus interchanges, whereas Anchorpoint is located near the Queenstown MRT station and is also well-served by buses.

- **Large immediate catchment and trade areas.**
  
The Properties are located within established high-density housing estates and provide a “one-stop” destination for shoppers within their respective trade areas.

- **Strong brand recognition.**
  
The Properties, together with the shopping centres owned and/or managed by the Sponsor, form the “Frasers Centrepoint Malls” (formerly known as “Malls of Centrepoint”). The success of the “Frasers Centrepoint Malls” branding rests on a formula of strategic location, good retail conceptualisation, quality management and sound tenant relationships. The Manager intends to build on this strong inherited branding by broadening the breadth and depth of the tenancy mix and providing a vibrant retail and food and beverage environment. The Manager will also continue to identify and pursue opportunities for joint branding and marketing initiatives with the other retail properties owned and/or managed by the Sponsor such as Centrepoint Shopping Centre and Compass Point Shopping Centre. With an in-depth understanding of the demands and expectations of today’s shoppers, the Manager and Property Manager will endeavour to ensure that the Properties continue to enjoy strong branding through this approach.
• **High occupancy rates.**
  The Properties enjoy high occupancy rates, reflecting the robust level of demand for suburban retail space. For the three months ended 31 December 2005, the Properties had a weighted average occupancy rate of 99.1%, as compared to the market average occupancy rate of 92.6% for shop space in Singapore, based on data obtained from the URA for the fourth quarter of 2005³.

• **Large and diverse tenant base.**
  The Properties have a large tenant base of 223 tenants as at 31 December 2005. These tenants cover a wide variety of trade sectors, thus providing the Properties with trade diversification. No single tenant contributed more than 8.2% of the total Gross Rent as at 31 December 2005.

  (See “Business and Properties — Tenant Profile” for further information on the tenants of the Properties.)

• **Quality tenant base.**
  The Properties benefit from the quality of their tenants. The Properties’ tenants include some of Singapore’s largest retailers such as Cold Storage Singapore (1983) Pte Ltd, Courts (Singapore) Limited, Metro (Private) Limited, Cathay Cineplexes Pte Ltd, and many of which have been tenants of the Properties since the Properties became commercially operational.

**Key Investment Highlights**
The Manager believes that an investment in FCT offers the following attractions for Unitholders:

**Exposure to a robust retail property market**
The outlook for the retail industry in Singapore remains positive, on the back of improving regional and local economies, the return of consumer confidence, rising employment and the increase in tourist arrivals. In particular, the Properties provide investors with an exposure to Singapore’s resilient suburban retail property market, where controlled new supply and captive catchment areas have contributed to stable rents. According to the Independent Property Consultant, the average rental rate for the Properties is forecast to grow between 2.0% to 3.0% in the short term. (See Appendix D — “Independent Retail Property Market Overview Report”.)

**Investment in a portfolio of strong and well-established retail properties with large catchment areas and stable cash flow**
Causeway Point and Northpoint are strategically located within the densely populated residential areas of Woodlands and Yishun respectively. Causeway Point is one of Singapore’s largest suburban shopping centres in terms of Net Lettable Area and is conveniently situated adjacent to two major transportation hubs, the Woodlands MRT station and the Woodlands regional bus interchange. Northpoint is strategically situated between the Yishun MRT station and the Yishun bus interchange, with the basement of Northpoint Shopping Centre directly linked to the Yishun MRT station. Northpoint also benefits from shuttle bus services that shuttle residents from various condominiums developed by FCL to and from Northpoint Shopping Centre and the Yishun MRT station at regular intervals daily.

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³ Source: URA’s Property Market Information Publications on Private Residential Properties, Commercial & Industrial Properties and Details of Projects under Development. The URA has not provided its consent, for purposes of Section 249 (read with Section 302) of the Securities and Futures Act, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 302) of the Securities and Futures Act. While the Manager, the Underwriters and the Joint Financial Advisors have taken reasonable actions to ensure that the information from the relevant report published by the URA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Manager, the Underwriters and the Joint Financial Advisors nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.
Approximately 97.0% of FCT’s Net Property Income for the Forecast Period 2006 and the Projection Year 2007 is expected to be derived from Causeway Point and Northpoint.

Causeway Point and Northpoint benefit from being located in large trade areas in which they hold strong competitive positions. Both Causeway Point and Northpoint have also benefited from increases in the populations within their respective catchment areas, as a result of the completion of numerous private condominium developments in the northern part of Singapore in the past five years. Such developments also include FCL’s developments, such as Yishun Emerald (comprising 436 units), Yishun Sapphire (comprising 380 units), Seletaris (comprising 328 units), Euphony Gardens (comprising 304 units) and Rosewood (comprising 437 units).

Causeway Point is located in Woodlands, one of the three regional centres in Singapore. Causeway Point serves an immediate population of approximately 294,000 residents in its primary trade area. The residential population around Causeway Point is expected to increase in the next few years, with the completion of several new residential developments contributing more than 1,000 new housing units. In addition to benefiting from the increase in residential population, Causeway Point also benefits from the patronage of workers from the nearby Admiralty Industrial Park, the Jurong Town Corporation (also known as JTC Corporation (“JTC“)) industrial estates in Woodlands as well as staff and students from numerous schools in the vicinity. (See Appendix D — “Independent Retail Property Market Overview Report“.)

Northpoint is located in Yishun, one of Singapore’s newer housing townships. Northpoint serves an immediate population of approximately 180,000 residents in its primary trade area. The resident population around Northpoint is expected to increase in the next few years with the completion of several new residential developments, contributing in excess of 700 new housing units. In addition to residents, Northpoint also enjoys patronage from staff and students of 14 primary schools, 11 secondary schools, a junior college and an institute of education within its trade area, many of which are located within a three-kilometre radius of Northpoint Shopping Centre. The staff and student population from the various schools and institutions is estimated to be more than 50,000. Northpoint also benefits from the patronage of army and air force personnel from the Khatib and Nee Soon camps, personnel from the newly opened 3rd Civil Defence Division Headquarters and workers from the Yishun and Ang Mo Kio industrial parks. In the medium to long term, Northpoint is expected to benefit from the scheduled completion of the proposed 400-bed Northern General Hospital at Yishun Central in March 2009 and the proposed inclusion of a new library in the Yishun Property (as defined herein), estimated to be completed in 2009. (See Appendix D — “Independent Retail Property Market Overview Report“.)

Anchorpoint is located in Queenstown, the first satellite town built by the Housing Development Board (“HDB“). It is located near the Queenstown MRT station and is also well served by buses. Anchorpoint serves an immediate population of approximately 73,000 residents in its primary trade area including residents from two sizeable private residential developments, The Anchorage, located adjacent to Anchorpoint, and Queens, which is located near the Queenstown MRT station. In total, these two residential developments comprise approximately 1,500 units. By the middle of 2007, some 1,800 new HDB flats will be completed in the vicinity of Anchorpoint to replace existing old flats under the Selective En bloc Redevelopment Scheme which is aimed at rejuvenating the area. Anchorpoint also benefits from the patronage of staff and students from several schools in the vicinity, and workers from the nearby car showrooms, industrial estates and office buildings. Accessibility to Anchorpoint was enhanced with the introduction of a shuttle bus service in May 2004, which serves office workers from various office buildings in the vicinity. The bus service operates between 12.00 p.m. to 2.00 p.m. on weekdays, at intervals of 15 minutes, ferrying office workers to and from Anchorpoint. The Manager intends to review the operation of the bus service upon its expiry in September 2007. (See Appendix D — “Independent Retail Property Market Overview Report“.)

The Properties enjoy strong tenancy demand and stable cash flow, with a weighted average occupancy rate of 99.1% for the three months ended 31 December 2005 and a historical weighted average
occupancy rate of 98.8% for the past three financial years and the three months ended 31 December 2005. The Properties also benefit from a large and diverse tenant base and are not dependent on any one tenant or trade sub-sector.

**Benefits of Frasers Centrepoint Limited as the Sponsor**

The Sponsor is a wholly-owned subsidiary of F&N, a leading international and diversified business group with core expertise and dominant standing in the property, food and beverage, and printing and publishing industries. Listed on the SGX-ST, F&N's market capitalisation, as at 31 May 2006, was approximately S$4.5 billion, making it one of the largest listed companies in Singapore. In its latest financial year ended 30 September 2005, F&N generated revenues of S$4.3 billion, with a total asset base of S$8.9 billion. F&N has a business presence in over 20 countries spanning Asia Pacific, Europe and USA and employs more than 15,000 employees worldwide.

The Sponsor is the main property arm of F&N and its related corporations (the “F&N Group”). Acquired in 1990, FCL has grown from a single-shopping centre property company to become one of the fastest growing and most reputable real estate owners and developers in Singapore. Today, FCL is a multinational company with a strong foothold in property development, property investment and serviced residences in Singapore. In the same industries, FCL also has development projects in overseas markets, such as the People’s Republic of China (the “PRC”), Thailand, Australia, New Zealand and the United Kingdom and serviced residences operating in South Korea, the PRC, Thailand, the Phillipines, France and the United Kingdom.

FCT can leverage on the Sponsor’s established track record, financial strength and scale of operations, expertise in integrated retail property operations, overseas reach and network of relationships in the retail sector as follows:

- the Sponsor has an established track record as one of the most successful shopping centre operators in Singapore and will be able to contribute to the successful operation of FCT’s retail properties thereby ensuring consistent earnings growth;
- the Sponsor has the financial strength and retail development, management and marketing expertise to acquire land in Singapore and Asia for development into shopping centres that could potentially be offered to FCT for acquisition. The Sponsor also has the capacity to buy and warehouse completed assets with good growth potential and offer them to FCT for potential acquisition once these assets meet FCT’s investment criteria and targeted returns;
- with seven malls in Singapore under the Sponsor’s management, FCT can leverage on the Sponsor’s “Frasers Centrepoint Malls” branding strength and derive synergies through joint advertising and promotional activities. This will help to increase shopper traffic and consumer spending in FCT’s shopping centres, particularly during peak seasons; and
- the Manager can also leverage on the Sponsor’s business presence overseas as well as its established network of relationships with retailers and overseas developers to potentially expand FCT’s portfolio to overseas markets in the long term.

As part of its asset management strategy, the Manager intends to explore opportunities to enhance Anchorpoint to further maximise its yield and Net Property Income. In the event that Anchorpoint undergoes asset enhancement during the period commencing from the Listing Date and up to the end of Projection Year 2007 (the “Income Support Period”), and if such asset enhancement works cause disruptions in the business operations of Anchorpoint resulting in a shortfall to the forecast and projected Net Property Income of Anchorpoint for the Forecast Period 2006 and the Projection Year 2007 included in this Prospectus, the Sponsor has agreed, subject to Completion, to provide income support to FCT during the Income Support Period for the purpose of making good such shortfall in the Net Property Income of Anchorpoint, up to a maximum sum of S$1.3 million.
The Manager believes that the said income support of up to S$1.3 million is a significant amount in the context of Anchorpoint, and would provide the Manager with significant scope and flexibility to explore beneficial asset enhancement opportunities for Anchorpoint.

(See “Strategy — Active Asset Management Strategy — Anchorpoint”.)

**The Sponsor’s interests are aligned with those of Unitholders**

The Sponsor will, through its wholly-owned subsidiaries, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. (also the Unit Lender), receive in part satisfaction of the purchase price for Causeway Point, an aggregate of 352,700,000 Consideration Units, representing 57.4% of the total number of Units in issue immediately after completion of the Offering, subject to the exercise of the Over-allotment Option. In this connection, the Sponsor’s interests will be substantially aligned with those of Unitholders.

To demonstrate the Sponsor’s commitment to FCT, F&N, the Sponsor, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. have agreed to a lock-up arrangement for a period of 180 days after the Listing Date in respect of their effective or direct interests in 100.0% of the Lock-up Units (as defined herein) and for 360 days after the Listing Date in respect of their effective or direct interests in 50.0% of the Lock-up Units, subject to certain exceptions. It is the intention of F&N, the Sponsor, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. to remain committed to the continued growth and success of FCT and to be a long-term investor in FCT by holding a substantial interest in FCT. However, F&N, the Sponsor, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. will be at liberty to dispose of their effective or direct interests in the Lock-up Units after the lock-up periods have ended. (See “Plan of Distribution — Lock-up Arrangements”.)

**Stable distributions**

FCT’s distribution policy is to distribute 100.0% of its taxable income, for the period commencing from the Listing Date to 30 September 2006 and for the Projection Year 2007. Thereafter, FCT will distribute at least 90.0% of its taxable income in each financial year. The actual proportion of taxable income distributed to Unitholders beyond 30 September 2007 may be greater than 90.0% if the Manager believes it to be appropriate, having regard to FCT’s funding requirements, other capital management considerations and the overall stability of distributions.

Distributions will be paid on a quarterly basis for the three month ending 31 December, 31 March, 30 June and 30 September of each year. However, FCT’s first distribution after the Listing Date will be for the period from the Listing Date to 30 September 2006 and will be paid by the Manager on or before 29 November 2006. Subsequent distributions will take place on a quarterly basis (see “Distributions”).

The Manager has forecast a distribution of approximately 2.83 cents per Unit in respect of the Forecast Period 2006, which, on an annualised basis, is equivalent to a distribution yield of 5.50% per Unit, based on the Offering Price of S$1.03. However, the actual amount distributed will be adjusted based on the actual number of days from the Listing Date to 30 September 2006.

The Manager has forecast a distribution of approximately 5.85 cents per Unit in respect of the Projection Year 2007, which is equivalent to a distribution yield of 5.68% per Unit, based on the Offering Price of S$1.03.

**Capital structure that provides future financing flexibility**

The Manager aims to optimise FCT’s capital structure and cost of capital within the borrowing limits set out in the Property Funds Guidelines, and intends to use a combination of debt and equity to fund future acquisitions and capital expenditure for asset enhancement works at the Properties.
Under the Property Funds Guidelines, FCT is generally permitted to borrow only up to 35.0% of the value of its Deposited Property at the time the borrowing is incurred. The Property Funds Guidelines also provide that the total borrowings and deferred payments (together the “aggregate leverage”) of a real estate investment trust may exceed 35.0% of the value of its deposited property (up to a maximum of 60.0%) only if a credit rating of the real estate investment trust from Fitch Inc., Moody’s or Standard and Poor’s is obtained and disclosed to the public and this should be maintained and disclosed so long as its aggregate leverage exceeds 35.0% of its deposited property.

As at the Listing Date, FCT will have an initial level of indebtedness of S$281.3 million, or 30.0% of the value of its Deposited Property (based on the pro forma balance sheet, as at 31 December 2005).

Reflecting this capital structure, FCT will, on Completion put in place facilities of S$290.0 million (the “Facilities” and each a “Facility”) from OCBC Bank and Standard Chartered Bank (the “lenders”), comprising a S$260.0 million five-year term loan and a S$30.0 million one-year revolving credit facility. S$281.3 million will be initially drawn down from the Facilities on the Completion Date (as defined herein) with the term loan fully drawn down and S$21.3 million drawn down from the revolving credit facility.

Each loan under the Facilities will bear interest at the relevant Singapore dollar swap offer rate plus a margin. The margin of the term loan is fixed throughout the five years. The tenure of the one-year revolving credit facility may be extended annually subject to a renewal fee payable to the originating banks. An upfront fee, calculated based on the amount of the Facilities, is also payable by FCT. The Properties will be mortgaged to secure payments in connection with the S$260.0 million term loan. The interest rate of the term loan has been fixed using interest rate swaps of varying tenures which may result in not less than 50.0% of the drawn facility being on a fixed interest rate basis.

The lenders shall have the right after the drawdown date of the Facilities to set up a medium term note programme to undertake a commercial mortgage-backed securities (“CMBS”) issuance to refinance the term loan after notifying FCT and in cooperation with FCT. Such refinancing is at the sole discretion of the lenders and all associated up-front set-up costs shall be borne by the lenders. FCT may also be required to bear certain costs associated with the operation of the medium term note programme.

In addition, FCT has the following sources of funds that can be used to pare down its borrowings or to finance capital expenditures:

(i) S$0.8 million of goods and services tax (“GST”) chargeable on the estimated cost incurred in connection with the Offering and which is refundable by the Inland Revenue Authority of Singapore (the “IRAS”); and

(ii) rental deposits which have been paid by tenants in cash, equivalent to S$17.1 million based on the pro forma balance sheet as at 31 December 2005 (assuming that rental deposits which are refunded to tenants are replaced by equivalent rental deposits from incoming tenants).

Upon paring down of its borrowings using such rental deposits, FCT’s level of indebtedness will be reduced to S$264.2 million, or 28.7% of the value of its Deposited Property (adjusted for such reduction of indebtedness). If necessary, FCT will draw down from the revolving credit facility to refund any rental deposit payable to a tenant upon the expiry of its tenancy agreement.

FCT’s outstanding indebtedness will be further reduced by S$0.8 million to S$263.4 million (or 28.6% of the value of its Deposited Property, as adjusted for such reduction of indebtedness) when the GST paid to IRAS in respect of the Offering is refunded (which the Manager expects to take place before the end of the second quarter of FY2007) and the refunded amount is used to pare down FCT’s borrowings. At this gearing level, the Manager believes that FCT will have flexibility when considering future acquisitions and capital expenditure for asset enhancement works.
Opportunities for growth through active asset management

Though the Properties currently enjoy high occupancy rates, the Manager will endeavour to increase the property yield of FCT’s property portfolio and, correspondingly, the net asset value per Unit through active asset management of FCT’s property portfolio. The Manager’s strategy for organic growth will be to actively manage the Properties and further strengthen relationships with existing tenants while fostering good relationships with new tenants through the pro-active provision of services relating to the Properties.

Through such active property management, the Manager will seek to maintain high tenant retention levels and reduce vacancy levels and the associated interruptions in rental income. The Manager will endeavour to lease any vacancies and to replace or renew expiring leases to maximise Net Property Income. The Manager believes there are substantial opportunities to improve the Properties by proactive management and asset enhancement such as:

- improving the existing retail shops offering, tenant mix and marketing activities in order to attract higher shopper traffic and shopper expenditure, thereby contributing to greater tenancy demand for retail space in the Properties;
- reconfiguring certain retail units to achieve better efficiency and higher rental potential. For example, the Manager believes that Causeway Point currently has high exposure to tenants leasing space with Net Lettable Areas that are in excess of 10,000 sq ft and between 5,000 sq ft and 10,000 sq ft, representing 61.4% and 5.9% of its total Net Lettable Area as at 31 December 2005 respectively. The average Gross Rent for Causeway Point as at 31 December 2005 was S$8.78 per sq ft. The Manager expects that the average Gross Rent of Causeway Point can be improved by reducing the concentration of tenants leasing space with Net Lettable Areas in excess of 5,000 sq ft and creating more leases with smaller Net Lettable Areas which command higher rental rates per sq ft;
- establishing step-up provisions in the rental rates of leases during the course of the lease term. As at 31 December 2005, 12.0% of the Properties’ Committed Leases by Net Lettable Area have such step-up provisions. The Manager intends to incorporate this feature into future lease contracts to the extent it is commercially practicable;
- increasing the income from turnover rent. As at 31 December 2005, 54.1% of the Properties’ Committed Leases by Net Lettable Area provide for a percentage of the respective tenant’s turnover to be paid as rent to FCT. The Manager intends to incorporate this feature into future lease contracts to the extent it is commercially practicable;
- converting certain ancillary areas into productive retail space; and
- creating new retail units and kiosks in common areas.

Opportunities for growth through acquisitions

The Manager intends to pursue acquisition opportunities available to FCT that will enhance FCT’s asset portfolio and maintain an attractive cash flow and yield profile for Unitholders. Acquisition opportunities will be evaluated in accordance with the Manager’s strategy of investing primarily in real estate used mainly for retail purposes in Singapore and overseas.

In evaluating future acquisition opportunities, the Manager intends to focus on the following investment criteria with respect to a property under consideration:

- risk-adjusted return thresholds and maintaining or enhancing FCT’s distribution yield to Unitholders;
- value-adding opportunities and asset enhancement potential;
• tenant mix and occupancy characteristics;
• location; and
• building and facilities specification.

On 25 November 2005, Yishun Development Pte Ltd (the “Northpoint Vendor”), a subsidiary of the Sponsor, purchased the remaining strata lots in Northpoint Shopping Centre not already owned by it and became the subsidiary proprietor of all the strata lots in Northpoint Shopping Centre. After the completion of the purchase of Northpoint, it is intended that FCT will terminate the strata subdivision scheme of Northpoint Shopping Centre, appoint a liquidator for the purpose of winding up the affairs of the management corporation of Northpoint Shopping Centre (the “Northpoint Management Corporation”) and subsequently dissolve the Northpoint Management Corporation. The Manager believes that barring unforeseen circumstances, the liquidation of the Northpoint Management Corporation can be completed in approximately 24 months from the Listing Date.

Currently, the Northpoint Management Corporation receives income from the common property of Northpoint Shopping Centre (which includes the two-storey building extension with Net Lettable Area of 5,016 sq ft as at 31 December 2005 and the basement carpark). To facilitate recognition of the income from and expenses incurred in respect of the common property of Northpoint Shopping Centre, the intention is for the assignment or novation to the Trustee, as trustee for FCT (on a date occurring in the second half of 2006 which is after the Listing Date and prior to the liquidation of the Northpoint Management Corporation), of all occupation agreements and building maintenance and other contracts entered into by the Northpoint Management Corporation in respect of the common property of Northpoint Shopping Centre so that income and liabilities arising from the common property will accrue to, or be assumed by, the Trustee, as trustee of FCT. Such additional income flow to FCT from the common property of Northpoint Shopping Centre has been factored in the profit forecast for the Projection Year 2007 (see “Profit Forecast and Profit Projection — Assumptions”). Following the liquidation of the Northpoint Management Corporation, FCT will also take over the net surplus monies of approximately S$3.0 million held by the Northpoint Management Corporation. The Manager’s intention is to use such accumulated funds for asset enhancement initiatives for Northpoint.

The Manager is expected to leverage on and benefit from the network of F&N and the Sponsor for a pipeline of assets that FCT could potentially acquire should these assets meet FCT’s investment criteria.

The Sponsor has granted to FCT the right of first refusal over future sales of the Centrepoint StrataLots and the Yishun Property by the Sponsor’s subsidiaries. If FCT acquires both the Centrepoint Strata Lots and the Yishun Property, the Net Lettable Area of FCT’s initial property portfolio will increase by over 400,000 sq ft, representing approximately 62.5% of the Net Lettable Area of FCT’s initial property portfolio as at 31 December 2005. In addition, FCT has the right of first refusal over completed income producing properties located in Singapore predominantly used for retail purposes, which satisfy certain criteria (i) that is offered for sale to the Sponsor or any subsidiaries of the Sponsor (each of the Sponsor and its subsidiary is referred to as a “FCL Entity”), or (ii) in respect of which a FCL Entity has made an offer to purchase and the owner thereof has indicated its willingness to sell, or (iii) over which a FCL Entity has been granted an option with a right to nominate a third party to acquire such property, or (iv) that is developed by a FCL Entity and which such FCL Entity proposes to sell. The right of first refusal is valid for a period of five years from the Listing Date (for so long as the Manager remains the manager of FCT and the Sponsor and/or any of its related corporations remains a major shareholder of the Manager). This enhances FCT’s pipeline of potential future acquisitions. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Right of First Refusal”.)

**Experienced and professional management**

The Manager believes that Unitholders will benefit from the experience of key staff members of the Manager and the Property Manager in the fields of asset management and property management. The
Manager is staffed by experienced professionals who have extensive experience and track record in the real estate industry in Singapore and the region. Their familiarity with Singapore commercial assets and property market dynamics is complemented by their commercial property and equity market experience in other markets.

The Property Manager is staffed by experienced professionals who have extensive experience in the management of retail space in Singapore. In addition, since the Properties were completed, they have been managed by the property management division of the Sponsor (which includes the Property Manager). Hence the appointment of the Property Manager to manage the Properties will ensure continuity.

**Management fees structured to incentivise and align interests of the Manager with those of Unitholders**

The management fees payable to the Manager have a high performance-based element which is designed to align the interests of the Manager with those of Unitholders, and incentivise the Manager to grow revenues and minimise operating costs. Under the Trust Deed, the Manager is entitled to receive a base fee of 0.3% per annum of the value of FCT’s Deposited Property (the “Base Fee”), as well as a performance fee of 5.0% per annum of the Net Property Income in the relevant financial year (the “Performance Fee”).

Any increase in the rate or any change in the structure of these fees must be approved by a resolution proposed and passed by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution (an “Extraordinary Resolution”) at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Although 80.0% of the management fees are assumed to be paid in Units (see “Profit Forecast and Profit Projection — Assumptions”) for the Forecast Period 2006 and the Projection Year 2007, the Manager has agreed to receive such amount of its management fees in Units, as would be required to support the forecast and projected distributions for the said periods. The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine) after the Projection Year 2007, having regard to the distribution yields to the Unitholders and the cash flow of FCT.

(See “The Manager and Corporate Governance — Manager’s Fees”.)

**Tax Benefits for Unitholders**

FCT has obtained a Tax Ruling from the IRAS in relation to its investment in properties in Singapore.

The Tax Ruling grants tax transparency to FCT on its taxable income that is distributed to Unitholders such that FCT will not be taxed on such taxable income. Instead, tax will be imposed at the prevailing corporate tax rate on the distributions made out of such taxable income to the Unitholders, by way of tax deduction at source. However, where the beneficial owners are individuals or Qualifying Unitholders⁴, the Trustee and the Manager will make the distributions to such Unitholders without

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⁴ Qualifying Unitholders refer to Unitholders who are:

(a) Singapore-incorporated companies which are tax residents in Singapore;
(b) bodies of persons, other than companies or partnerships, registered or constituted in Singapore (for example, town councils, statutory boards, registered charities, registered co-operative societies, registered trade unions, management co-operations, clubs and trade and industry associations); and
(c) Singapore branches of foreign companies which have presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from FCT.
deducting any income tax. Also, where the beneficial owners are Foreign Non-Individual Unitholders\(^5\), the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10.0% for distributions made during the period from 18 February 2005 to 17 February 2010. Please refer to the table below for further details.

Taxable income of FCT for the purposes of the tax transparency treatment refers to the income from the letting of its properties and related property maintenance services income after deduction of allowable expenses.

Tax transparency is not extended to taxable income that is not distributed (i.e. retained taxable income) and any gains arising from the sale of properties. Such income (other than capital gains from the sale of properties) will be taxed at FCT’s level.

Distributions made out of income of FCT which has previously been taxed at FCT’s level and capital gains arising from the sale of properties will not be subject to tax deduction at source.

Depending on their respective circumstances, Unitholders may be entitled to claim tax credit against their Singapore income tax liabilities for any tax paid or deducted at source by FCT that relates to any distributions made by FCT.

**Key tax implications on distributions made out of the taxable income of FCT and received by each class of Unitholders**

The key tax implications on the distributions made out of the taxable income of FCT and received by each class of Unitholders are summarised as follows:

<table>
<thead>
<tr>
<th>Class of Unitholders</th>
<th>Tax Implications</th>
</tr>
</thead>
</table>
| Individuals who hold the Units as investment assets and not through a partnership in Singapore | • Taxable income will not be taxed at FCT’s level. The distribution out of such income will also not be subject to tax deduction at source at FCT’s level.  
• The distribution will be tax-exempt at the individuals’ level. |
| Individuals who hold the Units as trading assets or individuals who hold Units through a partnership in Singapore | • Taxable income will not be taxed at FCT’s level. The distribution out of such income will also not be subject to tax deduction at source at FCT’s level.  
• The distribution will however be subject to tax at the individuals’ level at their applicable income tax rates. |
| Qualifying Unitholders                                                              | • Taxable income will not be taxed at FCT’s level. The distribution out of such income will also not be subject to tax deduction at source at FCT’s level.  
• The distribution will however be subject to tax at the Qualifying Unitholders’ level at their applicable income tax rates. |

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\(^5\) Foreign Non-Individual Unitholders refer to Unitholders who are non-residents of Singapore for income tax purposes and:

(a) who do not have a permanent establishment in Singapore; or  
(b) who carry on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.
<table>
<thead>
<tr>
<th>Class of Unitholders</th>
<th>Tax Implications</th>
</tr>
</thead>
</table>
| Foreign Non-Individual Unitholders   | • Taxable income will not be taxed at FCT’s level. However, the distribution out of such income will be subject to tax deduction at source at the reduced tax rate of 10.0% for a period of five years from 18 February 2005 to 17 February 2010.  
• The tax deducted at source of 10.0% is generally a final tax and such Unitholders who do not have a permanent establishment in Singapore do not need to pay any further Singapore tax on the distribution. |
| Nominee Unitholders                  | • Taxable income will not be taxed at FCT’s level. The distributions out of such income will however be subject to tax deduction at source at the prevailing corporate tax rate, currently at 20.0%, except in the following situations:  
  — where the Units are held for beneficial owners who are individuals and/or Qualifying Unitholders, tax may not be deducted at source under certain circumstances. These include a declaration by the nominee of the status of the beneficial owners of the Units and the provision of certain particulars of the beneficial owners of the Units to the Trustee and the Manager;  
  — where the Units are held for beneficial owners who are Foreign Non-Individual Unitholders, tax may be deducted at the reduced tax rate of 10.0% for distributions made during the period from 18 February 2005 to 17 February 2010 under certain circumstances. These include a declaration by the nominee of the status of the beneficial owners of the Units and the provision of certain particulars of the beneficial owners of the Units to the Trustee and the Manager; and |
### Class of Unitholders

<table>
<thead>
<tr>
<th>Tax Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>— where the Units are held by the nominees as agent banks (&quot;Agent Banks&quot;) or Supplementary Retirement Scheme (&quot;SRS&quot;) operators acting for individuals who purchased the Units within the Central Provident Fund Investment Scheme (&quot;CPFIS&quot;) or the SRS, distributions in respect of these nominees will not be subject to tax deduction at source.</td>
</tr>
<tr>
<td>• The tax treatment of the distribution in the hands of the beneficial owners of the Units will depend on the status of such beneficial owners.</td>
</tr>
</tbody>
</table>

### Other Unitholders

<table>
<thead>
<tr>
<th>Tax Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Taxable income will not be taxed at FCT’s level. The distribution out of such income will however be subject to tax deduction at source at the prevailing corporate tax rate, currently at 20.0%.</td>
</tr>
<tr>
<td>• The distribution will be taxed at the Unitholders’ level at their applicable income tax rates. The Unitholders may, depending on their respective circumstances, claim a credit for a proportionate amount of the tax paid at the FCT level.</td>
</tr>
</tbody>
</table>

Apart from its taxable income, FCT also has other income which has Singapore income tax consequences — for both the Trustee as well as the Unitholders. (See “Taxation” and Appendix E — “Independent Taxation Report” for further information on the Singapore income tax consequences of the purchase, ownership and disposition of the Units.)

### Valuation

The Properties are valued at S$915.2 million as at 31 December 2005. This is based on the average of two valuations by Knight Frank Pte Ltd (the Independent Valuer appointed by the Trustee, as trustee of FCT) and Jones Lang LaSalle Property Consultants Pte Ltd (the Independent Valuer appointed by the Sponsor) respectively.

(See Appendix C — “Independent Property Valuation Summary Reports”.)
Key Information on the Properties

A summary of key information on the Properties is set out below:

<table>
<thead>
<tr>
<th>Property</th>
<th>Net Lettable Area(^1) (sq ft)</th>
<th>Average Occupancy(^2) (%)</th>
<th>Gross Revenue for Forecast Period 2006 (6 months from 1 April 2006 to 30 September 2006) (S$'000)</th>
<th>Gross Revenue for Projection Year 2007 (Full year from 1 October 2006 to 30 September 2007) (S$'000)</th>
<th>Appraised Value(^5) (S$'000)</th>
<th>Percentage of aggregate Appraised Value of the Properties(^5) (%)</th>
<th>Major Tenants(^7) (in terms of Net Lettable Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorpoint</td>
<td>71,000</td>
<td>93.6</td>
<td>2,247 (6)</td>
<td>4,668 (6)</td>
<td>36,975</td>
<td>4</td>
<td>Cold Storage Singapore (1983) Pte Ltd, Oscar’s Food Mall (A.P.) Pte. Ltd., Novena Furnishing Centre Pte. Ltd. and Tung Lok Millennium Pte Ltd</td>
</tr>
<tr>
<td><strong>Total/Weighted average</strong></td>
<td><strong>640,495</strong></td>
<td><strong>99.1</strong></td>
<td><strong>35,643</strong></td>
<td><strong>75,430</strong></td>
<td><strong>915,175</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

1. As at 31 December 2005. The Net Lettable Area of Northpoint includes the B1 Units which the Northpoint Vendor acquired on 25 November 2005 but excludes the two-storey building extension (with a Net Lettable Area of 5,016 sq ft) which is part of the common property of Northpoint Shopping Centre.
2. Being the average occupancy rate for the three months ended 31 December 2005.
5. As at 31 December 2005, based on the average of two valuations conducted by the Independent Valuers (for details on the valuations conducted by the two Independent Valuers, see “Business and Properties” and Appendix C — “Independent Property Valuation Summary Reports”). Valuation for Northpoint includes the B1 Units and the two-storey building extension which is part of the common property of Northpoint Shopping Centre and managed by the Northpoint Management Corporation, as at 31 December 2005.
6. Freehold estate.
7. As at 31 December 2005.

(See “Business and Properties — The Properties” for further details.)
Frasers Centrepoint Asset Management Ltd., the manager of FCT, is responsible for FCT’s investment and financing strategies, asset acquisition and disposition policies and for the overall management of FCT’s real estate and real estate related assets.

Frasers Centrepoint Retail Concepts Pte. Ltd., FCT’s property manager, provides, among others, property management, project management services and property tax services for the Properties.

The Manager: Frasers Centrepoint Asset Management Ltd.

Frasers Centrepoint Asset Management Ltd., the manager of FCT, was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore (the “Companies Act”) on 27 January 2006. It has an issued and paid-up share capital of S$1,000,000 and its registered office is located at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958.

The Manager is a wholly-owned subsidiary of the Sponsor.

The board of directors of the Manager (the “Board”) is made up of individuals with a broad range of commercial experience, including expertise in the property industry. The Board consists of Dr Han Cheng Fong, Mr Christopher Tang Kok Kai, Mr Anthony Cheong Fook Seng, Mr Lim Ee Seng, Mr Bobby Chin Yoke Choong, Mr Philip Eng Heng Nee, and Mr Soh Kim Soon.
Generally, the Manager will provide the following services to FCT:

- **Investment strategy.** Formulate and execute FCT’s investment strategy, including determining the location, sub-sector type and other characteristics of FCT’s property portfolio.

- **Acquisitions and sales.** Make recommendations to the Trustee on the acquisition and sale of properties.

- **Planning and reporting.** Formulate periodic property plans, including budgets and reports, relating to the performance of FCT’s properties.

- **Financing.** Formulate plans for equity and debt financing for FCT’s property acquisitions, distribution payments, expense payments and property maintenance payments.

- **Administrative and advisory services.** Perform day-to-day administrative services as FCT’s representative, including providing administrative services relating to meetings of Unitholders when such meetings are convened.

- **Investor relations.** Communicate and liaise with Unitholders and potential investors.

- **Compliance management.** Make all regulatory filings on behalf of FCT, and ensure that FCT is in compliance with the applicable provisions of the Securities and Futures Act and all other relevant legislation, the listing rules of the SGX-ST, the CIS Code (including the Property Funds Guidelines), the Trust Deed, the Tax Ruling and all relevant contracts.

- **Accounting records.** Maintain accounting records and prepare or cause to be prepared accounts and annual reports.

(See “The Manager and Corporate Governance — The Manager” for further details.)

The Manager’s principal investment strategy is to invest in income-producing properties and properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes in Singapore and overseas, as well as real estate-related assets. The Manager’s key objectives are to deliver regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per Unit so as to provide Unitholders with a competitive rate of return for their investment.

The Manager intends to pursue its investment strategy within the following strategic guidelines:

- investment portfolio comprising real estate used primarily for retail purposes, including investments in real estate related assets and/or other related value-enhancing assets or instruments;

- investment in property development activities, either on a sole basis or in a joint venture, with the intention of owning the developed property upon completion, subject to the regulations as set out in the Property Funds Guidelines;

- investments will be made in Singapore and overseas, depending on investment opportunities and market conditions available to the Manager at that time; and

- investments will generally be for the long term.

The Manager plans to achieve its key objectives through the following:

- **Acquisition Growth Strategy** - Identifying and pursuing growth opportunities via acquiring additional income-producing properties and properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes subject to the regulations as set out in the Property Funds Guidelines, and are in line with FCT’s investment objectives to enhance yields and returns for Unitholders while improving portfolio diversification.
• **Active Asset Management Strategy** - Leveraging on and enhancing the property portfolio’s competitive strengths to optimise occupancies, rentals and Net Lettable Area to increase property yields.

• **Capital and Risk Management Strategy** - Employing an appropriate mix of debt and equity in the financing of acquisitions, asset enhancements and other developments and utilising interest rate and currency hedging strategies where appropriate to optimise risk adjusted returns to Unitholders.

In accordance with the requirements of the Listing Manual, the Manager’s investment strategy for FCT will be adhered to for at least three years following the Listing Date, unless otherwise agreed by Unitholders by Extraordinary Resolution in a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

**The Property Manager: Frasers Centrepoint Retail Concepts Pte. Ltd.**

The Property Manager, a wholly-owned subsidiary of the Sponsor, was incorporated in Singapore under the Companies Act on 11 February 2002. Its registered office is located at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958.

The board of directors of the Property Manager is made up of individuals with a broad range of commercial experience, including expertise in property ownership, development and management. The board of directors of the Property Manager consists of Mr Lim Ee Seng and Ms Tang Wun Ying.

The Manager, the Trustee and the Property Manager have entered into the Property Management Agreement under which the Property Manager will provide, among others, the following services in respect of the Properties and other properties in Singapore to be acquired by FCT in respect of which the Trustee has a right of appointment of the Property Manager thereof, subject to the overall management of the Manager:

• property management services, including (i) establishing (for the approval of the Trustee, following the recommendation of the Manager) operating budgets and annual plans for the operation, management, marketing and maintenance of the property, (ii) operating and maintaining the property in accordance with such operating budgets and annual plans, (iii) co-ordinating, reviewing and maintaining at all times certain insurance coverage with the assistance of insurance advisers, and (iv) maintaining books of accounts and records in respect of the operation of the property;

• lease management services, including (i) recommending leasing strategy and negotiating leases, licences and concessions, (ii) supervising and controlling all collections and receipts, payments and expenditure relating to the property, and (iii) lease administration;

• project management services in relation to the development or redevelopment (if not prohibited by the Property Funds Guidelines or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation works to a property, including recommendation of project budget and project consultants, and supervision and implementation of the project;

• property tax services including the submission of property tax objections to the IRAS on the proposed annual value of a property; and

• marketing and marketing co-ordination services including planning and co-ordinating marketing and promotional programmes.

(See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Property Management Agreement”.)
The Sponsor: Frasers Centrepoint Limited

The Sponsor is a real estate company with total assets of S$5.2 billion as at 31 December 2005. (See "The Sponsor").

The Trustee: HSBC Institutional Trust Services (Singapore) Limited

The Trustee, HSBC Institutional Trust Services (Singapore) Limited, is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. The Trustee has a place of business in Singapore at 21 Collyer Quay, #14-01 HSBC Building, Singapore 049320. The Trustee's powers and duties include:

- acting as trustee of FCT;
- holding the properties of FCT for the benefit of the Unitholders; and
- exercising all the powers of a trustee and the powers accompanying ownership of the properties of FCT.

(See “The Formation and Structure of Frasers Centrepoint Trust — The Trustee").

Certain Fees and Charges

The following is a summary of the amounts of certain fees and charges payable by the Unitholders in connection with the subscription for and purchase of the Units (so long as the Units are listed):

<table>
<thead>
<tr>
<th>Payable by the Unitholders directly</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Subscription fee or preliminary charge</td>
<td>N.A., (1)</td>
</tr>
<tr>
<td>(b) Realisation fee</td>
<td>N.A., (1)</td>
</tr>
<tr>
<td>(c) Switching fee</td>
<td>N.A., (1)</td>
</tr>
<tr>
<td>(d) Any other fee</td>
<td>Prevailing brokerage commissions (if applicable) and clearing fee for trading of Units on the SGX-ST at the rate of 0.05% of the transaction value, subject to a maximum of S$200 per transaction, and GST chargeable thereon.</td>
</tr>
</tbody>
</table>

Note:

(1) As the Units will be listed and traded on the SGX-ST and Unitholders will have no right to request the Manager to redeem their Units while the Units are listed, no subscription fee, preliminary charge, realisation fee or switching fee is payable in respect of the Units.
The following is a summary of certain fees and charges payable by FCT in connection with the establishment and on-going management and operation of FCT:

<table>
<thead>
<tr>
<th>Payable by FCT</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Manager’s management fees</td>
<td><strong>Base Fee</strong>&lt;br&gt;0.3% per annum of the value of the Deposited Property.</td>
</tr>
<tr>
<td></td>
<td><strong>Performance Fee</strong>&lt;br&gt;5.0% per annum of FCT’s Net Property Income in the relevant financial year.</td>
</tr>
<tr>
<td></td>
<td>80.0% of the Base and Performance Fees are assumed to be paid in Units (see “Profit Forecast and Profit Projection — Assumptions”) during the Forecast Period 2006 and the Projection Year 2007. The Manager has however, agreed to receive such amount of the fees in Units, as would be required to support the forecast and projected distributions for the Forecast Period 2006 and the Projection Year 2007. The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine) after the Projection Year 2007, having regard to the distribution yields to Unitholders and the cash flow of the FCT. (See “The Manager and Corporate Governance — Manager’s Fees”).</td>
</tr>
<tr>
<td>(b) Trustee’s fee</td>
<td>A maximum of 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. The Trustee’s fee is presently charged on a scaled basis of up to 0.03% per annum of the value of the Deposited Property. FCT will also pay the Trustee a one-time inception fee of S$15,000.</td>
</tr>
<tr>
<td>(c) Any other substantial fee or charge (i.e. 0.1% or more of FCT’s asset value)</td>
<td></td>
</tr>
</tbody>
</table>
| (i) Property Manager’s fees (payable to the Property Manager) | Under the Property Management Agreement in respect of each Property, the Property Manager will provide property management services, lease management services, project management services, property tax services and marketing co-ordination services in relation to that Property. The Property Manager is entitled to the following fees:  
  • 2.0% per annum of the Gross Revenue; |
<table>
<thead>
<tr>
<th>Payable by FCT</th>
<th>Amount payable</th>
</tr>
</thead>
</table>
|                | • 2.0% per annum of the Net Property Income (calculated before accounting for the Property Manager's fees in that financial period); and  
|                | • 0.5% per annum of the Net Property Income (calculated before accounting for the Property Manager’s fees in that financial period) in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents. |
|                | It is currently intended that the same fees will be paid to the Property Manager under the Property Management Agreement for any properties in Singapore to be acquired by FCT in the future and managed by the Property Manager. |

(ii) Project management fees  
(payable to the Property Manager)  
In relation to the development or redevelopment (if not prohibited by the Property Funds Guidelines or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation works on a property:  
• where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs;  
• 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;  
• 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  
• where the construction costs exceed S$50.0 million, a fee to be mutually agreed by the parties. |

(iii) Property tax services fees  
(payable to the Property Manager)  
In respect of property tax objections submitted to the tax authority on any proposed annual value of a property and as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the relevant property:  
• where the proposed annual value is S$1.0 million or less, a fee of 7.5% of the property tax savings;  
• 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  
• where the proposed annual value is more than S$5.0 million, a fee of 5.0% of the property tax savings. |
<table>
<thead>
<tr>
<th>Payable by FCT</th>
<th>Amount payable</th>
</tr>
</thead>
</table>
| (iv) Acquisition fee (payable to the Manager) | The above-mentioned fee is to be computed based on the property tax savings calculated on a 12-month period.  
1.0% of each of the following as is applicable (subject to there being no double-counting):  
(a) the acquisition price of any real estate purchased, whether directly or indirectly through one or more special purpose vehicles, by FCT (plus any other payments in addition to the acquisition price made by FCT or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated if applicable to the proportion of FCT’s interest);  
(b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased, whether directly or indirectly through one or more special purpose vehicles, by FCT (plus any additional payments made by FCT or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated if applicable to the proportion of FCT’s interest); or  
(c) the acquisition price of any investment by FCT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.  
No acquisition fee is payable for the acquisition of the Properties.  
The acquisition fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) provided that in respect of any acquisition of real estate assets from interested parties, such a fee should be in the form of Units issued by FCT at prevailing market price(s). The Units should not be sold within one year from date of their issuance. |
(v) Divestment fee (payable to the Manager)

0.5% of each of the following as is applicable (subject to there being no double-counting):

(a) the sale price of any real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by FCT (plus any other payments in addition to the sale price received by FCT or its special purpose vehicles from the purchaser in connection with the sale or divestment of the real estate) (pro-rated if applicable to the proportion of FCT’s interest);

(b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by FCT (plus any additional payments received by FCT or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated if applicable to the proportion of FCT’s interest); or

(c) the sale price of any investment by FCT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The divestment fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) provided that in respect of any sale or divestment of real estate assets to interested parties, such a fee should be in the form of Units issued by FCT at prevailing market price(s). The Units should not be sold within one year from date of their issuance.
THE OFFERING

FCT

FCT is a real estate investment trust established in the Republic of Singapore and constituted by the Trust Deed.

The Manager

Frasers Centrepoint Asset Management Ltd.

The Sponsor

Frasers Centrepoint Limited.

The Trustee

HSBC Institutional Trust Services (Singapore) Limited.

The Offering

261,930,000 Units offered under the Placement and the Public Offer.

The Placement

241,930,000 Units offered by way of an international placement to investors, including institutional and other investors in Singapore. The Units have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account of, U.S. persons (as defined in Regulation S). The Units are being offered and sold in offshore transactions (as defined in Regulation S), outside the United States, in reliance on Regulation S.

The Public Offer

20,000,000 Units offered by way of a public offer in Singapore, including the 8,500,000 Reserved Units.

Reserved Units

8,500,000 Units reserved for subscription by the directors, management and employees of F&N and the Sponsor and their respective subsidiaries. (See “Ownership of the Units — Subscription for Reserved Units”.)

In the event that any of the 8,500,000 Reserved Units are not subscribed for, they will be made available to satisfy excess applications (if any) under the Placement and/or the Public Offer.

Clawback and Re-allocation

The Units may be re-allocated between the Placement and the Public Offer at the discretion of the Underwriters (in consultation with and having due regard to the view of the Manager).

Consideration Units

Separate from the Offering, the Sponsor will, through its wholly-owned subsidiaries, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. (also the Unit Lender), receive an aggregate of 352,700,000 Consideration Units on the Listing Date in part satisfaction of the purchase price for Causeway Point (see “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Agreements to Acquire the Properties”).

Offering Price

S$1.03 per Unit.
Investors applying for Units by way of Application Forms or Electronic Applications (both as referred to in Appendix F — “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore”) in the Public Offer will pay the Offering Price of S$1.03 per Unit on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom) where (i) an application is rejected or accepted in part only, or (ii) the Offering does not proceed for any reason. For the purpose of illustration, an investor who applies for 1,000 Units by way of an Application Form or an Electronic Application under the Public Offer will have to pay S$1,030, which is subject to a refund of the full amount (without interest or any share of revenue or other benefit arising therefrom), as the case may be, upon the occurrence of any of the foregoing events.

The minimum initial subscription is for 1,000 Units. An applicant may subscribe for a larger number of Units in integral multiples of 1,000.

Investors in Singapore must follow the application procedures set out in Appendix F — “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore”. Subscriptions under the Public Offer must be paid for in Singapore dollars. No fee is payable by applicants for the subscription of Units under the Public Offer, save for an administration fee of S$1.00 for each application made through ATM and the internet banking websites of certain Participating Banks.

In connection with the Offering, the Underwriters have been granted the Over-allotment Option by FCL Investments Pte. Ltd. as the Unit Lender. The Over-allotment Option is exercisable by the Stabilising Manager, in consultation with the other Underwriters, in full or in part, on one or more occasions, within 30 days from the date of commencement of trading of the Units on the SGX-ST, to purchase from FCL Investments Pte. Ltd. as Unit Lender up to an aggregate of 39,200,000 Units at the Offering Price, solely to cover over-allotment of Units (if any), subject to any applicable laws and regulations. The total number of Units in issue immediately after the completion of the Offering will be 614,630,000 Units. The exercise of the Over-allotment Option will not increase this total number of Units in issue. The total number of Units subject to the Over-allotment Option will constitute up to 15.0% of the total number of Units under the Offering.
Lock-ups

F&N, the Sponsor, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. have agreed to (i) a lock-up arrangement in respect of their effective or direct interests in all of the Consideration Units the “Lock-up Units”) during the period commencing from (and including) the Listing Date until (and including) the date falling 180 days after the Listing Date (the “First Lock-up Period”) and (ii) a lock-up arrangement in respect of their effective or direct interests in 50.0% of the Lock-up Units during the period commencing from (and including) the day immediately following the First Lock-up Period until (and including) the date falling 360 days after the Listing Date (the “Second Lock-up Period”), subject to certain exceptions. The terms the “First Lock-up Period” and the “Second Lock-up Period” are collectively referred to as the “Lock-up Periods”). (See “Plan of Distribution — Lock-up Arrangements”.)

Capitalisation

S$914,378,900 based on the Offering Price (see “Capitalisation”).

Use of Proceeds

See “Use of Proceeds” and “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations”.

Listing and Trading

Prior to the Offering, there has been no market for the Units. Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST all the Units comprised in the Offering, the Consideration Units, as well as all the Units which may be issued to the Manager from time to time in full or part payment of the Manager’s management fees (see “The Manager and Corporate Governance — Manager’s Fees”). Such permission will be granted when FCT is admitted to the Official List of the SGX-ST.

The Units will, upon their issue, be listed and quoted on the SGX-ST, and will be traded in Singapore dollars under the book-entry (scripless) settlement system of The Central Depository (Pte) Limited (“CDP”). The Units will be traded on the SGX-ST in board lot sizes of 1,000 Units.
Stabilisation

In connection with the Offering, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may, in consultation with the other Underwriters and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA, and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Such transactions may commence on or after the date of commencement of trading of the Units on the SGX-ST and, if commenced, may be discontinued at any time and shall not be effected after the earlier of (i) date falling 30 days from the date of commencement of trading of the Units on the SGX-ST; (ii) the date when the over-allotment of the Units which are the subject of the Over-allotment Option has been fully covered (through the purchase of Units on the SGX-ST and/or the exercise of the Over-allotment Option by the Stabilising Manager, on behalf of itself and the other Underwriters) or (iii) the date falling 30 days after the date of adequate public disclosure of the price of the Units. See “Plan of Distribution — Over-allotment and Stabilisation”.

No Redemption by Unitholders

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

Unitholders’ Meetings

The Trustee or the Manager may at any time (and the Manager shall at the request in writing of not less than 50 participants or participants representing not less than 10.0% of the issued units of FCT) convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

Financial Advisory Fee and Underwriting, Selling and Management Commissions payable by FCT to the Joint Financial Advisors and Underwriters

The Manager, on behalf of FCT, has agreed to pay the Joint Financial Advisors and the Underwriters for their services (as the case may be) in connection with the offering of Units under the Offering, an aggregate financial advisory fee and underwriting, selling and management commissions (the “Underwriting, Selling and Management Commissions”) of S$10.7 million (assuming that the Over-allotment Option is exercised in full), excluding GST on the financial advisory fee and the Underwriting, Selling and Management Commissions.

Risk Factors

Prospective investors should carefully consider the risks connected with an investment in the Units, as discussed under “Risk Factors”.

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<table>
<thead>
<tr>
<th>Date and time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>27 June 2006</td>
<td>Opening date for the Offering.</td>
</tr>
<tr>
<td>3 July 2006, 12 p.m.</td>
<td>Closing date and time for the Offering.</td>
</tr>
<tr>
<td>4 July 2006</td>
<td>Balloting of applications, if necessary. Commence returning or refunding of application monies to unsuccessful or partially successful applicants.</td>
</tr>
<tr>
<td>5 July 2006, at or before 9 a.m.</td>
<td>Completion of the acquisition of the Properties.</td>
</tr>
<tr>
<td>5 July 2006, 9 a.m.</td>
<td>Commence trading on a “ready” basis.</td>
</tr>
<tr>
<td>10 July 2006</td>
<td>Settlement date for all trades done on a “ready” basis on 5 July 2006.</td>
</tr>
</tbody>
</table>

The above timetable is indicative only and is subject to change. It assumes (i) that the closing date of the application list for the Public Offer (the “Application List”) is 3 July 2006, (ii) that the Listing Date is 5 July 2006, (iii) compliance with the SGX-ST’s unitholding spread requirement and (iv) that the Units will be issued and fully paid up prior to 9 a.m. on 5 July 2006. All dates and times referred to above are Singapore dates and times.

Trading in the Units through the SGX-ST on a “ready” basis is expected to commence at 9 a.m. on 5 July 2006 (subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units through the SGX-ST on a “ready” basis have been fulfilled), as the completion of the acquisition of the Properties is expected to take place at or before 9 a.m. on 5 July 2006 (see “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Agreements to Acquire the Properties”). If FCT is terminated by the Manager under the circumstances specified in the Trust Deed prior to, or the acquisition of the Properties is not completed by, 9 a.m. on 5 July 2006 (being the time and date of commencement of trading in the Units through the SGX-ST), the Offering will not proceed and the application monies will be returned in full (without interest or any share of revenue or other benefit arising therefrom and at each applicant’s own risk and without any right or claim against FCT, the Trustee, the Manager, the Underwriters, the Sponsor and Unit Lender).

In the event of any early or extended closure of the Application List or the shortening or extension of the time period during which the Offering is open, the Manager will publicly announce the same:
- via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: http://www.sgx.com; and
- in one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao.

Investors should consult the SGX-ST announcement on the “ready” listing date on the internet (at the SGX-ST website), INtv or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

The Manager will provide details and results of the Public Offer via SGXNET and in one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao.
The Manager reserves the right to reject or accept, in whole or in part, or to scale down or ballot any application for Units, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of the Manager will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

Where an application is accepted or rejected in part only, or if the Offering does not proceed for any reason, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, and without any right or claim against FCT, the Trustee, the Manager, the Underwriters, the Sponsor or Unit Lender.

Where an application is not successful, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk within 24 hours after the balloting of applications (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix F — “Terms, Conditions and Procedures for Application and Acceptance of the Units in Singapore”).

Where an application is accepted in full or in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 Market Days after the close of the Offering (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix F — “Terms, Conditions and Procedures for Application and Acceptance of the Units in Singapore”).

Where the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will, within three Market Days after the Offering is discontinued, be returned to the applicants at their own risk (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix F — “Terms, Conditions and Procedures for Application and Acceptance of the Units in Singapore”).
The following tables present the pro forma statements of total return for FCT for FY2003, FY2004, FY2005 and each of the three months ended 31 December 2004 and 31 December 2005, the pro forma cash flow statements for FY2005 and each of the three months ended 31 December 2004 and 31 December 2005 and the pro forma balance sheets as at 30 September 2005 and 31 December 2005. Such pro forma financial information should be read in conjunction with the related notes thereto.

FCT’s independent accountants, Ernst & Young, have reported on the pro forma financial information and their report is included in Appendix B — “Independent Accountants’ Report on the Pro Forma Financial Information”. The pro forma financial information of FCT has been prepared on the bases, assumptions and accounting policies set out in Appendix B — “Independent Accountants’ Report on the Pro Forma Financial Information”. Consequently, the pro forma financial information is not necessarily an indication of (i) the results of operation that would have been realised if FCT had existed during the periods under review or (ii) the results of operations that will realise in the future. The Pro Forma Financial Information should be read together with these bases, assumptions and accounting policies.

The Pro Forma Financial Information has been compiled:

(a) based on the audited financial statements of the asset owning companies, namely Woodlands Complex Pte Ltd, Yishun Development Pte Ltd and Anchor Developments Pte Ltd, which are subsidiaries of the Sponsor, owning Causeway Point, Northpoint and Anchorpoint respectively (the “Asset Owning Companies”) for FY2003, FY2004 and FY2005 and the unaudited financial statements of the Asset Owning Companies for the three months ended 31 December 2004 and 31 December 2005;

(b) incorporating adjustments necessary to reflect the acquisition of the remaining strata lots in Northpoint not already owned by the Northpoint Vendor on 25 November 2005;

(c) incorporating adjustments necessary to reflect the total return of FCT as if it had acquired the Properties on 1 October 2002, pursuant to the terms set out in this Prospectus;

(d) incorporating adjustments necessary to reflect the cash flows of FCT as if it had acquired the Properties on 1 October 2004, pursuant to the terms set out in this Prospectus; and

(e) incorporating adjustments necessary to reflect the financial position of FCT as if it had acquired the Properties on 30 September 2005 or, as the case may be, 31 December 2005 respectively, pursuant to the terms set out in this Prospectus.

The pro forma statements of total return show the total return of FCT for FY2003, FY2004, FY2005 and each of the three months ended 31 December 2004 and 31 December 2005 as if it had acquired the Properties on 1 October 2002, pursuant to the terms set out in this Prospectus.

The pro forma cash flow statements show the cash flows of FCT for FY2005 and each of the three months ended 31 December 2004 and 31 December 2005, assuming it had acquired the Properties on 1 October 2004, pursuant to the terms set out in this Prospectus.

The pro forma balance sheets of FCT as at 30 September 2005 and 31 December 2005 reflect the financial position of FCT as if it had acquired the Properties on 30 September 2005 and 31 December 2005 respectively, pursuant to the terms set out in this Prospectus.
## Pro Forma Statements of Total Return

<table>
<thead>
<tr>
<th></th>
<th>FY2003</th>
<th>FY2004</th>
<th>FY2005</th>
<th>Three months ended 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>2004</td>
</tr>
<tr>
<td>Gross Rent</td>
<td>64,829</td>
<td>64,546</td>
<td>66,012</td>
<td>16,267</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>4,519(5)</td>
<td>4,318</td>
<td>5,040</td>
<td>1,122</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>69,348</td>
<td>68,864</td>
<td>71,052</td>
<td>17,389</td>
</tr>
<tr>
<td>Property Manager’s fees(1)</td>
<td>(2,651)</td>
<td>(2,634)</td>
<td>(2,716)</td>
<td>(661)</td>
</tr>
<tr>
<td>Property tax</td>
<td>(4,538)</td>
<td>(4,800)</td>
<td>(5,662)</td>
<td>(1,382)</td>
</tr>
<tr>
<td>Maintenance expenses</td>
<td>(8,713)</td>
<td>(8,184)</td>
<td>(8,532)</td>
<td>(2,113)</td>
</tr>
<tr>
<td>Other property expenses</td>
<td>(5,541)</td>
<td>(5,590)</td>
<td>(5,051)</td>
<td>(1,361)</td>
</tr>
<tr>
<td><strong>Property Expenses</strong></td>
<td>(21,443)</td>
<td>(21,208)</td>
<td>(21,961)</td>
<td>(5,517)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>47,905</td>
<td>47,656</td>
<td>49,091</td>
<td>11,872</td>
</tr>
<tr>
<td>Manager’s management fees(1)</td>
<td>(5,141)</td>
<td>(5,129)</td>
<td>(5,200)</td>
<td>(1,280)</td>
</tr>
<tr>
<td>Trust expenses(2)</td>
<td>(2,200)</td>
<td>(2,200)</td>
<td>(2,200)</td>
<td>(550)</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(10,935)</td>
<td>(10,878)</td>
<td>(10,878)</td>
<td>(2,720)</td>
</tr>
<tr>
<td><strong>Net Investment Income before tax</strong></td>
<td>29,629</td>
<td>29,449</td>
<td>30,813</td>
<td>7,322</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net Investment Income after tax</strong></td>
<td>29,629</td>
<td>29,449</td>
<td>30,813</td>
<td>7,322</td>
</tr>
<tr>
<td>Surplus on revaluation of investment properties(3)</td>
<td>23,721</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Return for the year/period(4)</strong></td>
<td>53,350</td>
<td>29,449</td>
<td>30,813</td>
<td>7,322</td>
</tr>
</tbody>
</table>

### Notes:

1. Please refer to “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Property Management Agreement” for information on the Property Manager’s fees. Please refer to “The Manager and Corporate Governance — Manager’s Fees” for information on the management fees.

2. Trust expenses include the 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. Please refer to the “Profit Forecast and Profit Projection — Trust Expenses” for information on the Trustee’s fee.

3. It has been assumed that the Properties were acquired at a total acquisition cost of S$891,453,828 on 1 October 2002 and were immediately revalued to S$915,175,000.

4. Total return for the year/period comprises Net Investment Income after tax and surplus on revaluation of investment properties.

5. Includes a one-off forfeiture of security deposit amounting to S$290,000. Please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Comparison of FY2004 with FY2003”.

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### Pro Forma Cash Flow Statements

<table>
<thead>
<tr>
<th>FY2005</th>
<th>Three months ended 31 December 2004</th>
<th>Three months ended 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
</tr>
</tbody>
</table>

#### Operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2005</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment Income before tax</td>
<td>30,813</td>
<td>7,322</td>
<td>7,771</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>10,878</td>
<td>2,720</td>
<td>2,720</td>
</tr>
<tr>
<td>Manager’s management fees paid in Units</td>
<td>4,160</td>
<td>1,024</td>
<td>1,043</td>
</tr>
<tr>
<td>Operating profit before working capital changes</td>
<td>45,851</td>
<td>11,066</td>
<td>11,534</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>3,015</td>
<td>3,026</td>
<td>16</td>
</tr>
<tr>
<td><strong>Cash flows generated from operating activities</strong></td>
<td>48,866</td>
<td>14,092</td>
<td>11,550</td>
</tr>
</tbody>
</table>

#### Investing activity

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2005</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of assets and liabilities from the Asset Owning Companies</td>
<td>(514,127)</td>
<td>(514,127)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Cash flows used in investing activity</strong></td>
<td>(514,127)</td>
<td>(514,127)</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Financing activities

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2005</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from borrowings</td>
<td>281,310</td>
<td>281,310</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from issue of new Units (net of issue costs)</td>
<td>253,896</td>
<td>253,896</td>
<td>—</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(17,046)</td>
<td>(17,046)</td>
<td>—</td>
</tr>
<tr>
<td>Borrowing costs paid</td>
<td>(9,458)</td>
<td>(1,529)</td>
<td>(2,643)</td>
</tr>
<tr>
<td>Distribution to Unitholders</td>
<td>(26,600)</td>
<td>—</td>
<td>(8,867)</td>
</tr>
<tr>
<td><strong>Cash flows generated from/(used in) financing activities</strong></td>
<td>482,102</td>
<td>516,631</td>
<td>(11,510)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2005</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>16,841</td>
<td>16,596</td>
<td>40</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year/period</td>
<td>—</td>
<td>—</td>
<td>16,841</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the year/period</strong></td>
<td>16,841</td>
<td>16,596</td>
<td>16,881</td>
</tr>
</tbody>
</table>
## Pro Forma Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2005 (S$'000)</th>
<th>As at 31 December 2005 (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>19,550</td>
<td>19,593</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>915,175</td>
<td>915,175</td>
</tr>
<tr>
<td>Long term receivables</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>918,175</td>
<td>918,175</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>937,725</td>
<td>937,768</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(17,046)</td>
<td>(17,089)</td>
</tr>
<tr>
<td>Borrowings – current(^1)</td>
<td>(21,199)</td>
<td>(21,199)</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>(38,245)</td>
<td>(38,288)</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings(^2)</td>
<td>(258,582)</td>
<td>(258,582)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>(296,827)</td>
<td>(296,870)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>640,898</td>
<td>640,898</td>
</tr>
<tr>
<td><strong>Unitholders’ funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units in issue</td>
<td>633,069</td>
<td>633,069</td>
</tr>
<tr>
<td>Unit issue costs</td>
<td>(15,892)</td>
<td>(15,892)</td>
</tr>
<tr>
<td>Surplus on revaluation of investment properties(^3)</td>
<td>23,721</td>
<td>23,721</td>
</tr>
<tr>
<td><strong>Total Unitholders’ funds</strong></td>
<td>640,898</td>
<td>640,898</td>
</tr>
<tr>
<td>Number of Units in issue ('000)</td>
<td>614,630</td>
<td>614,630</td>
</tr>
<tr>
<td>Net asset value per Unit</td>
<td>S$1.04</td>
<td>S$1.04</td>
</tr>
</tbody>
</table>

### Notes:

1. Net of loan arrangement fee of S$111,000.
2. Net of loan arrangement fee of S$1,418,000.
3. It has been assumed that the Properties were acquired at a total acquisition cost of S$891,453,828 on 30 September 2005 or, as the case may be, 31 December 2005, and were immediately revalued to S$915,175,000.
PROFIT FORECAST AND PROFIT PROJECTION

The following is an extract from “Profit Forecast and Profit Projection”. Statements in this extract that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out on pages 75 to 82 of this Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. 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, any of the Underwriters, the Sponsor, the Trustee or any other person, nor that these results will be achieved or are likely to be achieved. (See “Forward-looking Statements” and “Risk Factors”.) Investors in the Units are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this Prospectus.

None of FCT, the Manager, the Joint Financial Advisors, the Underwriters, the Sponsor, the Trustee and the Unit Lender guarantees the performance of FCT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields stated in the following table are calculated based on (i) the Offering Price and (ii) the assumption that the Listing Date is 1 April 2006. Such yields will vary accordingly if the Listing Date is after 1 April 2006 and in relation to investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

Investors in the Units should read the whole of the “Profit Forecast and Profit Projection” set out on pages 73 to 84 of this Prospectus together with the report set out in Appendix A — “Independent Accountants’ Report on the Profit Forecast and Profit Projection”.
## Statements of Total Return and Distribution

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2006</th>
<th>Projection Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Six months from 1 April 2006 to 30 September 2006)</td>
<td>(Full year from 1 October 2006 to 30 September 2007)</td>
</tr>
<tr>
<td><strong>Gross Rent</strong></td>
<td>(S$’000)</td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>33,196</td>
<td>68,426</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>35,643</td>
<td>75,430</td>
</tr>
<tr>
<td>Property Manager’s fee</td>
<td>(1,354)</td>
<td>(2,832)</td>
</tr>
<tr>
<td>Property tax</td>
<td>(2,911)</td>
<td>(6,104)</td>
</tr>
<tr>
<td>Maintenance Expenses</td>
<td>(4,338)</td>
<td>(10,736)</td>
</tr>
<tr>
<td>Other property expenses</td>
<td>(2,744)</td>
<td>(5,661)</td>
</tr>
<tr>
<td><strong>Property Expenses</strong></td>
<td>(11,347)</td>
<td>(25,333)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong>(4)</td>
<td>24,296</td>
<td>50,097</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(5,437)</td>
<td>(10,913)</td>
</tr>
<tr>
<td>Trust Expenses</td>
<td>(1,122)</td>
<td>(2,286)</td>
</tr>
<tr>
<td>Manager’s management fees</td>
<td>(2,604)</td>
<td>(5,292)</td>
</tr>
<tr>
<td><strong>Net Investment Income before tax and distributions</strong></td>
<td>15,133</td>
<td>31,606</td>
</tr>
<tr>
<td>Net effect of non-tax deductible/chargeable items**(1)**</td>
<td>2,331</td>
<td>4,729</td>
</tr>
<tr>
<td><strong>Taxable income available for distribution to unitholders</strong></td>
<td>17,464</td>
<td>36,335</td>
</tr>
<tr>
<td>Distribution to unitholders based on payout of 100.0% of taxable income</td>
<td>17,464</td>
<td>36,335</td>
</tr>
<tr>
<td>Offering Price (S$)</td>
<td>1.03</td>
<td>1.03</td>
</tr>
<tr>
<td>Number of units in issue**(2)** ('000)</td>
<td>616,653</td>
<td>620,763</td>
</tr>
<tr>
<td>Distribution per Unit**(3)** (cents)</td>
<td>2.83</td>
<td>5.85</td>
</tr>
<tr>
<td><strong>Annualised Distribution Yield</strong></td>
<td>5.50%</td>
<td>5.68%</td>
</tr>
</tbody>
</table>

### Notes:

1. These include non-tax deductible expenses/chargeable items relating to the Manager’s management fees which are payable in the form of Units, amortisation of the upfront fee on the Facilities and other expenses which are non-deductible for tax purposes.

2. The number of Units includes the assumed payment of the Manager’s management fees for the relevant period in the form of Units issued at the Offering Price.

3. This amount is based on the assumptions that the Units are issued on 1 April 2006 and are eligible for distributions arising from operations from 1 April 2006 to 30 September 2006. Since the Units will be issued at a later date, investors will only be entitled to distributions arising from the Listing Date to 30 September 2006.

4. The foregoing forecast does not take into account any asset enhancement of Anchorpoint during the period commencing from the Listing Date and up to the end of the Projection Year 2007 which may affect the Net Property Income of Anchorpoint for this period. (See “Strategy — Active Asset Management Strategy — Anchorpoint”.)
RISK FACTORS

Prospective investors should consider carefully, together with all other information contained in this Prospectus, the factors described below before deciding to invest in the Units.

This Prospectus also contains forward-looking statements (including a profit forecast and profit projection) that involve risks, uncertainties and assumptions. The actual results of FCT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by FCT as described below and elsewhere in this Prospectus.

As an investment in a real estate investment trust is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of units in a real estate investment trust, and the income from them, may fall or rise. Investors should note that they may not get back their original investment.

Before deciding to invest in the Units, prospective investors should seek professional advice from the relevant advisers about their particular circumstances.

Risks Relating to the Properties

There are specific risks in relation to the Properties (see also “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Agreements to Acquire the Properties” for more information about the specific risks).

FCT faces competition from other suburban retail properties located within its catchment areas

Although the Properties are dominant retail properties within their immediate catchment areas, they face competition from public and private retail developments operating in the same areas, including shopping centres that are similar or larger in size which are located in the Central and North West regions of Singapore, such as IMM Building, Jurong Point, Tiong Bahru Plaza and Junction 8. Suburban shopping centres compete aggressively to attract quality tenants as well as shoppers from the suburban population. Like the Properties, larger suburban shopping centres often position themselves as “one-stop, family-oriented” shopping centres. The Gross Revenue of the Properties may be affected if competing retail developments are more successful in attracting tenants and shoppers.

Further, should the existing competing developments be substantially upgraded and refurbished, the Gross Revenue of the Properties could be adversely affected.

FCT may face increased competition from future retail developments in Singapore

Factors that affect the ability of a retail property to attract or retain tenants include the attractiveness of such retail property and the surrounding areas to prospective tenants and their customers as well as the quality and size of such retail property’s existing tenants. The income from, and market value of, the Properties will be largely dependent on the ability of the Properties to compete against other retail properties in Singapore in attracting and retaining tenants. Historical operating results of the Properties may not be indicative of future operating results and historical market values of the Properties may not be indicative of future market values of the Properties.

There are at least four major retail projects islandwide scheduled for completion between 2006 to 2009 (see Appendix D — “Independent Retail Property Market Overview Report”), including Vivocity at HarbourFront, The Central at Eu Tong Sen Street, City Square at Kitchener Road and a retail development in Ang Mo Kio Town Centre. These developments may affect the demand and rental rates for retail space in the Properties.
The prices at which FCT is able to sell one or more of the Properties may be lower than the prices at which they were acquired by FCT

The Purchase Price paid by FCT for the Properties was based on their Appraised Values as determined by the Independent Valuers (see Appendix C — “Independent Property Valuation Summary Reports”).

The valuations were conducted using the discounted cash flow as well as the capitalisation of income methods of valuation. Property valuations (including the appraisals conducted by the Independent Valuers) generally may include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions.

FCT will revalue the Properties on an annual basis. Any revaluation deficit will result in a decrease in the net asset value of FCT, which may affect the price of the Units in FCT.

The Independent Valuers’ determination of the Appraised Values of the Properties does not guarantee a sale for any part or the whole of the Properties at their respective Appraised Values at present or in the future. The price at which FCT may sell any part or the whole of the Properties may be lower than their purchase price.

The loss of key tenants or a downturn in the businesses of FCT’s tenants could have an adverse effect on its financial condition and results of operations

FCT’s financial condition, results of operations and ability to make distributions may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of its key tenants, including the decision by any such tenants not to renew their leases. (See “Business and Properties”).

FCT has a high degree of revenue concentration on the 10 largest tenants in terms of Gross Rent of the Properties. As at 31 December 2005, the 10 largest tenants in terms of Gross Rent accounted for 37.2% of the total Gross Rent. The tenants that account for 5.0% or more of the total Gross Rent include Cold Storage Singapore (1983) Pte Ltd in all the Properties, accounting for 8.2% of the total Gross Rent, Courts (Singapore) Limited in Causeway Point, accounting for 5.6% of the total Gross Rent and Metro (Private) Limited in Causeway Point, accounting for 5.1% of the total Gross Rent.

In respect of Causeway Point, its 10 largest tenants in terms of Gross Rent together accounted for 43.0% of the total Gross Rent from Causeway Point and 66.3% of the total Net Lettable Area of Causeway Point as at 31 December 2005. In respect of Northpoint, its 10 largest tenants in terms of Gross Rent together accounted for 43.8% of the total Gross Rent from Northpoint and 59.3% of the total Net Lettable Area of Northpoint as at 31 December 2005. In respect of Anchorpoint, its 10 largest tenants in terms of Gross Rent together accounted for 58.8% of the total Gross Rent from Anchorpoint and 61.0% of the total Net Lettable Area of Anchorpoint as at 31 December 2005 (see “Business and Properties — Tenant Profile”).

The Manager expects that FCT will continue to be dependent on these tenants for a significant portion of its Gross Revenue. If suitable replacements cannot be found in a timely manner or at all to replace key tenants who (i) have terminated their leases, (ii) do not renew their leases at expiry or (iii) have reduced their leased space in the Properties, or if the businesses and financial condition of its key tenants suffer a downturn, the Gross Revenue of FCT, its financial condition, results of operation and ability to make distributions may be adversely affected.

FCT is reliant on Causeway Point for a substantial portion of its Gross Revenue

While the initial portfolio of FCT will comprise three properties, FCT will be reliant on Causeway Point for a substantial portion of its Gross Revenue. For the three months ended 31 December 2005, Causeway Point accounted for 69.0% of the Gross Revenue of FCT. For the Forecast Period 2006, Causeway Point is forecast to account for 68.6% of the Gross Revenue of FCT.
Any circumstance which adversely affects the operations or business of Causeway Point, or its attractiveness to tenants, such as physical damage to the building due to fire or other causes, may reduce Causeway Point’s contribution to the Gross Revenue of FCT. This in turn may adversely affect the financial condition and results of operations of FCT, reducing the ability of FCT to make distributions to Unitholders.

**Amenities and transportation infrastructure near the Properties may be closed or relocated**

The proximity of amenities and transportation infrastructure such as schools, MRT stations, bus interchanges to the Properties and the availability of shuttle services ferrying passengers to and from the Properties provide convenient access to the Properties and a constant flow of shopper traffic. There is no assurance that the amenities, transportation infrastructure and shuttle services will not be closed, relocated or terminated in the future. Such closure, relocation or termination may adversely affect the accessibility of the Properties which will reduce the flow of shopper traffic to the Properties. This may then have an adverse effect on the demand and the rental rates for the Properties and adversely affect the financial position of FCT.

**Renovation works or physical damage to the Properties may disrupt the operations of FCT and collection of rental income or otherwise result in adverse impact on the financial condition of FCT**

The quality and design of the Properties have a direct influence over the demand for space in and the rental rates of the Properties, as well as the ability to continue attracting strong shopper traffic. As the construction of Causeway Point, Northpoint and Anchorpoint were completed in 1998, 1992 and 1997 respectively, the Properties may need to undergo renovation works from time to time to retain their attractiveness to tenants and shoppers and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop over structural defects or other parts of buildings or because of new planning laws or regulations. The costs of maintaining a retail property and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. Furthermore, while the Manager and the Property Manager will endeavour to keep any disruptions caused by such renovations works to a minimum, the business and operations of the Properties may still suffer some disruption and it may not be possible to collect the full rate of, or, as the case may be, any rental income on space affected by such renovation works. Shopper traffic may also be adversely affected by potential inconveniences resulting from such renovation works.

In this respect, while the Sponsor has agreed to provide, subject to Completion, income support to FCT during the Income Support Period for the purpose of making good a shortfall to the forecast and projected Net Property Income of Anchorpoint for the Forecast Period 2006 and the Projection Year 2007 resulting from disruptions to the business operations of Anchorpoint due to asset enhancement during the Income Support Period, such income support is only for a limited period and is up to a maximum sum of S$1.3 million. Any shortfall resulting from asset enhancement of Anchorpoint outside of the Income Support Period or in excess of the maximum sum will have to be borne by FCT (see “Strategy — Active Asset Management Strategy — Anchorpoint”).

In addition, physical damage to the Properties resulting from fire or other causes may lead to a significant disruption to the business and operation of the Properties and together with the foregoing may result in an adverse impact on the financial condition and results of operations of FCT and its ability to make distributions.

**FCT’s acquisition of the Properties may be subject to risks associated with the acquisition of properties**

While the Manager believes that reasonable due diligence investigations have been conducted with respect to the Properties prior to their acquisition, there can be no assurance that the Properties will not have defects or deficiencies requiring repair or maintenance thereby incurring significant capital expenditures, or payment or other obligations to third parties, other than those disclosed in this
Prospectus. The experts’ reports that the Manager rely upon as part of its due diligence investigations of the Properties may be subject to inaccuracies and deficiencies, as certain building defects and deficiencies may be difficult or impossible to ascertain due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

In addition, some of the Properties may be in breach of laws and regulations (including those in relation to real estate) or fail to comply with certain regulatory requirements, which the Manager’s due diligence investigations did not uncover. As a result, FCT may incur additional financial or other obligations in relation to such breaches or non-compliance.

In particular, the representations, warranties and indemnities granted in favour of FCT by the respective Vendors (see “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Agreements to Acquire the Properties”) are subject to limitations such as their scope, the amount and when such claims can be made thereunder. There can be no assurance that FCT will be reimbursed under such representations, warranties and indemnities for all losses or liabilities suffered or incurred by it as a result of its acquisition of the Properties.

**A substantial number of the Properties’ leases are for terms of three years, which exposes the Properties to significant rates of lease expiries each year**

A substantial number of the leases for the Properties are for terms of three years, which reflects the general practice in the Singapore retail property market. As a result, the Properties experience lease cycles in which a substantial number of the leases expire each year. This exposes FCT to certain risks, including the risk that vacancies following the non-renewal of leases may lead to reduced occupancy rates, which will in turn reduce FCT’s Gross Revenue (see “Business and Properties — Expiries and Renewals”). If a large number of tenants do not renew their leases in a year in which a substantial number of leases expire, this could adversely affect FCT’s Gross Revenue.

**The President of the Republic of Singapore may, as lessor, re-enter the Properties (except for Anchorpoint which is held under an estate in fee simple) upon breach of terms and conditions of the State lease**

Each Property (except for Anchorpoint which is held under an estate in fee simple) is held under a registered State lease issued by the President of the Republic of Singapore as lessor. Each such State lease contains terms and conditions commonly found in State leases in Singapore, including the President of the Republic of Singapore’s right as lessor to re-enter the Properties and terminate the lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the relevant State lease. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Information Regarding the Title of the Properties”.)

**FCT may not be able to acquire the Yishun Property**

On 5 January 2006, the Northpoint Vendor accepted the letter dated 28 November 2005 (as varied by a supplemental letter dated 23 December 2005) (the “Recommendation Letter”) issued by the Commissioner of Lands (“COL”) whereby the COL agreed that it was prepared to recommend to the Singapore Government to alienate the Northpoint Adjacent Land (as defined herein) to the Northpoint Vendor which alienation is subject, among others, to the approval of the President of the Republic of Singapore. Pursuant to such acceptance, the Northpoint Vendor paid to the COL a land premium (together with GST thereon). One of the conditions specified in the Recommendation Letter is that the Northpoint Adjacent Land must be used for the purpose of commercial development which shall include “a Civic and Community Institutional gross floor area of 2,000 square metres” (“Required GFA Condition”). The Northpoint Vendor is currently in negotiations with the National Library Board to lease about 21,500 sq ft (equivalent to 2,000 sq m) of Net Lettable Area in the New Yishun Building (which
will satisfy the Required GFA Condition), but there is a risk that such negotiations may not result in a binding agreement for the lease of the premises to the National Library Board.

In the event that the approval of the President of the Republic of Singapore is not obtained and/or any of the conditions for the alienation of the Northpoint Adjacent Land to the Northpoint Vendor are not met, FCT will not be able to exercise its right of first refusal over the future sale of the Yishun Property by the Northpoint Vendor pursuant to the terms of the right of first refusal agreement. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Right of First Refusal”.)

**FCT’s initial properties are located in Singapore, which exposes FCT to economic and real estate market conditions in Singapore (including increased competition in the real estate market)**

The Properties are based in Singapore, which exposes FCT to the risk of a prolonged downturn in economic conditions in Singapore. The Properties are located in the suburban housing areas of Singapore and as such, FCT’s Gross Revenue and results of operations depend, to a large extent, on the performance of the Singapore economy. An economic decline in Singapore could adversely affect FCT’s results of operations and future growth.

The performance of FCT may also be adversely affected by a number of local real estate market conditions, such as the attractiveness of competing retail properties, an oversupply of retail space or reduced demand for retail space.

**Property Manager’s right to use the “Frasers Centrepoint Malls” trade mark may cease**

An arrangement has been entered into between the Property Manager and F&N, as owner of the trade mark “Frasers Centrepoint Malls”, to allow the Property Manager to use the “Frasers Centrepoint Malls” trade mark for, *inter alia*, marketing activities relating to FCT and for so long as Frasers Centrepoint Retail Concepts Pte. Ltd. shall be the Property Manager and a subsidiary of F&N. If the Property Manager ceases to have the right to use the “Frasers Centrepoint Malls” trade mark, this may adversely affect marketing activities and the operations of FCT.

**RISKS RELATING TO FCT’S OPERATIONS**

**There may be potential conflict of interests between FCT, the Manager, the Property Manager, the F&N Group and the Sponsor**

The F&N Group (including the Sponsor), its subsidiaries, related corporations and associates are engaged in, among others, property investment and management. The F&N Group will, through the Sponsor’s wholly-owned subsidiaries FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. (also the Unit Lender) (which together will hold 352,700,000 Consideration Units immediately after the completion of the Offering), have an effective interest in 57.4% of the total number of Units expected to be in issue then, subject to the exercise of the Over-allotment Option. The Manager and the Property Manager are also wholly-owned subsidiaries of the Sponsor. There may be potential conflict of interests between FCT, the Manager, the Property Manager, the F&N Group and the Sponsor.

The F&N Group may exercise influence over the activities of FCT through the Manager, which is a wholly-owned subsidiary of the Sponsor, or may, through the Sponsor’s wholly-owned subsidiaries FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd., exercise influence in matters which require Unitholders’ approval, for example, the modification, alteration or addition to the provisions of the Trust Deed or the sanction of any issue of Units by the Manager under the Trust Deed, except where they are required by the rules of the Listing Manual, or the SGX-ST to abstain from voting. As a result, the strategy and activities of FCT may be influenced by the overall interests of the F&N Group. Moreover, the F&N Group may in the future sponsor, manage or invest in other REITs or other special purpose vehicles which may also compete directly with FCT. There can be no assurance that conflict of interests
will not arise between FCT, the Sponsor and/or the F&N Group in the future whether in relation to the future acquisition of properties or in relation to competition for tenants.

Further, the Property Manager, a direct wholly-owned subsidiary of the Sponsor, has been appointed to manage the Properties and may also be appointed as such for future properties in Singapore to be acquired by FCT (see “Certain Agreements relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Property Management Agreement”). There can be no assurance that the Property Manager will not favour properties that the Sponsor has retained in its own property portfolio over those owned by FCT when providing leasing services to FCT, which could lead to lower occupancy rates and/or lower rental income for the properties owned by FCT as a whole and this could adversely affect distributions to Unitholders.

**FCT may not be able to control or exercise any influence over entities in which it has minority interests**

FCT may, in the course of future acquisitions, acquire minority interests in investment entities. There can be no assurance that FCT will be able to control such entities or exercise any influence over the assets of such entities or their distributions to FCT. Such entities may develop objectives which are different from those of FCT and may not be able to make distributions to Unitholders at levels that Unitholders anticipate. The management of such entities may also make decisions which could adversely affect the operations of FCT and its ability to make distributions to Unitholders.

**There may be difficulty in removing the Manager**

Immediately following completion of the Offering, it is intended that the F&N Group will through the Sponsor’s wholly-owned subsidiaries, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. (also the Unit Lender) (which together will hold 352,700,000 Consideration Units immediately after the completion of the Offering), have an effective interest in 57.4% of the total number of Units expected to be in issue then, subject to the exercise of the Over-allotment Option. Given that the Property Funds Guidelines require the removal of a manager of a real estate investment trust to be approved by Unitholders by way of passing an Ordinary Resolution, without any Unitholder being disenfranchised, it may be difficult for the Manager (being a wholly-owned subsidiary of the Sponsor) to be removed.

**FCT faces risks in connection with the acquisition of properties from the Sponsor or parties related to the Sponsor**

FCT may acquire other properties from the Sponsor or parties related to the Sponsor in the future. There can be no assurance that the terms of acquisition of the Properties or other properties which may be acquired in the future from the Sponsor or parties related to the Sponsor, the negotiations with respect to the acquisition of the Properties or such other properties, the acquisition value of the Properties or such other properties and other terms and conditions relating to the purchase of the Properties or such other properties (in particular, with respect to the representations, warranties and/or indemnities agreed) are not or, as the case may be, will not be adverse to FCT or reflect or, as the case may be, will reflect, an arm’s length acquisition of the Properties or other properties by FCT.

**Triggering events may not occur for the right of first refusal**

The Sponsor has granted to FCT the right of first refusal over (a) future sales of the Centrepoint Strata Lots and the Yishun Property by the Sponsor’s subsidiaries and (b) completed income-producing properties located in Singapore pre-dominantly used for retail purposes and which satisfy certain criteria (i) that is offered for sale to a FCL Entity, or (ii) in respect of which a FCL Entity has made an offer to purchase and the owner thereof has indicated its willingness to sell, or (iii) over which a FCL Entity has been granted an option with a right to nominate a third party to acquire such property, or (iv) that is developed by a FCL Entity and which such FCL Entity proposes to sell. This right of first refusal is only triggered if, among others, the foregoing events occur. There is a risk that such triggering events may not occur or that no suitable properties may be available during the validity period of the right of first refusal. There is also a risk that even after the right of first refusal is triggered, the Trustee may not
enter into a binding agreement with the relevant vendor within the stipulated deadline. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Right of First Refusal”.)

The amount FCT may borrow is limited, which may affect the operations of FCT

Under the Property Funds Guidelines, FCT is generally permitted to borrow only up to 35.0% of the value of its Deposited Property at the time the borrowing is incurred. The Property Funds Guidelines also provide that the total borrowings and deferred payments (together the “aggregate leverage”) of a real estate investment trust may exceed 35.0% of the value of its Deposited Property (up to a maximum of 60.0%) only if a credit rating of the real estate investment trust from Fitch Inc., Moody’s or Standard and Poor’s is obtained and disclosed to the public. The real estate investment trust should maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0% of its Deposited Property. Upon its listing on the SGX-ST, FCT will have an initial level of indebtedness of 30.0% of the value of its Deposited Property (based on FCT’s pro forma balance sheet as at 31 December 2005). FCT may, from time to time, require further debt financing to achieve its investment strategies. A decline in the value of the Deposited Property may affect FCT’s ability to make further borrowings as discussed above.

Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements in relation to FCT’s existing portfolio or in relation to the acquisition by FCT of further properties to expand its portfolio; and
- cash flow shortages (including with respect to distributions) which FCT might otherwise be able to resolve by borrowing funds.

FCT faces risks associated with debt financing

FCT will be subject to risks associated with debt financing, including the risk that its cash flow may be insufficient to meet required payments of principal and interest under such financing and to make distributions to Unitholders.

The Properties are mortgaged to secure payment of indebtedness under the term loan. If FCT is unable to meet interest or principal payments in respect of such indebtedness, the Properties or any of them could be foreclosed by the lenders, or the lenders could require a forced sale of the mortgaged Properties or any of them with a consequent loss of income and asset value to FCT.

FCT will also be subject to the risk that its existing borrowings may be terminated by the lenders upon occurrence of certain events and it may not be able to refinance its existing borrowings or that the terms of any refinancing will not be as favourable as the terms of its existing borrowings. In addition, FCT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders. Such covenants may also restrict FCT’s ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which would adversely affect FCT’s cash flow and the amount of distributions it could make to Unitholders.

FCT may have a higher level of gearing than certain other types of unit trusts

FCT’s level of borrowings represents a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with the increase in gearing or leverage. An increase in gearing or leverage will subject FCT to the risk of changing economic climate. For example,
in a climate of rising interest rates, the costs of financing of FCT’s investments (including servicing its indebtedness) will increase and this will adversely affect FCT’s ability to make distributions to its Unitholders.

**Neither FCT nor the Manager, as new entities, has an established operating history**

FCT was established on 5 June 2006 and the Manager was incorporated on 27 January 2006. As such, neither FCT (as a real estate investment trust) nor the Manager (as the manager of a real estate investment trust) has the relevant operating histories by which their past performance as such may be judged. This will make it more difficult for investors to assess their likely future performance. There can be no assurance that FCT will be able to generate sufficient revenue from operations to make distributions to Unitholders or that such distributions will be in line with those set out in “Profit Forecast and Profit Projection”.

**The Manager may not be able to implement its investment strategy**

The Manager’s investment strategy includes growing FCT’s portfolio of retail properties and providing regular and stable distributions to Unitholders (see “Strategy”). There can be no assurance that the Manager will be able to implement its investment strategy successfully or that it will be able to expand FCT’s portfolio at all, or at any specified rate or to any specified size. The Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame. FCT will be relying on external sources of funding to expand its portfolio, which may not be available on favourable terms or at all. Even if FCT were able to successfully make additional property acquisitions or investments, there can be no assurance that FCT will achieve its intended return on such acquisitions or investments. Since the amount of debt that FCT can incur to finance acquisitions is limited by the Property Funds Guidelines (see “Risk Factors — Risk Relating to FCT’s Operations — The amount FCT may borrow is limited, which may affect the operations of FCT”), such acquisitions are likely to be largely dependent on FCT’s ability to raise equity capital, which may result in a dilution of Unitholders’ holdings. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including retail property development companies, private investment funds and other real estate investment funds whose investment policy is also to invest in retail properties. There can be no assurance that FCT will be able to compete effectively against such entities.

**FCT depends on certain key personnel, and the loss of any key personnel may adversely affect its operations**

FCT’s performance depends, in part, upon the continued service and performance of members of the Manager’s senior management team and certain key senior personnel. These key personnel may leave the Manager in the future or compete with the Manager. The loss of any of these individuals, or of one or more of the Manager’s other key employees without suitable and timely replacements, could have a material adverse effect on FCT’s financial condition and results of operations.

**Epidemic diseases in Asia and elsewhere may adversely affect FCT’s operations**

Several countries in Asia, including the PRC, Hong Kong and Indonesia, have suffered from outbreaks of communicable diseases like severe acute respiratory syndrome (“SARS”) and avian flu. A new and prolonged outbreak of such diseases may have a material adverse effect on FCT’s business and financial conditions and results of operations. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of SARS and avian flu had an adverse effect on the economies of those countries in which they were prevalent. In the case of avian flu, should the virus mutate and lead to human-to-human transmission of the disease, the consequence for FCT’s business could be severe.
An outbreak of a communicable disease like SARS in Singapore or in the particular region in which a retail property owned by FCT is located may affect FCT in a number of ways, including, but not limited to, a decline in demand for consumer goods, a reduction in the number of visitors to the retail property, a decline in revenue of tenants of the retail property and increased costs of cleaning and maintaining the public facilities in the retail property. The impact of these factors on the operations of the retail property could materially and adversely affect the business and financial conditions and the results of operations of FCT.

**FCT expects to invest in retail properties overseas where feasible, which will expose FCT to the local real estate market, social, political and economic conditions in other countries**

The principal investment strategy of FCT is to invest in income-producing properties and properties that could be developed or redeveloped into income-producing properties used primarily for retail purposes in Singapore and overseas. This will expose FCT to the local real estate market, social, political and economic conditions in the countries where the properties are located including a decline in the demand for retail properties or an over-supply of, retail properties in the local market. An economic decline, or social or political unrest, in any one or more of these countries could adversely affect FCT’s results of operations and future growth. FCT may also be exposed to risks associated with exchange rate fluctuation between the Singapore dollar and the local currency of foreign countries which could affect the financial results of FCT.

**FCT is exposed to risks associated with changes to laws and policies, which may affect FCT and the Properties**

The Properties are located in Singapore but FCT may subsequently acquire properties in other countries. It will, therefore, be subject to Singapore, and may subsequently be subject to foreign, real estate laws, securities laws, any applicable laws relating to foreign exchange and related policies and any unexpected changes to the same.

There might be a negative impact on FCT’s properties located in Singapore or a foreign country as a result of measures and policies adopted by Singapore or the relevant foreign governments and authorities at the national, provincial or local levels, including but not limited to government control over property investments or impositions of foreign exchange restrictions. There is the risk that FCT will not be able to repatriate the income and gains derived from investment in real estate and other assets in these foreign countries. It may also be difficult for FCT to obtain legal protection and recourse in some countries.

**FCT may be subject to taxes arising from investments in foreign assets**

Income and gains derived from investments in real estate and real estate-related assets in foreign countries may be subject to various types of taxes both in Singapore and in the relevant foreign countries. These include income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets. All these taxes, which are also subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes, could adversely affect and erode the returns from these properties and hence the yield to investors. This will affect FCT’s ability to make distributions to Unitholders out of such income and gains.

**RISKS RELATING TO INVESTING IN REAL ESTATE**

**The Gross Revenue earned from, and the value of, the FCT properties may be adversely affected by a number of factors**

The Gross Revenue earned from, and the value of, FCT’s properties may be adversely affected by a number of factors, including:

- the Property Manager’s ability to collect rent from tenants on a timely basis or at all;
- the amount and extent to which FCT is required to grant rental rebates to tenants due to market pressure;
defects affecting FCT’s properties which could result in the inability of the relevant tenants to operate on the relevant properties and thereby resulting in the inability of such tenants to make timely payments of rent;

tenants requesting waiver of interest on late payment of rent;

tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant’s lease, or which could hinder or delay the re-letting of the space in question or the sale of the relevant property;

the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for retail space, changes in market rental rates and operating expenses for FCT’s properties);

vacancies following the expiry or termination of leases that lead to reduced occupancy rates which reduce FCT’s Gross Revenue and its ability to recover certain operating costs through service charges;

the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are agreed being less favourable than those under current tenancies;

the Manager’s ability to provide adequate management and maintenance or to purchase or put in place adequate insurance in relation to FCT’s properties;

competition for tenants from other retail properties which may affect rental levels or occupancy rates at FCT’s properties;

changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and

acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases, natural disasters and other events beyond the control of the Manager.

Properties held by FCT may be subject to increases in Property Expenses and other operating expenses

FCT’s ability to make distributions to Unitholders could be adversely affected if Property Expenses and other operating expenses increase without a corresponding increase in Gross Revenue from the FCT properties.

Factors which could increase Property Expenses and other operating expenses include:

- increases in property taxes and other statutory charges;
- changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increases in utility charges;
- increases in sub-contracted service costs;
- increases in the rate of inflation;
- increases in insurance premiums;
- defects affecting or environmental pollution in connection with FCT’s properties which need to be rectified, leading to unforeseen operating expenses and capital expenditure; and
- increases in any maintenance and sinking fund contributions payable to management corporations.
**FCT may be adversely affected by the illiquidity of real estate investments**

FCT invests primarily in real estate. This involves a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments, particularly investments in high value properties such as those in which FCT has invested or intends to invest, are relatively illiquid. Such illiquidity may affect FCT’s ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, FCT may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, FCT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on FCT’s financial condition and results of operations, with a consequential adverse effect on FCT’s ability to make regular and stable distributions to Unitholders.

**FCT’s properties or part thereof may be acquired compulsorily**

The Land Acquisition Act, Chapter 152 of Singapore gives the Government the power to acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purposes.

In the event that any of FCT’s properties are acquired compulsorily, the compensation to be awarded would be based on the lowest of (i) the market value of the property as at 1 January 1995, (ii) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Government Gazette), or (iii) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire. Accordingly, if the market value of a property (or part thereof) which is acquired, as at the date of the acquisition, is greater than the lowest of the market values referred to above, the compensation paid in respect of the acquired property will be less than its prevailing market value as at the date of the acquisition.

FCT’s future acquisitions may be located in other countries. The laws of these countries may also provide for a right by the governments of these countries to compulsorily acquire any land or property with no compensation to the owner or with compensation which is below market value. Such compulsory acquisitions would have an adverse effect on the Gross Revenue and the value of FCT’s property portfolio.

**FCT may suffer material losses in excess of insurance proceeds**

FCT’s properties could suffer physical damage caused by fire or other causes or FCT may suffer public liability claims, all of which may result in losses (including loss of rent) that may not be fully compensated by insurance proceeds. In addition, certain types of risks (such as war, terrorist acts and losses caused by the outbreak of communicable diseases) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, FCT’s insurance policies for the Properties do not cover acts of war and have limited coverage for acts of terrorism and outbreak of communicable diseases. Should an uninsured loss or a loss in excess of insured limits occur, FCT could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property. FCT would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.
RISKS RELATING TO AN INVESTMENT IN THE UNITS

FCT’s principal investment strategy of investing in retail properties may entail a higher level of risk compared to other types of unit trusts that have a more diverse range of investments.

FCT’s principal strategy of investing in real estate which is used primarily for retail purposes and real estate related assets may entail a higher level of risk compared to other types of unit trusts that have a more diverse range of investments. A concentration of investments in a portfolio of such real estate assets in Singapore and overseas may cause FCT to be susceptible to a downturn in the real estate market as well as the retail market in Singapore and the relevant regions elsewhere. This may lead to a corresponding decline in rental income for such real estate assets in FCT’s portfolio and/or a decline in the capital value of FCT’s portfolio, which will have an adverse impact on distributions to Unitholders and/or the results of operations and the financial condition of FCT.

The sale or possible sale of a substantial number of Units by the Sponsor through its subsidiaries in the public market following the lapse of their lock-up arrangements could adversely affect the price of the Units

Immediately following completion of the Offering, the Sponsor will, through its wholly-owned subsidiaries FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. (also the Unit Lender) (which together will hold 352,700,000 Units immediately after the completion of the Offering), have an effective interest in 57.4% of the total number of Units expected to be in issue then, subject to the exercise of the Over-allotment Option.

F&N, the Sponsor, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. have agreed to (a) a lock-up arrangement in respect of all their effective or direct interests in the Lock-Up Units during the First Lock-Up Period; and (b) a lock-up arrangement in respect of their effective or direct interests in 50.0% of the Lock-Up Units during the Second Lock-Up Period, subject to certain exceptions.

Units will be traded on the Main Board of the SGX-ST. If the Sponsor (following the lapse of its lock-up arrangements or pursuant to any applicable waivers) directly or indirectly sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken, the market price for the Units could be adversely affected (see “Plan of Distribution — Lock-up Arrangements”).

The net asset value per Unit may be diluted if further issues of Units are priced below the then prevailing net asset value per Unit

The Trust Deed contemplates that new issues of Units may occur and the subscription price may be above, at or below the then prevailing net asset value per Unit. Where new Units, including Units which may be issued to the Manager in payment of the Manager’s fees, are issued at less than the then prevailing net asset value per Unit, the net asset value of each existing Unit may be diluted.

FCT may not be able to comply with the terms of the Tax Ruling or the Tax Ruling may be revoked or amended

FCT has received the Tax Ruling from the IRAS under which tax transparency has been granted to FCT on stipulated terms and conditions. These terms and conditions include undertakings by the Trustee and the Manager to take all reasonable steps necessary to safeguard the IRAS against the loss of tax as a result of the Tax Ruling and to comply with all administrative requirements to ensure ease of tax administration.

The Tax Ruling grants tax transparency to FCT on taxable income that is distributed to Unitholders. The Tax Ruling, either in part or in whole, may be revoked or its terms may be reviewed and amended by the IRAS at any time. If the Tax Ruling is revoked or if FCT is unable to comply with its terms, FCT will be subject to Singapore tax on its taxable income and the tax will be assessed on, and collected from, the Trustee, in which case distributions to all Unitholders will be made after tax. If the terms of the Tax
Ruling are amended, FCT may not be able to comply with the new terms imposed and this non-compliance could affect FCT’s tax transparent status and its ability to distribute its taxable income free of Singapore tax deduction at source (see “Taxation — Terms and Conditions of the Tax Ruling” and Appendix E — “Independent Taxation Report” for more information on the terms of the Tax Ruling).

**Foreign Unitholders may not be permitted to participate in future rights issues by FCT**

The Trust Deed provides that in relation to any rights issue, the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Manager may determine, subject to such other terms and conditions as the Trustee may impose. The proceeds of any such sale, if successful, will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholder are less than S$10, the Manager is entitled to retain such proceeds as part of the Deposited Property. The unitholding of the relevant Unitholder may be diluted as a result of such sale.

**Distribution of 100.0% of its taxable income for the period from the Listing Date to 30 September 2007 and at least 90.0% of its taxable income thereafter may cause FCT to face liquidity constraints**

The Manager and the Trustee will distribute 100.0% of FCT’s taxable income for the period commencing from the Listing Date to 30 September 2007. Thereafter, the Manager and the Trustee will distribute at least 90.0% of FCT’s taxable income. FCT is required by the Tax Ruling to distribute at least 90.0% of its taxable income. If FCT’s taxable income is greater than its cash flow from operations, it may have to borrow to meet ongoing cash flow requirements in order to distribute at least 90.0% of its taxable income since it may not have any reserves to draw on. FCT’s ability to borrow is, however, limited by the Property Funds Guidelines. Failure to make distributions at the required level would put FCT in breach of the terms of the Tax Ruling and FCT would be liable to pay Singapore income tax on its taxable income.

**The actual performance of FCT and the Properties could differ materially from the forward-looking statements in this Prospectus**

This Prospectus contains forward-looking statements regarding, among other things, forecast and projected distribution levels for the Forecast Period 2006 and the Projection Year 2007. These forward-looking statements are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside of FCT’s control (see “Profit Forecast and Profit Projection — Assumptions”). In addition, FCT’s revenue is dependent on a number of factors, including the receipt of rent from the Properties, which may decrease for a number of reasons, such as the decline in occupancy and rental rates, insolvency of tenants or delay in rent payment by tenants. This may adversely affect FCT’s ability to achieve the forecast and projected distributions as some or all of the events and circumstances assumed may not occur as expected, or events and circumstances which are not currently anticipated may arise. Actual results may be materially different from the forecast and projection. While the Manager currently expects to meet the forecast and projected distribution levels, no assurance can be given that the assumptions will be realised and the actual distributions will be as forecast and projected.

**Unitholders may bear the effects of tax adjustments on income distributed in prior periods**

Distributions will be based on FCT’s taxable income as computed by the Manager. The taxable income of FCT as computed by the Manager may, however, be subject to adjustment by the IRAS. The effect of this adjustment would mean that FCT’s actual taxable income may be either higher or lower than what was computed by the Manager. The difference between FCT’s actual taxable income and FCT’s taxable income as computed by the Manager for the purpose of making a distribution to Unitholders will be added to or deducted from the taxable income computed by the Manager for the subsequent
distribution to Unitholders and thus affect the amount of such subsequent distributions. Tax transparency does not apply to gains realised from the disposal of properties and such gains will be subsequently assessed for taxation by the IRAS. Distributions will only be made out of such gains after tax has been paid by the Trustee in the case of trading gains or when the full amount of the gains is confirmed as non-taxable by the IRAS (see Appendix E — “Independent Taxation Report” for further details).

**The laws, regulations and accounting standards in Singapore to which FCT is subject may change**

FCT may be affected by the introduction of new or revised legislation, regulations or accounting standards. There can be no assurance that any such changes will not have an adverse effect on the ability of the Manager to carry out FCT’s investment strategy or on the operations and financial condition of FCT. As FCT is subject to the laws, regulations and accounting standards in Singapore, such laws, regulations and accounting standards may differ from those applicable in other jurisdictions which investors outside Singapore may otherwise be familiar with.

**Market and economic conditions may affect the market price and demand for the Units**

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of and demand for the Units. In particular, an increase in market interest rates may have an adverse impact on the market-price of the Units if the annual yield on the price paid for the Units gives investors a less attractive risk adjusted return as compared to other investments.

**The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units**

Prior to the Offering, there is no public market for the Units and an active public market for the Units may not develop or be sustained after the Offering. While the Manager has received a letter of eligibility from the SGX-ST to have the Units listed and quoted on the Main Board of the SGX-ST, listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units.

Although it is currently intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. FCT may not continue to satisfy the listing requirements for real estate investment trusts.

**The rights of Unitholders are not identical to, and in some cases less protective than, the rights of shareholders under Singapore laws**

The rights of Unitholders are not identical to those granted to holders of shares in companies incorporated in Singapore.

For example, the Singapore Code on Takeovers and Mergers and the provisions of Sections 138 to 140 of the Securities and Futures Act do not apply to acquisitions of Units. As such, a person may acquire any number of Units without being required to make a general offer to acquire the Units held by other Unitholders. In such an event, there is a risk that Unitholders may not benefit from a possible premium price over the then prevailing market price of the Units.
The price of the Units may decline after the Offering

The Offering Price of the Units is determined by agreement between the Manager and the Underwriters and may not be indicative of the market price for the Units after the completion of the Offering. The Units may trade at prices significantly below the Offering Price after the Offering. The trading price of the Units will depend on many factors, including:

- the perceived prospects of FCT’s business and investments and the retail property market;
- differences between FCT’s actual financial and operating results and those expected by investors and analysts;
- changes in analysts’ recommendations or projections;
- changes in general economic or market conditions;
- the market value of FCT’s assets;
- the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;
- the future size and liquidity of the Singapore real estate investment trust market;
- any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Singapore real estate investment trusts;
- the ability of FCT to implement successfully its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including weakness of the equity market and increases in interest rates.

For these reasons, among others, Units may trade at prices that are higher or lower than the net asset value per Unit. To the extent that FCT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Units. Any failure on FCT’s part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Units.

In addition, the Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested. If FCT is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Units.

The Manager is not obliged to redeem Units

Unitholders have no right to request the Manager to redeem their Units while the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their listed Units through trading on the SGX-ST.
The Manager may change FCT’s investment strategy

FCT’s policies with respect to certain activities including investments and acquisitions will be determined by the Manager. While the Manager has stated its intention to invest in income-producing properties and properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes in Singapore and overseas and such strategy may not be changed for a period of three years commencing from the Listing Date (as the Listing Manual prohibits a departure from the Manager’s stated investment strategy for FCT for the said period unless otherwise approved by an Extraordinary Resolution of Unitholders), the Trust Deed gives the Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in Singapore and other jurisdictions. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

Exchange rate fluctuations may adversely affect the foreign currency value of the Units and any distributions

The Units will be quoted in Singapore dollars on the SGX-ST. Distributions, if any, in respect of the Units will be paid in Singapore dollars. Fluctuations in the exchange rate between the Singapore dollar and the US dollar or other currencies will affect, among other things, the foreign currency value of the proceeds which a Unitholder would receive upon sale in Singapore of the Units and the foreign currency value of any distributions.
USE OF PROCEEDS

The Manager intends to raise an aggregate of S$633.1 million from the Offering and taking into account the amount attributable to the Consideration Units to be issued as part payment of the purchase price of Causeway Point. Excluding the amount attributable to the Consideration Units, the proceeds from the Offering will be an aggregate of S$269.8 million.

The Manager also intends to make a draw down from the Facilities of an aggregate amount of S$281.3 million on the Completion Date.

The Manager intends to apply the total proceeds from the Offering as well as the draw down from the Facilities towards:

(i) payment of the cash portion of the Purchase Price to the Vendors for the acquisition of the Properties. The balance amount of the purchase price for Causeway Point will be paid by FCT by the issuance of 352,700,000 Units to FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd., being wholly-owned subsidiaries of the Sponsor;

(ii) payment to the Northpoint Vendor of an amount equivalent to the net surplus monies held by the Northpoint Management Corporation as at the Completion Date;

(iii) issue and debt related cost; and

(iv) working capital.

The following table, included for the purpose of illustration, sets out the intended source and application of the total proceeds from the Offering, the amount attributable to the issuance of the Consideration Units as well as the draw down from the Facilities.

<table>
<thead>
<tr>
<th>Source</th>
<th>(S$'000)</th>
<th>Application</th>
<th>(S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units in issue(1)</td>
<td>633,069</td>
<td>Payment for the acquisition of the Properties(1)</td>
<td>891,454</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Payment to the Northpoint Vendor</td>
<td>3,000</td>
</tr>
<tr>
<td>Borrowings</td>
<td>281,310</td>
<td>Issue and debt related costs</td>
<td>17,422</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Working capital</td>
<td>2,503</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>914,379</strong></td>
<td><strong>Total</strong></td>
<td><strong>914,379</strong></td>
</tr>
</tbody>
</table>

Note:

(1) Includes that part of the purchase price for Causeway Point which will be paid by FCT by the issuance of Consideration Units (see "Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporation — Agreements to Acquire the Properties").

The Manager believes that FCT’s working capital, together with the undrawn Facilities available to FCT, will be sufficient for FCT’s working capital requirements over the next 12 months following the completion of the Offering.
OWNERSHIP OF UNITS

Units to be issued to FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd.

On the Listing Date, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. (also the Unit Lender), being wholly-owned subsidiaries of the Sponsor, will receive, as part of the purchase price payable for the sale of Causeway Point and separate from the Offering, an aggregate of 352,700,000 Consideration Units constituting 57.4% of the Units in issue on the Listing Date (subject to the exercise of the Over-allotment Option), of which up to 39,200,000 Units, which constitute approximately 6.4% of the total number of Units in issue on the Listing Date, will be lent to the Underwriters to cover the over-allotment of Units (if any).

F&N, the Sponsor, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. have agreed to the relevant lock-up periods in respect of their effective or direct interests in relevant portions of the Lock-up Units, subject to certain exceptions (see “Plan of Distribution — Lock-up Arrangements”).

Subscription for Reserved Units

8,500,000 Units have been reserved under the Offering for subscription by the directors, management and employees of F&N and the Sponsor and their respective subsidiaries (See “Plan of Distribution”).

The Directors and Executive Officers of the Manager may subscribe for Units under the Public Offer and/or the Placement. Save for the Manager’s internal policy which prohibits the Directors and Executive Officers of the Manager from dealing in the Units at certain times (see “The Manager and Corporate Governance” for further details), there is no restriction on the Directors and Executive Officers disposing of or transferring all or any part of their unitholdings.

Principal Unitholders of FCT and their Unitholdings

The following table sets out the principal Unitholders of FCT and their unitholdings after the Offering and the issuance of the Consideration Units:

<table>
<thead>
<tr>
<th>Units owned after Offering</th>
<th>Units owned after Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>(assuming that the Over-allotment Option is not exercised)</td>
<td>(assuming that the Over-allotment Option is exercised in full)</td>
</tr>
<tr>
<td>('000)</td>
<td>(%)</td>
</tr>
<tr>
<td>FCL Trust Holdings Pte. Ltd.(1)</td>
<td>313,500</td>
</tr>
<tr>
<td>FCL Investments Pte. Ltd.(1)</td>
<td>39,200</td>
</tr>
<tr>
<td>Public and institutional investors(2)</td>
<td>261,930</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>614,630</strong></td>
</tr>
</tbody>
</table>

Notes:

(1) FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. are wholly-owned by the Sponsor which is in turn wholly-owned by F&N. As such, the Sponsor and F&N will be deemed to have interests in the 352,700,000 Units directly held by FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd.

(2) Includes the Reserved Units.
DISTRIBUTIONS

The Manager currently intends to adopt a high distribution payout policy ratio. Its distribution policy is to distribute 100.0% of its taxable income for the period commencing from the Listing Date to 30 September 2007 and thereafter, to distribute at least 90.0% of its taxable income, comprising substantially its income from the letting of its properties and related property maintenance services income after deduction of allowable expenses, with the actual level of distribution to be determined at the Manager’s discretion. The actual proportion of taxable income distributed to Unitholders beyond 30 September 2007 may be greater than 90.0% to the extent that the Manager believes it to be appropriate, having regard to FCT’s funding requirements, other capital management considerations and the overall stability of distributions. Distributions, when made, will be in Singapore dollars.

After FCT is admitted to the Main Board of the SGX-ST, FCT will make distributions to Unitholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three months ended on each of the said dates. FCT’s first distribution after the Listing Date, however, will be for the period from the Listing Date to 30 September 2006 and will be paid by the Manager on or before 29 November 2006. Subsequent distributions will take place on a quarterly basis. Under the Trust Deed, the Manager is required to pay distributions within 60 days after each of the said dates.

In the event that there are gains arising from sales of real properties, and only if such gains are surplus to the business requirements and needs of FCT, the Manager may, at its discretion, direct the Trustee to distribute such gains. Such gains, if not distributed, will form part of the Deposited Property.

FCT’s primary source of liquidity to fund distributions, servicing of debt, payment of non-property expenses and other recurring capital expenditure will be from the receipts of Gross Revenue and the borrowings where appropriate.

(See “Taxation” and Appendix E — “Independent Taxation Report” for information on the Singapore income tax consequences of the purchase, ownership and disposition of the Units.)
CAPITALISATION

The following table sets forth the pro forma capitalisation of FCT as at the Listing Date and after application of the total proceeds from the Offering, based on the Offering Price and taking into account the amount attributable to the Consideration Units to be issued as part payment of the purchase price of Causeway Point. The information in the table below should be read in conjunction with “Use of Proceeds”, “Strategy — Capital and Risk Management Strategy” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

<table>
<thead>
<tr>
<th>As at the Listing Date</th>
<th>(S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>281,310</td>
</tr>
<tr>
<td>Unitholders' funds</td>
<td>633,069</td>
</tr>
<tr>
<td><strong>Total Capitalisation</strong></td>
<td><strong>914,379</strong></td>
</tr>
</tbody>
</table>
The following tables present the pro forma statements of total return for FCT for FY2003, FY2004, FY2005 and each of the three months ended 31 December 2004 and 31 December 2005, the pro forma cash flow statements for FY2005 and each of the three months ended 31 December 2004 and 31 December 2005 and the pro forma balance sheets as at 30 September 2005 and 31 December 2005. Such pro forma financial information should be read in conjunction with the related notes thereto.

FCT’s independent accountants, Ernst & Young, have reported on the pro forma financial information and their report is included in Appendix B — “Independent Accountants’ Report on the Pro Forma Financial Information”. The pro forma financial information of FCT has been prepared on the bases, assumptions and accounting policies set out in Appendix B — “Independent Accountants’ Report on the Pro Forma Financial Information”. Consequently, the pro forma financial information is not necessarily an indication of (i) the results of operation that would have been realised if FCT had existed during the periods under review or (ii) the results of operations that will realise in the future. The Pro Forma Financial Information should be read together with these bases, assumptions and accounting policies.

The Pro Forma Financial Information has been compiled:

(a) based on the audited financial statements of the Asset Owning Companies for FY2003, FY2004 and FY2005 and the unaudited financial statements of the Asset Owning Companies for the three months ended 31 December 2004 and 31 December 2005;

(b) incorporating adjustments necessary to reflect the acquisition of the remaining strata lots in Northpoint not already owned by the Northpoint Vendor on 25 November 2005;

(c) incorporating adjustments necessary to reflect the total return of FCT as if it had acquired the Properties on 1 October 2002, pursuant to the terms set out in this Prospectus;

(d) incorporating adjustments necessary to reflect the cash flows of FCT as if it had acquired the Properties on 1 October 2004, pursuant to the terms set out in this Prospectus; and

(e) incorporating adjustments necessary to reflect the financial position of FCT as if it had acquired the Properties on 30 September 2005 or, as the case may be, 31 December 2005 respectively, pursuant to the terms set out in this Prospectus.

The pro forma statements of total return show the total return of FCT for FY2003, FY2004, FY2005 and each of the three months ended 31 December 2004 and 31 December 2005 as if it had acquired the Properties on 1 October 2002, pursuant to the terms set out in this Prospectus.

The pro forma cash flow statements show the cash flows of FCT for FY2005 and each of the three months ended 31 December 2004 and 31 December 2005, assuming it had acquired the Properties on 1 October 2004, pursuant to the terms set out in this Prospectus.

The pro forma balance sheets of FCT as at 30 September 2005 and 31 December 2005 reflect the financial position of FCT as if it had acquired the Properties on 30 September 2005 and 31 December 2005 respectively, pursuant to the terms set out in this Prospectus.
### Pro Forma Statements of Total Return

<table>
<thead>
<tr>
<th></th>
<th>FY2003 (S$’000)</th>
<th>FY2004 (S$’000)</th>
<th>FY2005 (S$’000)</th>
<th>2004 (S$’000)</th>
<th>2005 (S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rent</td>
<td>64,829</td>
<td>64,546</td>
<td>66,012</td>
<td>16,267</td>
<td>16,603</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>4,519(5)</td>
<td>4,318</td>
<td>5,040</td>
<td>1,122</td>
<td>1,178</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td><strong>69,348</strong></td>
<td><strong>68,864</strong></td>
<td><strong>71,052</strong></td>
<td><strong>17,389</strong></td>
<td><strong>17,781</strong></td>
</tr>
<tr>
<td>Property Manager’s fees(1)</td>
<td>(2,651)</td>
<td>(2,634)</td>
<td>(2,716)</td>
<td>(661)</td>
<td>(681)</td>
</tr>
<tr>
<td>Property tax</td>
<td>(4,538)</td>
<td>(4,800)</td>
<td>(5,662)</td>
<td>(1,382)</td>
<td>(1,426)</td>
</tr>
<tr>
<td>Maintenance expenses</td>
<td>(8,713)</td>
<td>(8,184)</td>
<td>(8,532)</td>
<td>(2,113)</td>
<td>(1,987)</td>
</tr>
<tr>
<td>Other property expenses</td>
<td>(5,541)</td>
<td>(5,590)</td>
<td>(5,051)</td>
<td>(1,361)</td>
<td>(1,342)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td><strong>47,905</strong></td>
<td><strong>47,656</strong></td>
<td><strong>49,091</strong></td>
<td><strong>11,872</strong></td>
<td><strong>12,345</strong></td>
</tr>
<tr>
<td>Manager’s management fees(1)</td>
<td>(5,141)</td>
<td>(5,129)</td>
<td>(5,200)</td>
<td>(1,280)</td>
<td>(1,304)</td>
</tr>
<tr>
<td>Trust expenses(2)</td>
<td>(2,200)</td>
<td>(2,200)</td>
<td>(2,200)</td>
<td>(550)</td>
<td>(550)</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(10,935)</td>
<td>(10,878)</td>
<td>(10,878)</td>
<td>(2,720)</td>
<td>(2,720)</td>
</tr>
<tr>
<td><strong>Net Investment Income before tax</strong></td>
<td><strong>29,629</strong></td>
<td><strong>29,449</strong></td>
<td><strong>30,813</strong></td>
<td><strong>7,322</strong></td>
<td><strong>7,771</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net Investment Income after tax</strong></td>
<td><strong>29,629</strong></td>
<td><strong>29,449</strong></td>
<td><strong>30,813</strong></td>
<td><strong>7,322</strong></td>
<td><strong>7,771</strong></td>
</tr>
<tr>
<td>Surplus on revaluation of investment properties(3)</td>
<td>23,721</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Return for the year/period(4)</strong></td>
<td><strong>53,350</strong></td>
<td><strong>29,449</strong></td>
<td><strong>30,813</strong></td>
<td><strong>7,322</strong></td>
<td><strong>7,771</strong></td>
</tr>
</tbody>
</table>

**Notes:**

(1) Please refer to “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Property Management Agreement” for information on the Property Manager’s fees. Please refer to “The Manager and Corporate Governance — Manager’s Fees” for information on the management fees.

(2) Trust expenses include the 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. Please refer to the “Profit Forecast and Profit Projection — Trust Expenses” for information on the Trustee’s fee.

(3) It has been assumed that the Properties were acquired at a total acquisition cost of S$891,453,828 on 1 October 2002 and were immediately revalued to S$915,175,000.

(4) Total return for the year/period comprises Net Investment Income after tax and surplus on revaluation of investment properties.

(5) Includes a one-off forfeiture of security deposit amounting to S$290,000. Please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Comparison of FY2004 with FY2003”.

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Pro Forma Cash Flow Statements

<table>
<thead>
<tr>
<th>FY2005</th>
<th>Three months ended 31 December 2004</th>
<th>Three months ended 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>($'000)</td>
<td>($'000)</td>
<td>($'000)</td>
</tr>
</tbody>
</table>

**Operating activities**

Net Investment Income before tax 30,813 7,322 7,771

Adjustments for:

- Borrowing costs 10,878 2,720 2,720
- Manager’s management fees paid in Units 4,160 1,024 1,043

Operating profit before working capital changes 45,851 11,066 11,534

Changes in working capital

- Trade and other payables 3,015 3,026 16

**Cash flows generated from operating activities**

48,866 14,092 11,550

**Investing activity**

Acquisition of assets and liabilities from the Asset Owning Companies (514,127) (514,127) —

**Cash flows used in investing activity**

(514,127) (514,127) —

**Financing activities**

Proceeds from borrowings 281,310 281,310 —

Proceeds from issue of new Units (net of issue costs) 253,896 253,896 —

Repayment of borrowings (17,046) (17,046) —

Borrowing costs paid (9,458) (1,529) (2,643)

Distribution to Unitholders (26,600) — (8,867)

**Cash flows generated from/(used in) financing activities**

482,102 516,631 (11,510)

**Net increase in cash and cash equivalents**

16,841 16,596 40

**Cash and cash equivalents at beginning of the year/period**

— — 16,841

**Cash and cash equivalents at end of the year/period**

16,841 16,596 16,881
## Pro Forma Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2005 (S$'000)</th>
<th>As at 31 December 2005 (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>19,550</td>
<td>19,593</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>915,175</td>
<td>915,175</td>
</tr>
<tr>
<td>Long term receivables</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>918,175</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>937,725</td>
<td>937,768</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(17,046)</td>
<td>(17,089)</td>
</tr>
<tr>
<td>Borrowings – current(^1)</td>
<td>(21,199)</td>
<td>(21,199)</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>(38,245)</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings(^2)</td>
<td>(258,582)</td>
<td>(258,582)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>(296,827)</td>
<td>(296,870)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>640,898</td>
<td>640,898</td>
</tr>
<tr>
<td><strong>Unitholders’ funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units in issue</td>
<td>633,069</td>
<td>633,069</td>
</tr>
<tr>
<td>Unit issue costs</td>
<td>(15,892)</td>
<td>(15,892)</td>
</tr>
<tr>
<td>Surplus on revaluation of investment properties(^3)</td>
<td>23,721</td>
<td>23,721</td>
</tr>
<tr>
<td><strong>Total Unitholders’ funds</strong></td>
<td></td>
<td>640,898</td>
</tr>
<tr>
<td>Number of Units in issue (’000)</td>
<td>614,630</td>
<td>614,630</td>
</tr>
<tr>
<td>Net asset value per Unit</td>
<td>S$1.04</td>
<td>S$1.04</td>
</tr>
</tbody>
</table>

**Notes:**

1. Net of loan arrangement fee of S$111,000.
2. Net of loan arrangement fee of S$1,418,000.
3. It has been assumed that the Properties were acquired at a total acquisition cost of S$891,453,828 on 30 September 2005 or, as the case may be, 31 December 2005, and were immediately revalued to S$915,175,000.
The discussion and analysis in this section is based on the selected pro forma financial information prepared based upon the historical audited financial statements and management accounts of the Asset Owning Companies for FY2003, FY2004 and FY2005, and three months ended 31 December 2004 and 2005 after adjustments necessary to reflect the operating results of FCT including the following:

(a) the acquisition of the B1 Units by the Northpoint Vendor on 25 November 2005;
(b) prior to the acquisition of the B1 Units by the Northpoint Vendor from Jelita Property Pte Ltd on 25 November 2005, the responsibility for the financial records of and the preparation of financial information on the B1 Units rested with the directors of Jelita Property Pte Ltd. The Manager therefore does not have the financial records and information relating to the B1 Units for the period prior to 25 November 2005; and
(c) the pro forma statement of total return for the B1 Units is based on reasonable estimates.

General Background

FCT is a real estate investment trust established in Singapore. As FCT was only established on 5 June 2006 and will only acquire the Properties on the Listing Date (expected to be on 5 July 2006), FCT has no historical operating results and financial information based on which recipients of this Prospectus and all prospective investors in the Units may evaluate FCT. FCT’s first accounting period will be from 5 June 2006, the date of its establishment, to 30 September 2006.

FCT was established with the investment objective of owning and investing in real estate and real estate-related assets, whether directly or indirectly through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate properties.

The Manager’s principal investment strategy is to invest in income-producing properties and properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes, in Singapore and overseas. The Manager aims to produce regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per Unit.

The Manager aims to maximise total returns to Unitholders by, among other things:

- acquiring properties that meet the Manager’s investment criteria;
- actively managing FCT’s property portfolio to maximise returns from the Properties; and
- employing appropriate debt and equity financing policies and strategies.

Subject to the Property Funds Guidelines, the Manager may also undertake development activities, with the intention to hold the developed property upon completion (see “Strategy”).
The Properties

FCT’s initial property portfolio will, on the Listing Date, consist of the Properties:

- **Causeway Point**, the largest shopping centre in FCT’s portfolio, is located in the heart of Woodlands, one of three regional centres under the Singapore Concept Plan. With Net Lettable Area of 425,268 sq ft as at 31 December 2005, the seven-storey shopping/entertainment complex is complemented with a retail basement and two levels of basement carparks. Causeway Point is conveniently located adjacent to two major transportation hubs, the Woodlands MRT station and the Woodlands regional bus interchange. Causeway Point has a strong positioning as a one-stop family-oriented shopping destination for residents in the northern part of Singapore, and affords shoppers a wide range of shopping, dining and leisure activities. Causeway Point’s tenants include Courts (Singapore) Limited., Metro (Private) Limited, Cold Storage Singapore (1983) Pte Ltd, Cathay Cineplexes Pte Ltd, and Horizon Foodmalls (Causeway) Pte Ltd.

- **Northpoint**, is part of Northpoint Shopping Centre, the pioneer suburban shopping centre in Yishun Town. Northpoint Shopping Centre, located within the Yishun Town Centre, comprises a four-storey shopping complex with two basement retail floors, one basement carpark, and a two-storey building extension. The basement carpark and the two-storey building extension with Net Lettable Area of 5,016 sq ft as at 31 December 2005 are part of the common property of Northpoint Shopping Centre and are currently managed by the Northpoint Management Corporation. The Net Lettable Area of Northpoint excluding the two-storey building extension is 144,227 sq ft as at 31 December 2005. The basement of Northpoint Shopping Centre is directly linked to the Yishun MRT station and the entrance to Northpoint Shopping Centre at level one is also directly linked to Yishun bus interchange. It is also next to the Yishun 10 complex (which houses a Golden Village cineplex). Northpoint offers a wide assortment of apparel, jewellery, footwear and food outlets and its tenants include Cold Storage Singapore (1983) Pte Ltd, Food-Link Services Pte Ltd, Popular Book Company Pte Ltd, Pertama Merchandising Pte Ltd (which operates Harvey Norman, one of the largest consumer electronics and home appliances retailers in Singapore) and John Little Private Limited.

- **Anchorpoint**, located at the junction of Queensway and Alexandra Road, has a prominent frontage along Alexandra Road. The shopping centre is primarily a food and beverage hub affording residents and visitors to the vicinity a good mix of restaurants and cafes offering a wide variety of cuisine. The shopping experience is complemented by a supermarket and specialty shops dealing in home furnishings, gifts and apparel. Anchorpoint comprises two levels of shops located on the first storey and first basement level of a five-storey commercial-cum-residential block with a basement carpark (which comprises 130 parking lots and is part of the common property managed by the management corporation of Anchorpoint Development) and a two-storey freestanding building that was given conservation status in 1993 under the URA’s voluntary conservation scheme. The Net Lettable Area of Anchorpoint is 71,000 sq ft as at 31 December 2005. Anchorpoint’s tenants include Cold Storage Singapore (1983) Pte Ltd, Oscar’s Food Mall (A.P.) Pte. Ltd., Novena Furnishing Centre Pte. Ltd. and Tung Lok Millennium Pte Ltd.

Causeway Point is the largest of the Properties, both in terms of Net Lettable Area and Gross Revenue, accounting for 68.6%, 68.5% and 68.4% of the total Gross Revenue for FY2003, FY2004 and FY2005 respectively. Northpoint accounted for 25.1%, 25.3% and 25.1% of the total Gross Revenue for FY2003, FY2004 and FY2005, respectively.

Causeway Point and Northpoint are leasehold estates of 99 years, while Anchorpoint has a freehold title.

Over the last three financial years and also for the three months ended 31 December 2005, the Properties enjoyed high occupancy rates. For the three months ended 31 December 2005, the Properties had a weighted average occupancy rate of approximately 99.1%. In addition, the Properties benefit from a stable tenant base as demonstrated by the high level of tenancy renewal rates of 93.4% (based on renewed Net Lettable Area) for the same period.
Acquisition of the Properties

On 5 June 2006, the Trustee, as trustee for FCT, entered into call option agreements in respect of each Property with the relevant Vendor pursuant to which the Trustee was granted the right to require such Vendor to enter into a sale and purchase agreement for the sale of each Property to the Trustee. The relevant Vendor has agreed that when the call option under the relevant call option agreement is exercised, it will enter into a sale and purchase agreement for the sale of the relevant Property with the Trustee on the same day.

It is intended that the call option granted to the Trustee under the call option agreements in respect of each Property will be exercised by the Trustee on the Listing Date and that the sale and purchase of the Properties will be completed on the same date (the “Completion Date”).

The aggregate purchase price (“Purchase Price”) for the Properties is S$891.5 million, which represents a discount of 2.6% to the aggregate Appraised Value of S$915.2 million for all of the Properties. (See “Business and Properties — Purchase Price of the Properties” for the apportionment of the Purchase Price.)

The Purchase Price is to be satisfied in the following manner:

- in respect of Northpoint and Anchorpoint, the purchase price of each Property will be paid in cash;
- in respect of Causeway Point, the purchase price of the Property will be satisfied in the following manner:
  (i) a portion of the purchase price to be paid in cash (the “Cash Payment Amount”); and
  (ii) the remainder by the allotment and issue of the Consideration Units to two wholly-owned subsidiaries of the Sponsor on the Completion Date.
- the Cash Payment Amount shall be the balance of the purchase price for Causeway Point after deducting an amount that is equivalent to the product of the Offering Price and the number of Consideration Units.

In addition to the purchase price payable to the Northpoint Vendor for Northpoint, a sum of S$3.0 million, being an amount based on the unaudited management accounts of the Northpoint Management Corporation as at the month-end immediately preceding the date of the Northpoint Call Option Agreement, which is equivalent to the net surplus monies held by the Northpoint Management Corporation as at the Completion Date, is payable to the Northpoint Vendor on Completion. In the event the net surplus monies held by the Northpoint Management Corporation as at the Completion Date (as disclosed in the management accounts of the Northpoint Management Corporation) is lower than S$3.0 million, the Northpoint Sale Agreement contains provisions for a reduction in the aggregate amount payable to the Northpoint Vendor by an amount corresponding to the difference between (a) S$3.0 million and (b) the amount specified in the management accounts to be the net surplus monies held by the Northpoint Management Corporation as at the Completion Date. There will be no adjustment in the aggregate amount payable to the Northpoint Vendor in the event that the net surplus monies held by the Northpoint Management Corporation as at the Completion Date (as disclosed in the management accounts of the Northpoint Management Corporation) is more than S$3.0 million.

(See “Business and Properties — Purchase Price of the Properties” and “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Agreements to Acquire the Properties”.)

Factors Affecting FCT’s Results of Operations

The retail property sector in Singapore remains highly competitive and is affected by, among other things, the demand for and the supply of space that is in turn affected by economic conditions in Singapore in general. The principal competitive factors include rental rates, quality and location of
properties and supply of comparable space. The accessibility of, and trade mix within, a retail property are also major factors in attracting shoppers and tenants.

**Gross Revenue**

FCT’s Gross Revenue comprises (i) Gross Rent and (ii) Other Revenue earned from the Properties, including revenue from car parking facilities, turnover rent, licence fees, casual leasing such as rental of kiosks, rental of atrium space and other miscellaneous income. FCT’s Gross Revenue is derived mainly from its Gross Rent from the Properties.

FCT’s Gross Revenue is affected by a number of factors including:

- rental rates for leases at the Properties;
- occupancy and renewal rates;
- the age and condition of the Properties; and
- general macroeconomic and supply/demand trends affecting the real estate market, particularly the retail property market, in Singapore.

Rental rates as well as occupancy and lease renewal rates are affected by competition from other properties (see “Business and Properties — Competition”).

The following table sets out details of FCT’s Gross Revenue for FY2003, FY2004 and FY2005 and each of the three months ended 31 December 2004 and 31 December 2005:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>43,480</td>
<td>43,260</td>
<td>43,935</td>
<td>10,833</td>
<td>11,166</td>
</tr>
<tr>
<td>Northpoint</td>
<td>17,005</td>
<td>17,086</td>
<td>17,544</td>
<td>4,296</td>
<td>4,352</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>4,344</td>
<td>4,200</td>
<td>4,533</td>
<td>1,138</td>
<td>1,085</td>
</tr>
<tr>
<td></td>
<td>64,829</td>
<td>64,546</td>
<td>66,012</td>
<td>16,267</td>
<td>16,603</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>4,519</td>
<td>4,318</td>
<td>5,040</td>
<td>1,122</td>
<td>1,178</td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>69,348</td>
<td>68,864</td>
<td>71,052</td>
<td>17,389</td>
<td>17,781</td>
</tr>
</tbody>
</table>

**Gross Rent**

Gross Rent consists of base rental income (after rent rebates, refunds, credits or discounts and rebates for rent free periods, where applicable, but excluding turnover rent) and service charge payable by tenants.

Rents paid under the Properties’ lease agreements are generally for a term of three years with rental rates generally fixed in advance for the tenure of the lease period.

**Other Revenue**

Other Revenue includes revenue from car parking facilities, turnover rent, licence fees, casual leasing such as rental of kiosks, rental of atrium space, interest on rental arrears, other amounts payable by tenants and other miscellaneous income.
Property Expenses

Property Expenses include property tax, property manager’s fees, maintenance expenses and other property expenses. Other property expenses include advertising and promotional expenses, expenses associated with the operation of car parking facilities, insurance, allowance for doubtful receivables and general and administration expenses.

Property Expenses may be affected by a number of factors including:

- the age and condition of the Properties;
- fee arrangements with the Property Manager;
- maintenance and sinking fund contributions levied by the management corporations;
- changes in the rate of inflation; and
- changes in charges such as property tax and utilities charges.

The following table sets out details of FCT’s Property Expenses for FY2003, FY2004 and FY2005, and the three months ended 31 December 2004 and 31 December 2005:

<table>
<thead>
<tr>
<th></th>
<th>FY2003</th>
<th>FY2004</th>
<th>FY2005</th>
<th>Three months ended 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$'000)</td>
<td>(S$'000)</td>
<td>(S$'000)</td>
<td>2004</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2005</td>
</tr>
<tr>
<td>Property Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property tax</td>
<td>(4,538)</td>
<td>(4,800)</td>
<td>(5,662)</td>
<td>(1,382)</td>
</tr>
<tr>
<td>Property Manager’s fees</td>
<td>(2,651)</td>
<td>(2,634)</td>
<td>(2,716)</td>
<td>(661)</td>
</tr>
<tr>
<td>Maintenance expenses</td>
<td>(8,713)</td>
<td>(8,184)</td>
<td>(8,532)</td>
<td>(2,113)</td>
</tr>
<tr>
<td>Other property expenses</td>
<td>(5,541)</td>
<td>(5,590)</td>
<td>(5,051)</td>
<td>(1,361)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(21,443)</td>
<td>(21,208)</td>
<td>(21,961)</td>
<td>(5,517)</td>
</tr>
</tbody>
</table>

Property tax

The property tax rate for retail properties has been 10.0% of the annual value of such properties since July 2001. Annual value is determined by the tax authorities by estimating the annual rent the relevant retail property would fetch if rented out and computed by comparing rents of similar properties in the vicinity of such retail property.

The Government had granted property tax rebates from 1 July 2001 to 31 December 2003.

During the period from 1 July 2001 to 31 December 2002, the Government gave a fixed rebate of up to S$8,000 per year or an amount equivalent to the actual property tax payable, whichever was lower, to all commercial and industrial properties. In addition, a further rebate of 30.0% was given for any balance property tax payable. This rebate was extended to 30 June 2003.

From 1 July 2003 to 31 December 2003, a fixed rebate of up to S$2,000 or an amount equivalent to the actual property tax payable, whichever was lower, was given. In addition, a further 15.0% rebate was given for the balance property tax payable for the same period.

There was an additional rebate given from 1 May 2003 to 31 December 2003. The additional rebate was S$2,000 plus 10.0% of the balance property tax payable in 2003.

Such rebates were taken into account in computing the above pro forma FY2003 and FY2004 property tax expenses.
Property Manager’s fees

Under the Property Management Agreement, the Property Manager will provide property management services, lease management services, project management services, property tax services and marketing co-ordination services in relation to the Properties and other properties located in Singapore to be acquired by FCT in respect of which the Trustee has a right of appointment of the Property Manager thereof. The Property Manager is entitled to the following fees:

- a fee of 2.0% per annum of the gross revenue for each property;
- a fee of 2.0% per annum of the Net Property Income (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 Net Property Income (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.

Maintenance expenses

Maintenance expenses include contributions to the management fund and the sinking fund payable by the Northpoint Vendor and the Anchorpoint Vendor to the respective Management Corporations in proportion to their respective share values of Northpoint and Anchorpoint; and the general repairs and maintenance cost of Causeway Point, Northpoint and Anchorpoint, as well as non-capital expenditure to improve the Properties. Maintenance expenses form a significant component of the Property Expenses. Following the acquisition of the B1 Units by the Northpoint Vendor on 25 November 2005, the Northpoint Management Corporation became wholly constituted by the Northpoint Vendor.

Other property expenses

The other property expenses include advertising and promotional expenses, expenses associated with the operation of car parking facilities, insurance, allowance for doubtful receivables and general and administration expenses.

Non-Property Expenses

FCT’s non-property expenses consist primarily of the Manager’s management fees, trust expenses and borrowing costs.

The following table sets out details of FCT’s non-property expenses for FY2003, FY2004 and FY2005, and each of the three months ended 31 December 2004 and 31 December 2005:

<table>
<thead>
<tr>
<th></th>
<th>FY2003</th>
<th>FY2004</th>
<th>FY2005</th>
<th>Three months ended 31 December 2004</th>
<th>Three months ended 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Non-Property Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager’s management fees</td>
<td>(5,141)</td>
<td>(5,129)</td>
<td>(5,200)</td>
<td>(1,280)</td>
<td>(1,304)</td>
</tr>
<tr>
<td>Trust expenses</td>
<td>(2,200)</td>
<td>(2,200)</td>
<td>(2,200)</td>
<td>(550)</td>
<td>(550)</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(10,935)</td>
<td>(10,878)</td>
<td>(10,878)</td>
<td>(2,720)</td>
<td>(2,720)</td>
</tr>
<tr>
<td>Total</td>
<td>(18,276)</td>
<td>(18,207)</td>
<td>(18,278)</td>
<td>(4,550)</td>
<td>(4,574)</td>
</tr>
</tbody>
</table>
Manager’s management fees

Under the Trust Deed, the Manager is entitled to 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 Net Property Income. The Manager’s management fees amounted to:

- S$5.1 million or 28.1% of non-property expenses for FY2003;
- S$5.1 million or 28.2% of non-property expenses for FY2004;
- S$5.2 million or 28.4% of non-property expenses for FY2005;
- S$1.3 million or 28.1% of non-property expenses for the three months ended 31 December 2004; and
- S$1.3 million or 28.5% of non-property expenses for the three months ended 31 December 2005.

Trust expenses

Trust expenses include recurring operating expenses such as the 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. Under the Trust Deed, the Trustee’s fee is limited to a maximum of 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. The actual fee payable is determined between the Manager and the Trustee from time to time. The Trustee’s fee is presently charged on a scaled basis of up to 0.03% per annum of the value of the Deposited Property. In addition, FCT will pay the Trustee a one-time inception fee of S$15,000.

Borrowing costs/Indebtedness

FCT will, on Completion, put in place the Facilities comprising a S$260.0 million five-year term loan and a S$30.0 million one-year revolving credit facility. S$281.3 million will be initially drawn down from the Facilities on the Completion Date with the term loan fully drawn down and S$21.3 million drawn down from the revolving credit facility. The Manager has assumed an average interest rate of 4.0% per annum.

Each loan under the Facilities will bear interest at the relevant Singapore dollar swap offer rate plus a margin. The margin of the term loan is fixed throughout the five years. The tenure of the one-year revolving credit facility may be extended annually subject to a renewal fee payable to the originating banks. An upfront fee, calculated based on the amount of the Facilities, is also payable by FCT. The Properties will be mortgaged to secure payments in connection with the S$260.0 million five-year term loan. The interest rate of the term loan has been fixed using interest rate swaps of varying tenures which may result in not less than 50.0% of the drawn facility being on a fixed interest rate basis.

The lenders shall have the right after the drawdown date of the Facilities to set up a medium term note programme to undertake a CMBS issuance to refinance the term loan after notifying FCT and in cooperation with FCT. Such refinancing is at the sole discretion of the lenders and all associated up-front set-up costs shall be borne by the lenders. FCT may also be required to bear certain costs associated with the operation of the medium term note programme.

In addition, FCT has other sources of funds which can be used to repay its borrowings or to finance capital expenditures.

(See “Strategy — Capital and Risk Management Strategy” for further details.)

Gross Revenue Trends

Rental rates for the Properties are generally fixed in advance for the tenure of the lease term and are subject to review and negotiation on renewal of the lease. The majority of the lease agreements for the Properties do not provide for rent reviews during the tenure of the lease.
The following tables set out information on the NLA of each Property as at 30 September 2003, 30 September 2004, 30 September 2005, 31 December 2004 and 31 December 2005, as well as the Gross Revenue, the Gross Revenue per sq ft per month and the Net Property Income derived from each Property for FY2003, FY2004 and FY2005, and each of the three months ended 31 December 2004 and 31 December 2005:

<table>
<thead>
<tr>
<th>Property</th>
<th>As at 30 September</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>As at 31 December</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(sq ft)</td>
<td>(sq ft)</td>
<td>(sq ft)</td>
<td>(sq ft)</td>
<td>(sq ft)</td>
<td>(sq ft)</td>
<td>(sq ft)</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>424,969</td>
<td>424,969</td>
<td>425,268</td>
<td>424,969</td>
<td>425,268</td>
<td>424,969</td>
<td>425,268</td>
</tr>
<tr>
<td>Northpoint</td>
<td>144,227</td>
<td>144,227</td>
<td>144,227</td>
<td>144,227</td>
<td>144,227</td>
<td>144,227</td>
<td>144,227</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>70,958</td>
<td>71,000</td>
<td>71,000</td>
<td>71,000</td>
<td>71,000</td>
<td>71,000</td>
<td>71,000</td>
</tr>
<tr>
<td><strong>Total Net Lettable Area</strong></td>
<td><strong>640,154</strong></td>
<td><strong>640,196</strong></td>
<td><strong>640,495</strong></td>
<td><strong>640,196</strong></td>
<td><strong>640,495</strong></td>
<td><strong>640,196</strong></td>
<td><strong>640,495</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property</th>
<th>FY2003</th>
<th>FY2004</th>
<th>FY2005</th>
<th>Three months ended 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(%)</td>
<td>(S$’000)</td>
<td>(%)</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>47,542</td>
<td>69</td>
<td>47,200</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>48,581</td>
<td>68</td>
<td>48,581</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>11,861</td>
<td>68</td>
<td>12,266</td>
<td>69</td>
</tr>
<tr>
<td>Northpoint</td>
<td>17,393</td>
<td>25</td>
<td>17,390</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>17,830</td>
<td>25</td>
<td>17,830</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>4,358</td>
<td>25</td>
<td>4,411</td>
<td>25</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>4,413</td>
<td>6</td>
<td>4,274</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>4,641</td>
<td>7</td>
<td>4,641</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>1,170</td>
<td>7</td>
<td>1,104</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total Gross Revenue</strong></td>
<td><strong>69,348</strong></td>
<td><strong>100</strong></td>
<td><strong>68,864</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td></td>
<td>71,052</td>
<td>100</td>
<td>71,052</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>17,389</td>
<td>100</td>
<td>17,781</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property</th>
<th>FY2003</th>
<th>FY2004</th>
<th>FY2005</th>
<th>Three months ended 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$)</td>
<td>(S$)</td>
<td>(S$)</td>
<td>(S$)</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>9.32</td>
<td>9.26</td>
<td>9.52</td>
<td>9.30</td>
</tr>
<tr>
<td></td>
<td>9.52</td>
<td>9.30</td>
<td>9.61</td>
<td>9.52</td>
</tr>
<tr>
<td>Northpoint</td>
<td>10.05</td>
<td>10.05</td>
<td>10.30</td>
<td>10.07</td>
</tr>
<tr>
<td></td>
<td>10.30</td>
<td>10.07</td>
<td>10.19</td>
<td>10.30</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>5.18</td>
<td>5.02</td>
<td>5.45</td>
<td>5.49</td>
</tr>
<tr>
<td></td>
<td>5.45</td>
<td>5.49</td>
<td>5.18</td>
<td>5.45</td>
</tr>
<tr>
<td><strong>Weighted average by NLA</strong></td>
<td><strong>9.03</strong></td>
<td><strong>8.96</strong></td>
<td><strong>9.24</strong></td>
<td><strong>9.05</strong></td>
</tr>
</tbody>
</table>
### Net Property Income

<table>
<thead>
<tr>
<th>Property</th>
<th>FY2003 (S$’000)</th>
<th>FY2004 (S$’000)</th>
<th>FY2005 (S$’000)</th>
<th>Three months ended 31 December 2004 (S$’000)</th>
<th>Three months ended 31 December 2005 (S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>34,059</td>
<td>33,902</td>
<td>34,819</td>
<td>8,411</td>
<td>8,792</td>
</tr>
<tr>
<td>Northpoint</td>
<td>12,183</td>
<td>12,260</td>
<td>12,501</td>
<td>3,013</td>
<td>3,148</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>1,663</td>
<td>1,494</td>
<td>1,771</td>
<td>448</td>
<td>405</td>
</tr>
<tr>
<td>Total</td>
<td>47,905</td>
<td>47,656</td>
<td>49,091</td>
<td>11,872</td>
<td>12,345</td>
</tr>
</tbody>
</table>

### Occupancy Rate

The table below sets out information on the weighted average occupancy rate of the Properties for FY2003, FY2004 and FY2005, and each of the three months ended 31 December 2004 and 31 December 2005:

<table>
<thead>
<tr>
<th>Property</th>
<th>FY2003 (%)</th>
<th>FY2004 (%)</th>
<th>FY2005 (%)</th>
<th>Three months ended 31 December 2004 (%)</th>
<th>Three months ended 31 December 2005 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>99.9</td>
<td>99.8</td>
<td>99.7</td>
<td>99.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Northpoint</td>
<td>99.6</td>
<td>100.0</td>
<td>99.6</td>
<td>99.8</td>
<td>99.3</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>84.1</td>
<td>91.2(1)</td>
<td>95.9(2)</td>
<td>98.7</td>
<td>93.6(3)</td>
</tr>
<tr>
<td><strong>Weighted Average Occupancy Rate</strong></td>
<td><strong>98.1</strong></td>
<td><strong>98.9</strong></td>
<td><strong>99.3</strong></td>
<td><strong>99.3</strong></td>
<td><strong>99.1</strong></td>
</tr>
</tbody>
</table>

#### Notes:
1. The increase in occupancy rate was due to new leases totalling 5,049 sq ft.
2. The increase in occupancy rate was due to new leases totalling 3,371 sq ft.
3. The decrease in occupancy rate was due to non-renewal of leases totalling 3,605 sq ft.

The average occupancy rates for Causeway Point and Northpoint remained relatively stable within a 0.4% band from FY2003 to FY2005. This was despite operating in an environment affected by a global economic slowdown, acts of terrorism and threats of SARS during this period.

The average occupancy rates at Anchorpoint have been improving steadily. The departure of an anchor tenant in June 2003 presented the property manager with an opportunity to reposition the shopping centre into a food and beverage hub, although there was a period of vacancy for reinstatement and modification works. With the modification in trade mix, Anchorpoint has achieved an improvement in occupancy rates.

#### Comparison of FY2004 with FY2003

**Gross Revenue**

Gross Revenue decreased by 0.7% to S$68.9 million for FY2004 from S$69.3 million in FY2003.
**Gross Rent**
Gross Rent remained relatively stable, with only a marginal decrease of 0.4% to S$64.5 million in FY2004 from S$64.8 million for FY2003. The decrease in FY2004 was mainly attributed to the pre-termination of the leases by several tenants at Causeway Point and the departure of an anchor tenant at Anchorpoint.

The average monthly rental rate decreased by 1.2% to S$8.50 per sq ft per month in FY2004 from S$8.60 per sq ft per month in FY2003.

**Other Revenue**
Other Revenue decreased by 4.4% to S$4.3 million for FY2004 from S$4.5 million in FY2003. In FY2003, Causeway Point recognised a one-off forfeiture of security deposit amounting to S$290,000. There was no such forfeiture of security deposit in FY2004. The decline was partly offset by an increase of about 6.8% in carpark income in Causeway Point.

**Property Expenses**
Property Expenses decreased by 1.1% to S$21.2 million in FY2004 from S$21.4 million in FY2003. The decrease is mainly attributed to lower maintenance expenses.

**Property tax**
Property tax increased by 5.8% to S$4.8 million in FY2004 from S$4.5 million in FY2003. Property tax rebates given by the Singapore Government ceased in December 2003.

**Property Manager’s fees**
The Property Manager’s fee decreased marginally by 0.6% to S$2.6 million in FY2004 from S$2.7 million in FY2003.

**Maintenance expenses**
Maintenance expenses decreased by 6.1% to S$8.2 million in FY2004 from S$8.7 million in FY2003. This was mainly due to an 18.7% decline in electricity charges at Causeway Point, attributed to the Energy Conservation Programme.

**Other property expenses**
Other property expenses increased marginally by 0.9% to S$5.6 million in FY2004 from S$5.5 million in FY2003.

**Net Property Income**
As a result of the above factors, FCT’s Net Property Income remained relatively stable at S$47.7 million and S$47.9 million in FY2004 and FY2003 respectively.

**Non-Property Expenses**
Non-property expenses remained relatively stable at S$18.2 million and S$18.3 million in FY2004 and FY2003 respectively.

**Manager’s management fees**
The Manager’s management fees remained stable at S$5.1 million in FY2004 and FY2003, due to the stable Net Property Income derived from the Properties.
Trust expenses
Trust expenses, which include the Trustee’s fee and other trust expenses, remained stable at S$2.2 million or approximately 12.0% of non-property expenses in FY2003 and FY2004.

Borrowing costs
Borrowing costs remained stable at S$10.9 million in both FY2003 and FY2004.

Comparison of FY2005 with FY2004

Gross Revenue
Gross Revenue increased by 3.2% to S$71.1 million in FY2005 from S$68.9 million in FY2004.

Gross Rent
Gross Rent increased by 2.3% to S$66.0 million in FY2005 from S$64.5 million in FY2004. All three Properties achieved higher rentals and occupancy rates in FY2005 compared to FY2004. The average occupancy rate for the Properties increased to 99.3% in FY2005 from 98.9% in FY2004. Average rental rose 1.8% to S$8.65 per sq ft per month in FY2005 from S$8.50 per sq ft per month in FY2004.

Other Revenue
Other Revenue increased by 16.7% to S$5.0 million in FY2005 from S$4.3 million in FY2004, reflecting higher income earned mainly from turnover rent.

Property Expenses
Property Expenses increased by 3.5% to S$22.0 million in FY2005 from S$21.2 million in FY2004. The increase in property expenses is mainly due to higher property tax.

Property tax
Property tax increased by 18.0% to S$5.7 million in FY2005 from S$4.8 million in FY2004. The increase was due to higher assessed annual value of the Properties as a result of higher rental income.

Property Manager’s fees
Property Manager’s fee increased marginally by 3.1% to S$2.7 million in FY2005 from S$2.6 million in FY2004, mainly due to the improvement in the performance of the Properties.

Maintenance expenses
Maintenance expenses increased by 4.3% to S$8.5 million in FY2005 from S$8.2 million in FY2004, mainly due to a 19.5% increase in electricity charges at Causeway Point resulting from higher electricity rates charged by Singapore Power Limited, despite implementation of the Energy Conservation Programme.

Other property expenses
Other property expenses decreased by 9.7% to S$5.1 million in FY2005 from S$5.6 million in FY2004, mainly due to combined advertising efforts for Causeway Point and Northpoint resulting in lower advertising costs.

Net Property Income
As a result of the above factors, FCT’s Net Property Income increased by 3.0% to S$49.1 million in FY2005 from S$47.7 million in FY2004.
Non-Property Expenses
Non-property expenses remained relatively stable at S$18.3 million and S$18.2 million in FY2005 and FY2004 respectively.

Manager’s management fees
The Manager’s management fees increased marginally by 1.4% to S$5.2 million in FY2005 from S$5.1 million in FY2004, mainly due to the improvement in the performance of the Properties.

Trust expenses
Trust expenses, which include the Trustee’s fee and other trust expenses, remained stable at S$2.2 million, or approximately 12.0% of non-property expenses in FY2005 and FY2004.

Borrowing costs
Borrowing costs remained stable at S$10.9 million in both FY2005 and FY2004.

Comparison of the Three Months Ended 31 December 2005 with the Three Months Ended 31 December 2004

Gross Revenue
Gross Revenue increased by 2.3% to S$17.8 million for the three months ended 31 December 2005 from S$17.4 million for the three months ended 31 December 2004.

Gross Rent
Gross Rent increased by 2.1% to S$16.6 million for the three months ended 31 December 2005 from S$16.3 million for the three months ended 31 December 2004. All three Properties achieved higher rentals for the three months ended 31 December 2005 compared to the three months ended 31 December 2004. Average rental rose 2.2% to S$8.72 per sq ft per month in the three months ended 31 December 2005 from S$8.53 per sq ft per month in the three months ended 31 December 2004. The average occupancy rate for the Properties decreased slightly to 99.1% in the three months ended 31 December 2005 from 99.3% in the three months ended 31 December 2004.

Other Revenue
Other Revenue increased by 5.0% to S$1.2 million for the three months ended 31 December 2005 from S$1.1 million for the three months ended 31 December 2004, mainly due to higher turnover rent earned.

Property Expenses
Property Expenses decreased slightly by 1.5% to S$5.4 million for the three months ended 31 December 2005 from S$5.5 million for the three months ended 31 December 2004 mainly due to a decrease in maintenance expenses.

Property tax
Property tax increased by 3.2% to S$1.4 million for the three months ended 31 December 2005 compared to the three months ended 31 December 2004 due to higher assessed annual value of the Properties as a result of higher rental income.

Property Manager’s fees
The Property Manager’s fees remained stable at S$0.7 million for each of the three months ended 31 December 2005 and 2004.
Maintenance expenses

Maintenance expenses decreased by 6.0% to S$2.0 million for the three months ended 31 December 2005 from S$2.1 million for the three months ended 31 December 2004.

Other property expenses

Other property expenses decreased slightly by 1.4% to S$1.3 million for the three months ended 31 December 2005 from S$1.4 million for the three months ended 31 December 2004.

Net Property Income

As a result of the above factors, FCT’s Net Property Income as a whole increased by 4.0% to S$12.3 million for the three months ended 31 December 2005 from S$11.9 million for the three months ended 31 December 2004.

Non-Property Expenses

Non-property expenses remained relatively stable at S$4.6 million for each of the three months ended 31 December 2005 and 2004.

Manager’s management fees

The Manager’s management fees remained stable at S$1.3 million for each of the three months ended 31 December 2005 and 2004.

Trust expenses

Trust expenses, which include the Trustee’s fee and other trust expenses, remained stable at S$0.6 million, or approximately 12.0% of non-property expenses for each of the three months ended 31 December 2005 and 2004.

Borrowing costs

Borrowing costs remained stable at S$2.7 million for each of the three months ended 31 December 2005 and 2004.

Liquidity and Capital Resources

The principal sources of funding for improvement works at the Properties have historically been cash flow from operations, as well as bank borrowings.

Net cash from operations will be FCT’s primary source of liquidity to fund distributions, servicing of debt, payment of non-property expenses and other recurring capital expenditure.

Taking into account the Facilities, the Manager is of the opinion that FCT’s working capital is sufficient for its present requirements.

FCT will distribute 100.0% of its taxable income for the period from the Listing Date to 30 September 2007. Thereafter, FCT will distribute at least 90.0% of its taxable income available for distributions. Because of this, FCT may not be able to meet all of its obligations to repay principal on its debt obligations through its cash flow from operations. As such, FCT may be required to repay maturing debt with funds from debt or equity financing or both. There can be no assurance that such financing will be available on acceptable terms or at all.
Capital Expenditure

The Property Manager prepares an annual capital expenditure budget which is intended to provide for all necessary capital improvements. The properties have to date been maintained on a current and regular basis.

Northpoint and Anchorpoint are each part of a strata sub-divided development, where the respective Management Corporations are responsible for the repair, maintenance and operation of the common property of each strata sub-divided development, including replacement or upgrading of plant and equipment belonging to the Management Corporations. The Northpoint Vendor and the Anchorpoint Vendor are required to make contributions to the management fund and the sinking fund of their relevant Management Corporations based on the respective share values of Northpoint and Anchorpoint to fund any such capital expenditure works.

The following table sets forth details of historical capital expenditure in relation to the Properties:

<table>
<thead>
<tr>
<th></th>
<th>FY2003</th>
<th>FY2004</th>
<th>FY2005</th>
<th>Three months ended 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$'000)</td>
<td>(S$'000)</td>
<td>(S$'000)</td>
<td>2004</td>
</tr>
<tr>
<td>Capital Expenditure(^{(1)})</td>
<td>169</td>
<td>501</td>
<td>33</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>169</td>
<td>501</td>
<td>33</td>
<td>—</td>
</tr>
</tbody>
</table>

Note:

(1) Excluding capital expenditure in relation to the common properties in Northpoint Shopping Centre and Anchorpoint Development which are managed and maintained by the respective Management Corporations.

Accounting Policies

For a discussion of the principal accounting policies of FCT, please see Appendix B — “Independent Accountants’ Report on the Pro Forma Financial Information”.
PROFIT FORECAST AND PROFIT PROJECTION

Statements contained in this section that 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 forecast and projected. 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, any of the Underwriters, the Sponsor, the Trustee or any other person, nor that these results will be achieved or are likely to be achieved. See “Forward-looking Statements” and “Risk Factors”. Investors in the Units are cautioned not to place undue reliance on these forward-looking statements that are valid only as of the date of this Prospectus.

None of FCT, the Manager, the Underwriters, the Sponsor, the Trustee and the Unit Lender guarantees the performance of FCT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields stated in the following table are calculated based on (i) the Offering Price and (ii) the assumption that the Listing Date is 1 April 2006. Such yields will vary accordingly if the Listing Date is after 1 April 2006 and in relation to investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The table below sets forth FCT’s forecast and projected Statements of Total Return and Distribution for the six-month period commencing on 1 April 2006 and ending on 30 September 2006 (the “Forecast Period 2006”) and FY2007 (the “Projection Year 2007”) respectively. The financial year-end of FCT is 30 September. FCT’s first accounting period will be for the period from 5 June 2006, being the date of its establishment, to 30 September 2006. The profit forecast and profit projections are based on the assumptions set out below. The assumptions have been reviewed and the computations have been checked by Ernst & Young. The profit forecast and profit projections should be read together with the report set out in Appendix A — “Independent Accountants’ Report on the Profit Forecast and Profit Projection” as well as the assumptions and the sensitivity analysis set out below.
## Statements of Total Return and Distribution

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2006</th>
<th>Projection Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6 months from 1 April 2006 to 30 September 2006)</td>
<td>(Full year from 1 October 2006 to 30 September 2007)</td>
</tr>
<tr>
<td><strong>Gross Rent</strong></td>
<td>$33,196</td>
<td>$68,426</td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td>$2,447</td>
<td>$7,004</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>$35,643</td>
<td>$75,430</td>
</tr>
<tr>
<td>Property Manager’s fee</td>
<td>($1,354)</td>
<td>($2,832)</td>
</tr>
<tr>
<td>Property tax</td>
<td>($2,911)</td>
<td>($6,104)</td>
</tr>
<tr>
<td>Maintenance Expenses</td>
<td>($4,338)</td>
<td>($10,736)</td>
</tr>
<tr>
<td>Other property expenses</td>
<td>($2,744)</td>
<td>($5,661)</td>
</tr>
<tr>
<td><strong>Property Expenses</strong></td>
<td>($11,347)</td>
<td>($25,333)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>$24,296</td>
<td>$50,097</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>($5,437)</td>
<td>($10,913)</td>
</tr>
<tr>
<td>Trust Expenses</td>
<td>($1,122)</td>
<td>($2,286)</td>
</tr>
<tr>
<td>Manager’s management fees</td>
<td>($2,604)</td>
<td>($5,292)</td>
</tr>
<tr>
<td><strong>Net Investment Income before tax and distributions</strong></td>
<td>$15,133</td>
<td>$31,606</td>
</tr>
<tr>
<td><strong>Net effect of non-tax deductible/chargeable items</strong></td>
<td>($2,331)</td>
<td>($4,729)</td>
</tr>
<tr>
<td><strong>Taxable income available for distribution to unitholders</strong></td>
<td>$17,464</td>
<td>$36,335</td>
</tr>
</tbody>
</table>

Distribution to unitholders based on payout of 100.0% of taxable income: $17,464 ($36,335)

Offering Price (S$): 1.03 (1.03)

Number of Units in issue (’,000): 616,653 (620,763)

Distribution per Unit (cents): 2.83 (5.85)

**Annualised Distribution Yield**

- 5.50% (Projection Year 2007)
- 5.68% (Projection Year 2007)

### Notes:

1. These include non-tax deductible expenses/chargeable items relating to the Manager’s management fees which are payable in the form of Units, amortisation of the upfront fee on the Facilities and other expenses which are non-deductible for tax purposes.

2. The number of Units includes the assumed payment of the Manager’s management fees for the relevant period in the form of Units issued at the Offering Price.

3. This amount is based on the assumptions that the Units are issued on 1 April 2006 and are eligible for distributions arising from operations from 1 April 2006 to 30 September 2006. Since the Units will be issued at a later date, investors will only be entitled to distributions arising from the Listing Date to 30 September 2006.

4. The foregoing forecast does not take into account asset enhancement of Anchorpoint during the period commencing from the Listing Date and up to the end of Projection Year 2007 which may affect the Net Property Income of Anchorpoint for this period. (See “Strategy — Active Asset Management Strategy — Anchorpoint”.)
Gross Revenue and Net Property Income contribution by the Properties

The forecast and projected contributions of the Properties to Gross Revenue is as follows:

<table>
<thead>
<tr>
<th>Property</th>
<th>Contribution to forecast Gross Revenue for the Forecast Period 2006 (S$'000)</th>
<th>Contribution to projected Gross Revenue for the Projection Year 2007 (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($'000) (%)</td>
<td>($'000) (%)</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>24,438 69</td>
<td>49,626 66</td>
</tr>
<tr>
<td>Northpoint</td>
<td>8,958 25</td>
<td>21,136 28</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>2,247 6</td>
<td>4,668 6</td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>35,643 100</td>
<td>75,430 100</td>
</tr>
</tbody>
</table>

The forecast and projected contributions of the Properties to Net Property Income is as follows:

<table>
<thead>
<tr>
<th>Property</th>
<th>Contribution to forecast Net Property Income for the Forecast Period 2006 (S$'000)</th>
<th>Contribution to projected Net Property Income for the Projection Year 2007 (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($'000) (%)</td>
<td>($'000) (%)</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>17,216 71</td>
<td>34,982 70</td>
</tr>
<tr>
<td>Northpoint</td>
<td>6,344 26</td>
<td>13,636 27</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>736 3</td>
<td>1,479 3</td>
</tr>
<tr>
<td>Net Property Income</td>
<td><strong>24,296 100</strong></td>
<td><strong>50,097 100</strong></td>
</tr>
</tbody>
</table>

Assumptions

The Manager has prepared the profit forecast and profit projection for the Forecast Period 2006 and the Projection Year 2007 respectively based on the assumptions listed below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Prospectus. However, investors should consider these assumptions as well as the profit forecast and profit projection and make their own assessment of the future performance of FCT.

On 25 November 2005, the Northpoint Vendor, a subsidiary of the Sponsor, purchased the remaining strata lots in Northpoint Shopping Centre not already owned by it and became the subsidiary proprietor of all the strata lots in Northpoint Shopping Centre. After the completion of the purchase of Northpoint, it is intended that FCT will terminate the strata subdivision scheme of Northpoint Shopping Centre, appoint a liquidator for the purpose of winding up the affairs of the Northpoint Management Corporation and subsequently dissolve the Northpoint Management Corporation. The Manager believes that barring unforeseen circumstances, the liquidation of the Northpoint Management Corporation can be completed in approximately 24 months from the Listing Date.

Currently, the Northpoint Management Corporation receives income from the common property of Northpoint Shopping Centre (which includes the two-storey building extension with a Net Lettable Area of 5,016 sq ft as at 31 December 2005 and the basement carpark). To facilitate recognition of income from and expenses incurred in respect of the common property of Northpoint Shopping Centre, the intention is for the assignment or novation to the Trustee, as trustee for FCT (on a date occurring in the second half of 2006 which is after the Listing Date and prior to the liquidation of the Northpoint Management Corporation), of all occupation agreements and building maintenance and other contracts entered into by the Northpoint Management Corporation in respect of the common property of Northpoint Shopping Centre so that income and liabilities arising from the common property will accrue

75
to, or be assumed by, the Trustee, as trustee of FCT. Such additional income flow to FCT from the common property of Northpoint Shopping Centre has been factored in the profit projection for the Projection Year 2007.

As part of its asset management strategy, the Manager intends to explore opportunities to enhance Anchorpoint to further maximise its yield and Net Property Income. In the event that Anchorpoint undergoes asset enhancement during the Income Support Period, and if such asset enhancement works cause disruptions in the business operations of Anchorpoint resulting in a shortfall to the forecast and projected Net Property Income of Anchorpoint for the Forecast Period 2006 and the Projection Year 2007 included in this Prospectus, the Sponsor has agreed, subject to Completion, to provide income support to FCT during the Income Support Period for the purpose of making good such shortfall in the Net Property Income of Anchorpoint, up to a maximum sum of S$1.3 million.

The Manager believes that the said income support of up to S$1.3 million is a significant amount in the context of Anchorpoint, and would provide the Manager with significant scope and flexibility to explore beneficial asset enhancement opportunities for Anchorpoint.

The feasibility of such asset enhancement is still subject to further evaluation and studies by the Manager and as such, the Profit Forecast and Profit Projection does not take into account any such possible asset enhancement of Anchorpoint.

(See “Strategy — Active Asset Management Strategy — Anchorpoint”)

(1) **Gross Revenue**

Gross Revenue consists of (i) Gross Rent and (ii) Other Revenue earned from the Properties, including revenue from car parking facilities, turnover rent, licence fees, casual leasing such as rental of kiosks, rental of atrium space and other miscellaneous income. A summary of the assumptions which have been used in calculating the Gross Revenue is set out below:

(i) **Gross Rent**

Gross Rent consists of base rental income (after rent rebates, refunds, credits or discounts and rebates for rent free periods, where applicable, but excluding turnover rent) and service charge payable by tenants. Rents paid under FCT’s lease agreements are generally fixed for a term of three years, which is consistent with the market practice in Singapore.

The percentage of forecast and projected Gross Rent attributable to Committed Leases as at 31 December 2005 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2006</th>
<th>Projection Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Percentage of Gross Rent attributable to Committed Leases</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>91.6%</td>
<td>79.6%</td>
</tr>
</tbody>
</table>

Note:

(1) This table does not include those leases which will be renewed or new leases signed after 31 December 2005. See definition of “Committed Leases” in the Glossary.
(ii) Base rental income

In order to forecast and project base rental income, the Manager has, in the first instance, used rents payable under Committed Leases. For the Forecast Period 2006 and the Projection Year 2007, the Manager has forecast and projected that the base rental income will be S$28.2 million and S$58.3 million, respectively. Approximately S$26.1 million (92.5%) and S$47.1 million (80.7%) respectively, of such forecast and projected base rental income is attributable to Committed Leases as at 31 December 2005.

The Manager has assessed the market rent for the lettable area of each Property as at 31 December 2005. The market rent is the rent which the Manager believes could be achieved if each lease was renegotiated as at 31 December 2005 and is estimated with reference to base rents payable under comparable leases that have recently been negotiated, the effect of competing shopping centres, assumed tenant retention rates upon lease expiry, likely market conditions, inflation levels and tenant demand levels. If a Committed Lease expires in the Forecast Period 2006 or Projection Year 2007, the Manager has assumed that the base rent for its new lease (or a renewed lease) which commences in the Forecast Period 2006 or Projection Year 2007 (as the case may be), to be the market rent.

(iii) Service charge contribution

The service charge is a contribution paid by tenants towards the Property Expenses of the Properties. For the Forecast Period 2006 and the Projection Year 2007, the Manager has forecast and projected that the aggregate service charge contribution will be S$5.0 million and S$10.1 million, respectively. Approximately S$4.3 million (86.5%) and S$7.4 million (73.5%) respectively, of such forecast and projected service charge is attributable to Committed Leases as at 31 December 2005.

In order to forecast and project service charge contribution, the Manager has used service charges payable under Committed Leases. If a Committed Lease expires in the Forecast Period 2006 or Projection Year 2007, the Manager has assumed that the service charge payable for its new lease (or a renewed lease) will be the same as the amount payable under the existing Committed Lease.

(iv) Renewal rate

In preparing the profit forecast and profit projection, it has been assumed that the following tenant renewal rates (representing the percentage of Gross Rent payable under leases expiring during the Forecast Period 2006 and the Projection Year 2007 that will be renewed and therefore not result in a vacancy allowance) apply to Causeway Point, Northpoint and Anchorpoint leases:

<table>
<thead>
<tr>
<th></th>
<th>Renewal Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>87.6%</td>
</tr>
<tr>
<td>Northpoint</td>
<td>70.6%</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>38.4%</td>
</tr>
</tbody>
</table>

**Weighted Average by Gross Rent**

70.3%

In arriving at the assumptions, the Manager has taken the following into consideration:

- The average renewal rate for the Causeway Point leases (based on renewed Net Lettable Area) for FY2003 to 31 December 2005 was 96.4%.
• The average renewal rate for Northpoint leases (based on renewed Net Lettable Area) for FY2003 to 31 December 2005 was 93.5%.

• The average renewal rate for Anchorpoint leases (based on renewed Net Lettable Area) for FY2003 to 31 December 2005 was 62.3%.

• Assessment of the individual tenants whose leases are up for renewal and possibility of renewal by the individual tenants.

(v) Vacancy allowance

For leases which are assumed not to be renewed, representing 29.7% of the Gross Rent of the leases expiring in the Forecast Period 2006 and the Projection Year 2007, vacancy allowances averaging 1.6 months are assumed before rent becomes payable under new leases.

(vi) Occupancy rate

The historical weighted average occupancy rates for the Properties for the years ended 30 September 2003, 2004 and 2005 were 98.1%, 98.9% and 99.3%, respectively.

The forecast and projected occupancy rates for the Properties are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2006</th>
<th>Projection Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>98.3%</td>
<td>99.8%</td>
</tr>
<tr>
<td>Northpoint</td>
<td>98.2%</td>
<td>99.8%</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>96.1%</td>
<td>92.4%</td>
</tr>
<tr>
<td>Weighted average occupancy rate</td>
<td>98.0%</td>
<td>99.0%</td>
</tr>
</tbody>
</table>

(vii) Other Revenue

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

As at 31 December 2005, leases representing Net Lettable Area of 346,354 sq ft contain provisions pursuant to which tenants are required to pay the gross rent or a fixed percentage of their sales turnover, whichever is higher. Turnover rent is forecast and projected to contribute approximately 1.8% and 2.3% of the Gross Revenue for the Forecast Period 2006 and the Projection Year 2007 respectively.

The assessment of Other Revenue is based on existing agreements, historical income collections, and the Manager’s assessment of the Properties. With the exception of turnover rent and the additional Other Revenue flow from the Northpoint Management Corporation of S$1.7 million in the Projection Year 2007, Other Revenue is assumed to reduce by 2.4% year-on-year in the Forecast Period 2006 and grow by 2.1% year-on-year in the Projection Year 2007.
Property Expenses

Property Expenses consist of (i) property tax, (ii) property manager’s fees, (iii) maintenance expenses and (iv) other property expenses, including other expenses for the operation and management of FCT’s properties. A summary of the assumptions which have been used in calculating the Property Expenses is set out below:

(i) Property tax

It has been assumed that property tax will remain at 10.0% of the base rental income and rental of kiosk, car park income (net) and any other income for the Properties that are taxable, and no property tax rebate will be given by the tax authorities.

(ii) Property Manager’s fees

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 Net Property Income (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 Net Property Income (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. For a detailed explanation of the Property Management Agreement, see “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Property Management Agreement”.

(iii) Maintenance expenses

Maintenance expenses include the contributions to the management fund and the sinking fund payable by Northpoint Vendor and Anchorpoint Vendor to the respective Management Corporations in proportion to the respective share values of Northpoint and Anchorpoint, the general repairs and maintenance cost of Causeway Point, Northpoint and Anchorpoint as well as non-capital expenditure to improve the Properties.

Northpoint and Anchorpoint are each part of strata sub-divided developments. The Northpoint 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 Northpoint Shopping Centre until all the building maintenance and other contracts entered into by Northpoint Management Corporation in respect of the common property of Northpoint Shopping Centre have been novated or assigned to the Trustee, and 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.

Other than the maintenance fees payable for maintenance of the common property, the Manager plans to adopt a policy of regular maintenance on all operating aspects of the Properties and these regular maintenance costs are expensed as incurred.

An individual assessment has been made of the repairs and maintenance expenses for the Forecast Period 2006 and the Projection Year 2007, on the basis of actual historical repairs and maintenance expenses and existing service and maintenance contracts with the suppliers. Excluding the additional maintenance expenses flow from the Northpoint Management Corporation of S$1.7 million, the Manager’s assessment of the growth rate year-on-year is 1.7% and 4.3% in the Forecast Period 2006 and the Projection Year 2007 respectively.
(iv) Other property expenses

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

An individual assessment has been made of the other property expenses for the Forecast Period 2006 and the Projection Year 2007, on the basis of actual historical other property expenses and existing service and maintenance contracts with the suppliers.

Included within the other property expenses for the Properties are allowances of 0.25% and 0.20% of Gross Rent for doubtful receivables for the Forecast Period 2006 and the Projection Year 2007 respectively. In assuming this allowance, the Manager had considered the actual historical bad and doubtful receivables for the period from FY2003 to FY2005.

It is generally the Manager’s policy to require rental deposits equivalent to three months’ rental from tenants to mitigate the risk of bad debts.

(3) Borrowing costs

FCT will, on Completion, put in place the Facilities comprising a S$260.0 million five-year term loan and a S$30.0 million one-year revolving credit facility. S$281.3 million will be initially drawn down from the Facilities on the Completion Date with the term loan fully drawn down and S$21.3 million drawn down from the revolving credit facility. The Manager has assumed an average interest rate of 4.0% per annum for the Forecast Period 2006 and the Projection Year 2007.

(See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness” and “Strategy — Capital and Risk Management Strategy” for further details.)

(4) Manager’s management fees

Pursuant to the Trust Deed, the Manager is entitled to a Base Fee of 0.3% per annum of the value of its Deposited Property and a Performance Fee of 5.0% per annum of FCT’s Net Property Income.

In line with market practice for listed real estate investment trusts in Singapore, 80.0% of the Manager’s management fees is assumed to be received in the form of Units and the balance in cash. The portion of management fees payable in the form of Units shall be payable quarterly in arrears and the portion of management fees payable in cash shall be payable monthly in arrears.

(See “The Manager and Corporate Governance — Manager’s Fees”.)

(5) Trust expenses

Trust expenses comprise FCT’s recurring operating expenses such as the 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 of up to 0.03% 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. The Trustee’s fees for the Forecast Period 2006 and the Projection Year 2007 are S$0.1 million and S$0.2 million respectively. The fee is accrued daily and paid monthly in arrears in accordance with the Trust Deed (see “The Formation and Structure of Frasers Centrepoint Trust — The Trustee”).
(6) Capital Expenditure

Northpoint and Anchorpoint are each part of a strata sub-divided development where the respective Management Corporations are responsible for the capital expenditure and improvement works relating to the common property of Northpoint Shopping Centre (until all the building maintenance and other contracts entered into by the Northpoint Management Corporation in respect of the common property of Northpoint Shopping Centre have been assigned or novated to the Trustee) and Anchorpoint Development.

For capital expenditure relating to the Properties (excluding the common property of Northpoint Shopping Centre and Anchorpoint Development), an allowance for the projected capital expenditure for improvement works has been included based on the Property Manager's assessment. The improvement works will include repair and maintenance of fixtures and fittings in the Properties. Other works such as renovation or reconfiguration of space to suit the needs of incoming tenants have also been included in the projected allowance. Such improvement or landlord fitting works are generally carried out on an ad hoc basis.

It has been assumed that the capital expenditure will be funded primarily through further borrowings. Capital expenditure incurred is capitalised as part of the value of the Properties and capital allowances may be claimed by FCT on these capital expenditures incurred to the extent that they relate to qualifying capital expenditures. Such capital allowances, if claimed, would reduce the taxable income of FCT and hence have an impact on distributions. The Manager will not claim capital allowances for the Forecast Period 2006 and the Projection Year 2007. Thereafter, the Manager will assess if it is in the interest of Unitholders before claiming capital allowances.

The capital expenditure relating to the Properties are forecast and projected as follows:

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2006</th>
<th>Projection Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure(1)</td>
<td>2,872</td>
<td>5,420</td>
</tr>
</tbody>
</table>

Note:
(1) Excluding capital expenditure in relation to the common properties of Northpoint Shopping Centre and Anchorpoint Development which are managed and maintained by the respective Management Corporations.

FCT has the following sources of funds which can be used to repay its borrowings or to finance capital expenditures:

(i) S$0.8 million of GST chargeable on the estimated cost incurred in connection with the Offering and which is refundable by IRAS; and

(ii) rental deposits which have been paid by tenants in cash, equivalent to S$17.1 million based on the pro forma balance sheet as at 31 December 2005 (assuming that rental deposits which are refunded to tenants are replaced by equivalent rental deposits from incoming tenants).

(7) Distribution Reinvestment Arrangement

The Trust Deed allows the Manager the option of activating an arrangement whereby Unitholders may elect to re-invest all or part of their distribution entitlement in return for an issue of additional Units. It has been assumed that the Manager will not activate the distribution reinvestment arrangement before 30 September 2007. This assumption does not, however, preclude the Manager from exploring the implementation of such a distribution reinvestment arrangement before 30 September 2007.
(8) **Unit Issue Expenses**

The costs associated with the issue of the Units will be paid by FCT. These costs are charged against Unitholders' funds in the balance sheet and have no impact on the statements of total return and distribution.

(9) **Properties**

The Properties will be acquired at a discount of 2.6% to their aggregate Appraised Values as at 31 December 2005. It is assumed that the Properties will be revalued annually, effective 30 September each year, and that the next valuation will be carried out by 30 September 2006.

For the purpose of the profit forecast to the extent of the assumed capital expenditure described in paragraph (6) above for each of the relevant period, the Manager has made a hypothetical assumption that the value of the Properties (except for the effect of the assumed capital expenditure) will, until 30 September 2007, remain at the amounts at which they were valued as at 31 December 2005.

Any subsequent write-down of the values of the Properties will not affect the forecast and projected distributions per Unit for the Forecast Period 2006 and the Projection Year 2007 because FCT's distributions are based on taxable income, which excludes appreciation and depreciation upon revaluation of the Properties.

(10) **Accounting Standards**

The Manager has assumed no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast or projected Net Property Income.

Significant accounting policies adopted by the Manager in the preparation of the profit forecast and profit projection are set out in Appendix B — “Independent Accountants’ Report on the Pro Forma Financial Information”.

(11) **Other Assumptions**

The Manager has made the following additional key assumptions in preparing the profit forecast and profit projection for the Forecast Period 2006 and the Projection Year 2007:

(i) that the property portfolio remains unchanged throughout the periods;

(ii) that no further capital will be raised during the periods;

(iii) that there will be no change in taxation legislation or other applicable legislation;

(iv) that there will be no change to the Tax Ruling;

(v) that all leases and licences are enforceable and will be performed in accordance with their terms (with allowances for bad and doubtful debts); and

(vi) that 100.0% of the taxable income will be distributed.
Sensitivity Analysis

The forecast and projected distributions included in this Prospectus are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as outlined in “Risk Factors”.

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast or projected in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the profit forecast and profit projection, a series of tables demonstrating the sensitivity of the distribution per Unit to changes in the principal assumptions are set out below.

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

Gross Rent

Changes in the Gross Rent will impact the Net Property Income of FCT and, consequently, the distribution yield. The assumptions for Gross Rent have been set out earlier in this section.

The effect of variations in the Gross Rent on the distribution yield is set out below:

<table>
<thead>
<tr>
<th>Distribution yield (%) pursuant to changes in Gross Rent</th>
<th>Forecast Period 2006</th>
<th>Projection Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5% above base case</td>
<td>5.72</td>
<td>5.91</td>
</tr>
<tr>
<td>Base case</td>
<td>5.50</td>
<td>5.68</td>
</tr>
<tr>
<td>2.5% below base case</td>
<td>5.28</td>
<td>5.46</td>
</tr>
</tbody>
</table>

Property Expenses

Changes in Property Expenses will impact the Net Property Income of FCT and, consequently, the distribution yield. The assumptions for Property Expenses have been set out earlier in this section.

The effect of variations in the Property Expenses on the distribution yield is set out below:

<table>
<thead>
<tr>
<th>Distribution yield (%) pursuant to changes in Property Expenses</th>
<th>Forecast Period 2006</th>
<th>Projection Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5% above base case</td>
<td>5.42</td>
<td>5.60</td>
</tr>
<tr>
<td>Base case</td>
<td>5.50</td>
<td>5.68</td>
</tr>
<tr>
<td>2.5% below base case</td>
<td>5.58</td>
<td>5.77</td>
</tr>
</tbody>
</table>
Vacancy Allowance

Changes in the vacancy period between leases will impact the Gross Rent and Net Property Income of FCT and, consequently, the distribution yield. The effect of variations in the vacancy period of the expiring leases of the Properties which are assumed not to be renewed on the distribution yield is set out below:

<table>
<thead>
<tr>
<th>Distribution yield (%) pursuant to changes in vacancy allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast Period 2006</td>
</tr>
<tr>
<td>1 month above base case</td>
</tr>
<tr>
<td>Base case</td>
</tr>
<tr>
<td>1 month below base case</td>
</tr>
</tbody>
</table>

Borrowing Costs

Changes in borrowing costs will impact the Net Investment Income of FCT and, consequently, the distribution yield. The effect of variations in borrowing costs on the distribution yield is set out below:

<table>
<thead>
<tr>
<th>Distribution yield (%) pursuant to changes in borrowing costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast Period 2006</td>
</tr>
<tr>
<td>50 basis points above base case</td>
</tr>
<tr>
<td>Base case</td>
</tr>
<tr>
<td>50 basis points below base case</td>
</tr>
</tbody>
</table>
STRATEGY

The Manager’s principal investment strategy is to invest in income-producing properties and properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes, in Singapore and overseas. Subject to the Property Funds Guidelines, the Manager may also undertake development activities, with the intention to hold the developed property upon completion.

The Manager intends to implement the investment strategy of FCT in accordance with the following guidelines:

• Investment portfolio comprising real estate used primarily for retail purposes, including investments in real estate related assets and/or other related value-enhancing assets or instruments.
• Investment in property development activities, either on a sole basis or in a joint venture, with the intention of owning the developed property upon completion, subject to the regulations as set out in the Property Funds Guidelines.
• Investments will be made in Singapore and overseas, depending on investment opportunities and market conditions available to the Manager at that time.
• Investments will generally be for the long-term.

Generally, FCT will make an investment overseas in appropriate circumstances where the Manager considers such investment to be yield accretive and feasible in light of regulatory, commercial, political and other relevant considerations. Such investments may be by way of direct property ownership by FCT or indirectly through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate or real estate-related assets.

The Manager’s key objectives are to deliver regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per Unit in order to provide Unitholders with a competitive rate of return for their investment. The Manager intends to achieve these objectives through the following strategies:

• Acquisition Growth Strategy — Identifying and pursuing growth opportunities via acquiring additional income-producing properties and properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes subject to the regulations as set out in the Property Funds Guidelines and in line with FCT’s investment objectives to enhance yields and returns for Unitholders while improving portfolio diversification.
• Active Asset Management Strategy — Leveraging on and enhancing the property portfolio’s competitive strengths to optimise occupancies, rentals and Net Lettable Area to increase property yields.
• Capital and Risk Management Strategy — Employing an appropriate mix of debt and equity in the financing of acquisitions, asset enhancements and other developments and utilising interest rate and currency hedging strategies where appropriate to optimise risk adjusted returns to Unitholders.

In accordance with the requirements of the Listing Manual, the Manager’s investment strategy for FCT will be adhered to for at least three years following the Listing Date, unless otherwise agreed by Unitholders by Extraordinary Resolution duly passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.
Acquisition Growth Strategy

The Manager intends to pursue opportunities for property acquisitions that will provide attractive cash flows and yields together with opportunities for further income and capital growth. Acquisition opportunities are underpinned by:

- the sufficiently wide mandate of FCT to invest in income-producing properties and properties that could be developed or redeveloped into income-producing properties, that are primarily used for retail purposes in Singapore and overseas; and

- the envisaged pipeline of properties for potential future acquisition by FCT from the Sponsor and its subsidiaries. The Sponsor has granted to FCT the right of first refusal over future sales of the Centrepoint Strata Lots and the Yishun Property by the Sponsor’s subsidiaries. If FCT acquires both the Centrepoint Strata Lots and the Yishun Property, the Net Lettable Area of FCT’s initial property portfolio will increase by over 400,000 sq ft, representing approximately 62.5% of the Net Lettable Area of FCT’s initial property portfolio as at 31 December 2005. In addition, FCT has the right of first refusal over completed income producing properties located in Singapore predominantly used for retail purposes, which satisfy certain criteria, (i) that is offered for sale to a FCL Entity, or (ii) in respect of which a FCL Entity has made an offer to purchase and the owner thereof has indicated its willingness to sell, or (iii) over which a FCL Entity has been granted an option with a right to nominate a third party to acquire such property, or (iv) that is developed by a FCL Entity and which such FCL Entity proposes to sell. The right of first refusal is valid for a period of five years from the Listing Date (for so long as the Manager remains the manager of FCT and the Sponsor and/or any of its related corporations remains a major shareholder of the Manager). This enhances FCT’s pipeline of potential future acquisitions. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Right of First Refusal”.)

In relation to the Yishun Property, the Northpoint Vendor had on 5 January 2006 accepted the Recommendation Letter issued by the COL whereby the COL agreed that it was prepared to recommend to the Singapore Government to alienate the Northpoint Adjacent Land to the Northpoint Vendor and pursuant to such acceptance, the Northpoint Vendor paid the land premium (together with GST thereon) to the COL.

The Recommendation Letter provides that alienation of the Northpoint Adjacent Land is subject to the approval of the President of the Republic of Singapore, and in the event that such approval is not obtained, the land premium (together with GST thereon) paid by the Northpoint Vendor will be refunded. One of the conditions specified in the Recommendation Letter is that the Northpoint Vendor must build and construct the New Yishun Building as an extension of Northpoint Shopping Centre.

The New Yishun Building is intended to have a tenancy mix which complements Northpoint Shopping Centre’s existing tenant portfolio. Further, about 21,500 sq ft of Net Lettable Area in the New Yishun Building is intended to be leased to the National Library Board for use as a library. The Manager believes that the inclusion of a new library to the New Yishun Building will help to further increase the shopper traffic in Northpoint Shopping Centre, reinforcing its dominant position as the shopping destination of choice for residents and shoppers within its immediate catchment area.

On completion of the sale and purchase of Northpoint, the Trustee and the Northpoint Vendor will enter into a co-operation agreement (the “Co-operation Agreement”) to regulate each party’s rights and obligations in connection with the construction and completion of works for the construction of the New Yishun Building and the integration of Northpoint Shopping Centre and the New Yishun Building so that Northpoint Shopping Centre and the New Yishun Building shall be linked together to form a connected retail development. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Co-operation Agreement”.)
The Manager intends to hold the properties it acquires on a long-term basis. However, in the future where the Manager considers that any property has reached a stage that offers limited scope for further growth, the Manager may consider selling the property and using the proceeds for alternative investments in properties that meet its investment criteria.

The Manager intends to utilise its network of relationships, including that with the Sponsor, its ability to identify under-performing assets and its ready access to capital to achieve favourable returns on invested capital and growth in cash flow.

In evaluating acquisition opportunities, the Manager will focus on the following investment criteria with respect to a property under consideration:

- **Risk-adjusted return thresholds and maintaining or enhancing FCT’s distribution yield to Unitholders.** The Manager will seek to acquire properties with returns that are above FCT’s risk-adjusted weighted average cost of capital and which are expected to maintain or enhance FCT’s distribution yield to Unitholders.

- **Value-adding opportunities and asset enhancement potential.** The Manager will seek to acquire properties with opportunities to increase occupancy rates and enhance value through proactive asset enhancement initiatives. The potential to add value through selective renovations or other enhancements will also be assessed.

- **Tenant mix and occupancy characteristics.** The Manager will seek to acquire properties with opportunities to increase rental and tenant retention rates relative to competing properties in the respective micro-property markets. The properties should have or have the potential to realise healthy occupancy rates with established tenants of good credit standing which minimises rental delinquency and turnover. A key consideration will be the impact of an acquisition on FCT’s entire portfolio of tenants, trade sectors exposure and lease expiry profile.

- **Location.** The Manager will assess properties in terms of their micro-market locations, as well as their accessibility to major roads and public transportation.

- **Building and facilities specifications.** The Manager will acquire buildings with good quality specifications which are in compliance with legal and zoning regulations, with due consideration being given to the size and age of the buildings. The buildings will be assessed by independent experts relating to repairs, maintenance and capital expenditure requirements in the short and medium-term.

**Active Asset Management Strategy**

**Active management of properties to generate organic growth**

The Manager, working closely with the Property Manager, will undertake proactive measures to manage the Properties such as:

- improving the existing retail offering, tenant mix and marketing activities in order to attract higher shopper traffic and achieve greater tenancy demand;

- reconfiguring certain retail units to achieve better efficiency and higher rental potential;

- establishing step-up provisions in the rental rates of leases during the course of the lease term. As at 31 December 2005, 12.0% of Committed Leases by Net Lettable Area have such step-up provisions. The Manager intends to incorporate this feature into future lease contracts to the extent it is commercially practicable;

- increasing the income from turnover rent. As at 31 December 2005, 54.1% of the Properties’ Committed Leases by Net Lettable Area provided for a percentage of the respective tenant’s turnover to be paid as rent to FCT. The Manager intends to incorporate this feature into future lease contracts to the extent it is commercially practicable;

- converting certain ancillary areas into productive retail space; and

- creating new retail units and kiosks in common areas.
**Causeway Point**

Causeway Point currently has a high exposure to tenants leasing space with Net Lettable Areas in excess of 10,000 sq ft and between 5,000 sq ft and 10,000 sq ft, comprising 61.4% and 5.9% of its Net Lettable Area as at 31 December 2005 respectively. The average Gross Rent for Causeway Point as at 31 December 2005 is S$8.78 per sq ft. The Manager expects that the average Gross Rent of Causeway Point can be improved by reducing the concentration of tenants leasing space with Net Lettable Areas in excess of 5,000 sq ft, and creating more leases with smaller Net Lettable Areas which command higher rental rates per sq ft.

**Northpoint**

Northpoint has a relatively high concentration of tenants with Net Lettable Area in excess of 5,000 sq ft, comprising approximately 55.0% of its total Net Lettable Area as at 31 December 2005. The Manager expects that average Gross Rent of Northpoint can be increased by reducing the number of tenants occupying areas in excess of 5,000 sq ft and creating more leases with smaller Net Lettable Areas.

**Anchorpoint**

The Manager, working closely with the Property Manager, will undertake proactive measures to strengthen Anchorpoint’s positioning as a destination of choice for residents and shoppers within its catchment area by:

- improving the tenant mix to attract more residents and shoppers within its catchment area;
- increasing the variety and attractiveness of the retail offerings of its speciality shops;
- further strengthening its current position as a food and beverage destination; and
- increasing the utilisation efficiency of its floor area.

The Manager believes that the above measures will improve Anchorpoint’s average Gross Rent, which, as at 31 December 2005, is S$5.53 per sq ft.

As part of its asset management strategy, the Manager intends to explore opportunities to enhance Anchorpoint to further maximise its yield and Net Property Income. In the event that Anchorpoint undergoes asset enhancement during the Income Support Period, and if such asset enhancement works cause disruptions in the business operations of Anchorpoint resulting in a shortfall to the forecast and projected Net Property Income of Anchorpoint for the Forecast Period 2006 and the Projection Year 2007 included in this Prospectus, the Sponsor has agreed, subject to Completion, to provide income support to FCT during the Income Support Period for the purpose of making good such shortfall in the Net Property Income of Anchorpoint, up to a maximum sum of S$1.3 million.

The Manager believes that the said income support of up to S$1.3 million is a significant amount in the context of Anchorpoint, and would provide the Manager with significant scope and flexibility to explore beneficial asset enhancement opportunities for Anchorpoint.

To further strengthen Causeway Point’s and Northpoint’s positioning as the one-stop family-oriented shopping destination for residents in their respective catchment areas, the Manager will work closely with the Property Manager to introduce innovative marketing concepts as well as review and improve the tenant mix in each Property.

The Manager and the Property Manager will also work together to generate organic growth and strengthen existing relationships with tenants of the Properties through the provision of value-added property related services. In particular, the Manager will seek to maintain high tenant retention levels, reduce vacancy levels and minimise associated interruptions in rental income from the Properties, as well as costs associated with marketing space to new tenants.
Improving rental revenue while maintaining high retail occupancy rates

The Manager intends to leverage on the robust demand for retail space in Causeway Point and Northpoint to continue to improve the retail rental rates while maintaining current occupancy rates.

While Causeway Point and Northpoint continue to enjoy high occupancy rates, the Manager will work with the Property Manager to actively manage lease renewals and new leases to minimise vacancy periods, through (i) advancing lease negotiations with tenants whose leases are about to expire, (ii) identifying and rectifying leases with below-market rents, (iii) active marketing to secure new tenants for impending vacant space and (iv) managing rental arrears to minimise bad debts.

Continuing to minimise Property Expenses

The Manager will work closely with the Property Manager to minimise Property Expenses without compromising the quality of services. Some of the areas identified for cost management include direct marketing of retail space to prospective tenants in order to reduce commission expense. By minimising operating expenses, the Manager aims to further increase Net Property Income.

Capital and Risk Management Strategy

The Manager aims to optimise FCT’s capital structure and minimise cost of capital within the borrowing limits permitted by the Property Funds Guidelines and intends to use a combination of debt and equity to fund future acquisitions, asset enhancement works and other developments. The Manager intends to maintain a strong balance sheet by adopting and maintaining an optimal gearing ratio subject to the requirements of the Property Funds Guidelines. Upon completion of the acquisition of the Properties, FCT will have an outstanding indebtedness of approximately S$281.3 million or 30.0% of the value of its Deposited Property. The Manager anticipates that this level of indebtedness provides FCT the financial flexibility to use additional borrowings to fund future acquisitions and capital expenditure for asset enhancement works.

The Manager will consider diversifying its sources of debt financing in the future by way of accessing debt capital markets through a commercial mortgage backed security structure if it is commercially practicable and in the interest of FCT. The Manager also intends to actively manage the risk of potential interest rate volatility through the use of interest rate hedges if it is commercially practicable and in the interest of FCT.

Debt Facilities

FCT will, on Completion, put in place the Facilities comprising a S$260.0 million five-year term loan and a S$30.0 million one-year revolving credit facility. S$281.3 million will be initially drawn down from the Facilities on the Completion Date with the term loan fully drawn down and S$21.3 million will be drawn down from the revolving credit facility.

Each loan under the Facilities will bear interest at the relevant Singapore dollar swap offer rate plus a margin. The margin of the term loan is fixed throughout the five years. The tenor of the one-year revolving credit facility may be extended annually subject to a renewal fee payable to the originating banks. An upfront fee, calculated based on the amount of the Facilities, is also payable by FCT. The Properties will be mortgaged to secure payments in connection with the S$260.0 million five-year term loan. The interest rate of the term loan has been fixed using interest rate swaps of varying tenures which may result in not less than 50.0% of the drawn facility being on a fixed interest rate basis.

The lenders shall have the right after the drawdown date of the Facilities to set up a medium term note programme to undertake a CMBS issuance to refinance the term loan after notifying FCT and in cooperation with FCT. Such refinancing is at the sole discretion of the lenders and all associated up-front set-up costs shall be borne by the lenders. FCT may also be required to bear certain costs associated with the operation of the medium term note programme.
In addition, FCT has the following sources of funds that can be used to pare down its borrowings or to finance capital expenditures:

(i) S$0.8 million of GST chargeable on the estimated cost incurred in connection with the Offering and which is refundable by the IRAS; and

(ii) rental deposits which have been paid by tenants in cash, equivalent to S$17.1 million based on the pro forma balance sheet as at 31 December 2005 (assuming that rental deposits which are refunded to tenants are replaced by equivalent rental deposits from incoming tenants).

Upon paring down of its borrowings using such rental deposits, FCT’s level of indebtedness will be reduced to S$264.2 million, or 28.7% of the value of its Deposited Property (adjusted for such reduction of indebtedness). If necessary, FCT will draw down from the revolving credit facility to refund any rental deposit payable to a tenant upon the expiry of its tenancy agreement.

FCT’s outstanding indebtedness will be further reduced by S$0.8 million to S$263.4 million (or 28.6% of the value of its Deposited Property, as adjusted for such reduction of indebtedness) when the GST paid to IRAS in respect of the Offering is refunded (which the Manager expects to take place before the end of the second quarter of FY2007) and the refunded amount is used to pare down FCT’s borrowings. At this gearing level, the Manager believes that FCT will have flexibility when considering future acquisitions and capital expenditure for asset enhancement works.
BUSINESS AND PROPERTIES

Overview

FCT is a real estate investment trust established in Singapore with the investment objective of owning and investing in real estate and real estate-related assets, whether directly or indirectly through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate properties. The Manager’s principal investment strategy is to invest in income-producing properties and properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes, in Singapore and overseas. The Manager aims to produce regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per Unit.

FCT’s property portfolio will, upon the Listing Date, comprise the following retail properties in Singapore:

- **Causeway Point**, the largest shopping centre in FCT’s portfolio, is located in the heart of Woodlands, one of three regional centres under the Singapore Concept Plan. With Net Lettable Area of 425,268 sq ft as at 31 December 2005, the seven-storey shopping/entertainment complex is complemented with a retail basement and two levels of basement carparks. Causeway Point is conveniently located adjacent to two major transportation hubs, the Woodlands MRT station and the Woodlands regional bus interchange. Causeway Point has a strong positioning as a one-stop family-oriented shopping destination for residents in the northern part of Singapore, and affords shoppers a wide range of shopping, dining and leisure activities. Causeway Point's tenants include Courts (Singapore) Limited., Metro (Private) Limited, Cold Storage Singapore (1983) Pte Ltd, Cathay Cineplexes Pte Ltd, and Horizon Foodmalls (Causeway) Pte Ltd.

- **Northpoint**, is part of Northpoint Shopping Centre, the pioneer suburban shopping centre in Yishun Town. Northpoint Shopping Centre, located within the Yishun Town Centre, comprises a four-storey shopping complex with two basement retail floors, one basement carpark, and a two-storey building extension. The basement carpark and the two-storey building extension with Net Lettable Area of 5,016 sq ft as at 31 December 2005 are part of the common property of Northpoint Shopping Centre and are currently managed by the Northpoint Management Corporation. The Net Lettable Area of Northpoint excluding the two-storey building extension is 144,227 sq ft as at 31 December 2005. The basement of Northpoint Shopping Centre is directly linked to the Yishun MRT station and the entrance to Northpoint Shopping Centre at level one is also directly linked to Yishun bus interchange. It is also located next to the Yishun 10 complex (which houses a Golden Village cineplex). Northpoint offers a wide assortment of apparel, jewellery, footwear and food outlets and its tenants include Cold Storage Singapore (1983) Pte Ltd, Food-Link Services Pte Ltd, Popular Book Company Pte Ltd, Pertama Merchandising Pte Ltd (which operates Harvey Norman, one of the largest consumer electronics and home appliances retailers in Singapore) and John Little Private Limited.

- **Anchorpoint**, located at the junction of Queensway and Alexandra Road, has a prominent frontage along Alexandra Road. The shopping centre is primarily a food and beverage hub affording residents and visitors to the vicinity a good mix of restaurants and cafes offering a wide variety of cuisine. The shopping experience is complemented by a supermarket and specialty shops dealing in home furnishings, gifts and apparel. Anchorpoint comprises two levels of shops located on the first storey and first basement level of a five-storey commercial-cum-residential block with a basement carpark and a two-storey freestanding building that was given conservation status in 1993 under the URA's voluntary conservation scheme. The Net Lettable Area of Anchorpoint is 71,000 sq ft as at 31 December 2005. Anchorpoint’s tenants include Cold Storage Singapore (1983) Pte Ltd, Oscar’s Food Mall (A.P.) Pte. Ltd., Novena Furnishing Centre Pte. Ltd. and Tung Lok Millennium Pte Ltd.
Competitive Strengths

The Manager believes that the competitive strengths of the Properties include:

• **Strategic locations.**

  The Properties are strategically located in their respective trade areas and enjoy high levels of connectivity via public transportation, which enhances their ability to draw high volumes of visitors. Causeway Point is one of Singapore's largest suburban shopping centres in terms of Net Lettable Area and is conveniently situated next to the Woodlands MRT station and the Woodlands regional bus interchange. Northpoint is strategically situated between the Yishun MRT station and the Yishun bus interchange, and is directly linked to the Yishun MRT station by the basement of Northpoint Shopping Centre. Anchorpoint, situated at the junction of Queensway and Alexandra Road, is located near the Queenstown MRT stations and is also well-served by buses.

• **Large immediate catchment and trade areas.**

  The Properties are located within established high-density housing estates and provide a “one-stop” destination for shoppers within their respective trade areas. This is further enhanced by their accessibility via public transport.

  Causeway Point is located in Woodlands, one of three regional centres in Singapore, serving an immediate population of approximately 294,000 residents in its primary trade area. (See Appendix D — “Independent Retail Property Market Overview Report”.) The annual volume of visitors at Causeway Point rose from 23.5 million in 2003 to 26.6 million in 2005¹, partly due to the increase in the number of households residing in the north as a result of the completion of several private property developments, such as Rosewood and Casablanca.

  Northpoint is located in Yishun, serving an immediate population of approximately 180,000 residents in its primary trade area. (See Appendix D — “Independent Retail Property Market Overview Report”.) Northpoint is expected to benefit from the development of the New Yishun Building by the Northpoint Vendor with a Net Lettable Area of approximately 80,000 sq ft. The New Yishun Building, expected to be completed by 2009, is likely to house a new library, adding to the vibrancy of Northpoint Shopping Centre and will potentially increase the volume of visitors to Northpoint Shopping Centre. The annual volume of visitors to Northpoint Shopping Centre increased from 17.6 million in 2003 to 17.9 million in 2005¹. Northpoint Shopping Centre also enjoys an expanded catchment area as a result of the completion of various private property developments in the north, including FCL developments such as Yishun Sapphire, Yishun Emerald, Euphony Gardens and Seletaris and benefited from an improvement in tenant mix. Shuttle buses are provided by these developments to transport residents to Northpoint Shopping Centre.

  Anchorpoint is located in Queenstown, the first satellite town built by the HDB, serving an immediate population of approximately 73,000 residents in its primary trade area. (See Appendix D — “Independent Retail Property Market Overview Report”.) Anchorpoint’s immediate catchment includes The Anchorage, a high rise residential development comprising 775 apartments, located adjacent to the shopping centre and Queens, a 722-unit condominium adjacent to the Queenstown MRT station². The annual volume of visitors at Anchorpoint increased from 2.4

1 Based on the Sponsor’s traffic count system.

2 Source: http://www.allgreen.com.sg/allgreencorp/projects/Queens/index.html. The developer, Queenstown Peak Pte Ltd, has not provided its consent, for purposes of Section 249 (read with Section 302) of the Securities and Futures Act, to the inclusion of the information extracted from the relevant website and therefore is not liable for such information under Sections 253 and 254 (both read with Section 302) of the Securities and Futures Act. While the Manager, the Underwriters and the Joint Financial Advisors have taken reasonable actions to ensure that the information from the website prepared by Queenstown Peak Pte Ltd is reproduced in its proper form and context, and that the information is extracted accurately and fairly from the website, neither the Manager, the Underwriters and the Joint Financial Advisors nor any other party has conducted an independent review of the information contained in such website nor verified the accuracy of the contents of the relevant information.
million in 2003 to 3.0 million in 2005\(^1\). This was due to changes in the tenant mix and a repositioning exercise in FY2004. Anchorpoint has also benefited from the introduction of its shuttle bus service in May 2004, serving various office buildings in the vicinity. The bus service operates between 12 pm to 2 pm on weekdays, at intervals of 15 minutes, ferrying office workers to and from Anchorpoint. The Manager intends to review the operation of the bus service upon its expiry in September 2007.

- **Strong brand recognition.**

  The Properties, together with the shopping centres owned and/or managed by the Sponsor, which include the Centrepoint Shopping Centre and Compass Point Shopping Centre, form the “Frasers Centrepoint Malls”. The success of the “Frasers Centrepoint Malls” branding rests on a formula of strategic location, good retail conceptualisation, quality management and sound tenant relationships. The Sponsor also actively markets both the brand and the properties to increase shopper traffic and shoppers’ spending in the shopping centres through targeted and aggressive advertising and promotional activities, particularly during peak holiday periods. “Frasers Centrepoint Malls” also has an internet website to promote the shopping centres under its management which enjoys high traffic, registering a record of more than 4.5 million hits in the month of December 2005. The total number of hits for 2005 was more than 20.0 million.

The “Frasers Centrepoint Malls” properties have received several notable accolades. Recent achievements include Causeway Point winning The Singapore Retailers Association's “Best Advertising & Promotion Efforts” award in 2004 and being voted by The Straits Times in 2004 as the “Best Suburban Mall” in Singapore. In addition, Centrepoint Shopping Centre won The Association of Shopping Centres’ “Best Shopping Experience” award in 2003 and 2004. In 2003, Compass Point Shopping Centre won “The Maxi”, an international award given out yearly by the American-based International Council of Shopping Centres, in recognition of the shopping centre’s highly successful marketing programmes.

The Manager intends to build on the well-established “Frasers Centrepoint Malls” branding by further broadening the breadth and depth of the tenancy mix and providing a vibrant retail and food and beverage environment. The Manager will also continue to identify and pursue opportunities for joint branding and marketing initiatives with the other shopping centres owned and/or managed by the Sponsor such as Centrepoint Shopping Centre and Compass Point Shopping Centre. With an in-depth understanding of the demands and expectations of today’s shoppers, the Manager and the Property Manager will endeavour to ensure that the Properties continue to enjoy strong branding through this approach.

- **High occupancy rates.**

  The Properties enjoy high occupancy rates, reflecting the robust demand for suburban retail space. For the three months ended 31 December 2005, the Properties had a weighted average occupancy rate of 99.1\%, as compared to the market average occupancy rate of 92.6\% for retail space in Singapore, based on data obtained from the URA for the fourth quarter of 2005\(^3\). Despite the current high occupancy rates, the Manager believes that there are further opportunities to enhance the tenant mix and retail offering in each Property through continued pro-active asset management and thereby further consolidate their dominant positions in the respective suburbs.

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\(^1\) Source: URA’s Property Market Information Publications on Private Residential Properties, Commercial & Industrial Properties and Details of Projects under Development. The URA has not provided its consent, for purposes of Section 249 (read with Section 302) of the Securities and Futures Act, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 302) of the Securities and Futures Act. While the Manager, the Underwriters and the Joint Financial Advisors have taken reasonable actions to ensure that the information from the relevant report published by the URA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Manager, the Underwriters and the Joint Financial Advisors nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.
The following graphs illustrate the average occupancy rates of the Properties for FY2003, FY2004 and FY2005, and each of the three months ended 31 December 2005:

**Weighted Average Occupancy Rate of the Properties**

<table>
<thead>
<tr>
<th>Year</th>
<th>Weighted Average Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2003</td>
<td>98.1%</td>
</tr>
<tr>
<td>FY2004</td>
<td>98.9%</td>
</tr>
<tr>
<td>FY2005</td>
<td>99.3%</td>
</tr>
<tr>
<td>Three months ended</td>
<td></td>
</tr>
<tr>
<td>31 December 2005</td>
<td>99.1%</td>
</tr>
</tbody>
</table>

(See “Business and Properties — Occupancy”.)

- **Large and diverse tenant base.**
  
  In addition to enjoying high occupancy rates, the Properties have a large tenant base of 223 tenants as at 31 December 2005. These tenants cover a wide variety of trade sectors, thus providing the Properties with trade diversification. The tenants that each accounts for 5.0% or more of the total Gross Rent of the Properties as at 31 December 2005 include Cold Storage Singapore (1983) Pte Ltd which is a tenant in all the Properties accounting for 8.2% of the total Gross Rent, Courts (Singapore) Limited. in Causeway Point, accounting for 5.6% of the total Gross Rent and Metro (Private) Limited in Causeway Point, accounting for 5.1% of the total Gross Rent. In addition, the Properties’ top 10 tenants by total Gross Rent contributed 37.2% of Gross Rent as at 31 December 2005.

  (See “Business and Properties — Tenant Profile” for further information on the tenants of the Properties.)

- **Quality tenant base.**
  
  The Properties benefit from the quality of their tenants. The Properties’ tenants include some of Singapore’s largest retailers such as Cold Storage Singapore (1983) Pte Ltd, Courts (Singapore) Limited., Metro (Private) Limited, Cathay Cineplexes Pte Ltd, many of which have been tenants of the Properties since the Properties became commercially operational. These quality tenants provide income stability and enable FCT to maintain a certain level of rental income for the term of the lease.
CERTAIN INFORMATION ON THE PROPERTIES

The table below sets out some key information on the Properties:

<table>
<thead>
<tr>
<th>Property</th>
<th>Net Lettable Area(^{(1)}) (sq ft)</th>
<th>Year of Completion</th>
<th>Land lease expiry (year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>425,268</td>
<td>1998</td>
<td>2094</td>
</tr>
<tr>
<td>Northpoint</td>
<td>144,227(^{(2)})</td>
<td>1992</td>
<td>2089</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>71,000</td>
<td>1997</td>
<td>N.A.(^{(3)})</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>640,495</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(1) As at 31 December 2005.
(2) Includes the B1 Units but excludes the two-storey building extension which is part of the common property of Northpoint Shopping Centre and managed by the Northpoint Management Corporation.
(3) Freehold estate.

Gross Revenue

The Properties derived Gross Revenue of S$71.1 million for FY2005 and S$17.8 million for the three months ended 31 December 2005. The Gross Revenue contributions of the Properties for FY2005 and each of the three months ended 31 December 2005 are set out in the following table:

<table>
<thead>
<tr>
<th>Property</th>
<th>FY2005</th>
<th>Three months ended 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(%)</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>48,581</td>
<td>68</td>
</tr>
<tr>
<td>Northpoint</td>
<td>17,830</td>
<td>25</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>4,641</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>71,052</td>
<td>100</td>
</tr>
</tbody>
</table>

Valuation

The Properties are valued by the Independent Valuers and their Appraised Values as at 31 December 2005 are set out in the following table:

<table>
<thead>
<tr>
<th>Property</th>
<th>Value as determined by Knight Frank Pte Ltd (S$’000)</th>
<th>Value as determined by Jones Lang LaSalle Property Consultants Pte Ltd (S$’000)</th>
<th>Appraised Value(^{(1)}) (S$’000)</th>
<th>Percentage of aggregate Appraised Value of the Properties (%)</th>
<th>Appraised Value per sq ft of Net Lettable Area (S$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>614,600</td>
<td>630,000</td>
<td>622,300</td>
<td>68</td>
<td>1,463</td>
</tr>
<tr>
<td>Northpoint</td>
<td>251,800</td>
<td>260,000</td>
<td>255,900</td>
<td>28</td>
<td>1,715(^{(2)})</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>36,250</td>
<td>37,700</td>
<td>36,975</td>
<td>4</td>
<td>521</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>902,650</strong></td>
<td><strong>927,700</strong></td>
<td><strong>915,175</strong></td>
<td>100</td>
<td><strong>1,418</strong></td>
</tr>
</tbody>
</table>

Notes:
(1) Based on the average of two valuations (see Appendix C — “Independent Valuation Summary Reports”) as determined by the Independent Valuers. The valuation of Northpoint includes the two-storey building extension which is part of the common property of Northpoint Shopping Centre and managed by the Northpoint Management Corporation.
(2) Appraised Value per sq ft computed based on Net Lettable Area of 149,243 sq ft as at 31 December 2005, which includes the Net Lettable Area of the two-storey building extension which is part of the common property of Northpoint Shopping Centre.
Purchase Price of the Properties

The table below shows the purchase price for each Property. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Agreements to Acquire the Properties”.)

<table>
<thead>
<tr>
<th>Property</th>
<th>Based on the Offering Price (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>606,170</td>
</tr>
<tr>
<td>Northpoint(1)</td>
<td>249,267</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>36,017</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>891,454</strong></td>
</tr>
</tbody>
</table>

Note:
(1) This does not include the amount of S$3.0 million to be paid for the Northpoint Management Corporation’s net surplus monies.

352,700,000 Consideration Units will be issued to FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. (also the Unit Lender) in part satisfaction of the purchase price for Causeway Point and the balance of the Purchase Price will be paid in cash.

Occupancy

The table below sets out information on the average occupancy rates of the Properties for FY2003, FY2004, FY2005 and the three months ended 31 December 2005 as well as the average occupancy rates of the Properties over the entire period.

<table>
<thead>
<tr>
<th>Property</th>
<th>FY2003 (%)</th>
<th>FY2004 (%)</th>
<th>FY2005 (%)</th>
<th>Three months ended 31 December 2005 (%)</th>
<th>Average over FY2003, FY2004 and FY2005 and three months ended 31 December 2005 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>99.9</td>
<td>99.8</td>
<td>99.7</td>
<td>100.0</td>
<td>99.8</td>
</tr>
<tr>
<td>Northpoint</td>
<td>99.6</td>
<td>100</td>
<td>99.6</td>
<td>99.3</td>
<td>99.7</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>84.1</td>
<td>91.2</td>
<td>95.9</td>
<td>93.6</td>
<td>90.6</td>
</tr>
</tbody>
</table>

Weighted average occupancy rates
98.1  98.9  99.3  99.1  98.8

(See “Management’s Discussion and Analysis of Financial Conditions and Results — Occupancy Rate” for an analysis of the occupancy rates of the Properties.)
Tenant Profile

Trade sector analysis for the entire portfolio

(a) By Gross Rent as at 31 December 2005

The following chart provides a breakdown by Gross Rent of the different trade sub-sectors represented in the Properties as at 31 December 2005:

(b) By Net Lettable Area as at 31 December 2005

The following chart provides a breakdown by Net Lettable Area of the different trade sub-sectors represented in the Properties as at 31 December 2005:
The table below sets out information on the 10 largest tenants of the Properties (in terms of Gross Rent) as at 31 December 2005:

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Trade Sub-sector</th>
<th>Lease Expiry Date</th>
<th>Net Lettable Area (sq ft)</th>
<th>Percentage of Total Net Lettable Area (%)</th>
<th>Percentage of Total Gross Rent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courts (Singapore) Limited./Causeway Point</td>
<td>Furnishing/Electronics</td>
<td>November 2007</td>
<td>36,147</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Metro (Private) Limited/Causeway Point(3)</td>
<td>Department Store/Health &amp; Beauty</td>
<td>November 2008 and May 2009(4)</td>
<td>74,714</td>
<td>11.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Cathay Cineplexes Pte Ltd/ Causeway Point</td>
<td>Entertainment</td>
<td>January 2006(5)</td>
<td>55,699</td>
<td>8.7</td>
<td>4.0</td>
</tr>
<tr>
<td>John Little Private Limited/ Causeway Point and Northpoint</td>
<td>Department Store</td>
<td>June 2006 and October 2007(6)</td>
<td>31,744</td>
<td>5.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Horizon Foodmalls (Causeway) Pte Ltd/ Causeway Point</td>
<td>Food &amp; beverages</td>
<td>November 2006</td>
<td>24,555</td>
<td>3.8</td>
<td>3.3</td>
</tr>
<tr>
<td>Popular Book Company Pte Ltd/Causeway Point and Northpoint</td>
<td>Books/Gifts/Crafts</td>
<td>January 2008 and October 2012(7)</td>
<td>23,168</td>
<td>3.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Food-Link Services Pte Ltd/ Northpoint</td>
<td>Food &amp; beverages</td>
<td>December 2008</td>
<td>16,738</td>
<td>2.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Giordano Originals (Singapore) Private Limited/ Causeway Point, Northpoint and Anchorpoint</td>
<td>Fashion</td>
<td>April 2006, November 2007 and December 2007(8)</td>
<td>3,745</td>
<td>0.6</td>
<td>1.6</td>
</tr>
<tr>
<td>RSH (Singapore) Pte Ltd/ Causeway Point, Northpoint and Anchorpoint</td>
<td>Fashion</td>
<td>April 2006 and 2008, November 2007 and January 2008(9)</td>
<td>5,748</td>
<td>0.9</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>345,502</td>
<td>53.9</td>
<td>37.2</td>
</tr>
</tbody>
</table>

Notes:

(1) Includes the leases for Cold Storage Singapore (1983) Pte Ltd, Guardian Pharmacy, 7-Eleven, Photo Finish and Handifix in the Properties.

(2) 12,917 sq ft expired in April 2006 and has been extended by a further six months to October 2006, 237 sq ft will expire in August 2006, 495 sq ft will expire in July 2007, 498 sq ft will expire in August 2007, 34,675 sq ft will expire in November 2007, 1,420 sq ft will expire in November 2008 and 23,002 sq ft will expire in November 2011.

(3) Includes the leases for Metro Department store and Clinique Service Centre.

(4) 406 sq ft will expire in November 2008 and 74,308 sq ft will expire in May 2009.

(5) This lease has expired in January 2006 and the space has been reconfigured, of which 32,851 sq ft has been renewed for a period of six years and has been leased to Cathay Cineplexes Pte Ltd. The remaining space has been reconfigured into two different leases, of which one lease has been entered into with Apex-Pal International Ltd. trading as Sakae Sushi which occupies 4,417 sq ft and the remaining space of 13,270 sq ft has been leased to Banquet Holdings Pte. Ltd. as a halal foodcourt. The reconfiguration has resulted in re-zoning of approximately 5,161 sq ft as common area.

(6) 10,947 sq ft will expire in June 2006 and 20,797 sq ft will expire in October 2007.

(7) 13,624 sq ft will expire in January 2008 and 9,544 sq ft will expire in October 2012.

(8) 807 sq ft expired in April 2006 and has been extended by a further six months to October 2006, 1,012 sq ft will expire in November 2007 and 1,926 sq ft will expire in December 2007.

(9) 1,356 sq ft expired in April 2006 and was not renewed, 632 sq ft will expire in April 2008, 2,680 sq ft will expire in November 2007 and 1,080 sq ft will expire in January 2008.
Expiries and Renewals

The leases at the Properties are generally for terms of three years or more. For those leases with options to renew for further terms, in line with normal commercial practice, such renewals are generally on the same terms and conditions as the original leases except for the rental rate, which will be at the then prevailing market rent.

Lease expiry profile of FCT’s entire portfolio as at 31 December 2005

The following table illustrates the lease expiry profile of FCT’s entire portfolio by Net Lettable Area as at 31 December 2005.

<table>
<thead>
<tr>
<th>Period</th>
<th>Total number of expiring leases (1)</th>
<th>Net Lettable Area of expiring leases (sq ft)</th>
<th>Expiring leases as a percentage of Net Lettable Area (%)</th>
<th>Expiring leases as a percentage of Gross Rent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2006</td>
<td>44</td>
<td>121,727</td>
<td>19.0</td>
<td>13.4</td>
</tr>
<tr>
<td>FY2007</td>
<td>53</td>
<td>78,513</td>
<td>12.3</td>
<td>12.0</td>
</tr>
<tr>
<td>FY2008</td>
<td>160</td>
<td>248,769</td>
<td>38.8</td>
<td>50.7</td>
</tr>
<tr>
<td>Beyond FY2008</td>
<td>51</td>
<td>190,098</td>
<td>29.7</td>
<td>23.9</td>
</tr>
<tr>
<td>Vacant space</td>
<td>3</td>
<td>1,388</td>
<td>0.2</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>311</strong></td>
<td><strong>640,495</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Note:
(1) This refers to the number of lease agreements.

Marketing and Leasing Activities

The Properties will be actively marketed by the Property Manager to prospective tenants in desired target groups through advertisements in the print media, direct calls and liaising with property consultants. The consultants and prospective tenants are also regularly updated with the list of available retail units for rental. Viewings of the premises will be conducted regularly with prospective tenants.

The Manager will also explore opportunities for joint marketing efforts with the Sponsor by drawing upon the established network of the F&N Group, as well as exploring mutually beneficial opportunities and initiatives with the F&N Group and the Sponsor.

Lease Agreements and Lease Management

The lease agreements entered into for the Properties contain terms and conditions, including those relating to duration of the lease, provision of security deposit as well as alteration and improvement works, generally found in most retail lease agreements in Singapore. The terms are in line with market practice and procedures. In certain instances, these terms have been varied to accommodate the specific needs of major tenants such as right to space expansion, rent-free fitting out period, subletting and assignment rights.

When a prospective tenant has committed to a lease, a security cash deposit equal to three months’ rent and service charge is usually payable. The tenant will take possession of the premises after it has made the requisite payments and has formally executed the lease agreement. Rent and service charge are payable monthly in advance.
As tenant retention is critical to minimising the turnover of leases, the Property Manager will maintain close communication and a good working relationship with the existing tenants. Dialogues and meetings for lease renewal will be held with tenants whose leases are due to expire. Arrears management procedures will also be enforced to ensure timely payment of rent. The Manager believes that these proactive steps to retain tenants and reduce rental in arrears will help to maintain a stable income stream for FCT.

Insurance

The Properties are insured in a manner consistent with industry practice in Singapore. This includes property damage and business interruption insurance, acts of terrorism and public liability insurance (including personal injury) policies. There are no significant or unusual excess or deductible amounts required under such policies. There are, however, certain types of risks that are not covered by such insurance policies, including acts of war. (See Risk Factors — “Risks Relating to Investing in Real Estate — Insurance Proceeds”.)

Legal Proceedings

None of FCT, the Manager and/or the Property Manager is currently involved in any material litigation nor, to the best of the Manager’s knowledge, is any material litigation currently contemplated or threatened against FCT, the Manager or the Property Manager.

Competition

The retail property sector in Singapore remains highly competitive. The principal competitive factors include rental rates, quality and location of properties, supply of comparable space and changing business needs of tenants. The accessibility to and trade mix within a retail property are also major factors in attracting shoppers and tenants.

Causeway Point

Causeway Point benefits from being the only major suburban shopping centre in Woodlands. Due to its significant size and strong tenant mix, it is a popular shopping centre that caters not only to families residing in the nearby estates but also to workers and staff in the nearby commercial and industrial buildings. In terms of location, Causeway Point is superior to several of the retail properties in the northern part of Singapore, given its strategic location adjacent to the Woodlands MRT station and the Woodlands regional bus interchange.

Within the Woodlands vicinity are HDB shops, some of which are part of neighbourhood centres, including Vista Point, Woodlands North Plaza, Admiralty Place and 888 Plaza. These shops focus largely on the provision of basic services and products, covering food outlets, supermarket, education centres, medical and Chinese medical shops and beauty salons. The Manager believes that these neighbourhood centres/HDB shops do not provide a one-stop shopping experience, and hence, are not in direct competition to Causeway Point.

Located opposite Causeway Point is Woodlands Civic Centre. Built in 2001 to house government agencies like the Woodlands Branch Office of the Central Provident Fund Board and the National Library Board, Woodlands Civic Centre has approximately 15,770 sq m (169,747 sq ft) of retail space, anchored by a supermarket and child care and development centres. The northern part of Singapore is also served by three smaller shopping centres, Northpoint Shopping Centre, Sun Plaza and Sembawang Shopping Centre. Sun Plaza, located in Sembawang, has an approximate Net Lettable Area of 14,865 sq m (160,005 sq ft) and is anchored by a community library, a supermarket and a cinema. Also located in Sembawang is Sembawang Shopping Centre, with an approximate Net Lettable Area of 9,023 sq m (97,123 sq ft), anchored by a hypermarket. Sembawang Shopping Centre has received regulatory approval to decant its residential portion totalling a gross floor area of approximately 4,205 sq m (45,262 sq ft).
There is no known new supply of retail space in the vicinity of Causeway Point in the immediate future. Although there is a vacant state land adjoining Causeway Point, no planning approval has been granted for the "white" site to date.

(See Appendix D — “Independent Retail Property Market Overview Report”.)

**Northpoint**

On 5 January 2006, the Northpoint Vendor accepted the Recommendation Letter issued by the COL whereby the COL agreed that it was prepared to recommend to the Singapore Government to alienate the Northpoint Adjacent Land to the Northpoint Vendor and pursuant to such acceptance, the Northpoint Vendor paid the land premium (together with GST thereon) to the COL.

The Recommendation Letter provides that alienation of the Northpoint Adjacent Land is subject to the approval of the President of the Republic of Singapore, and in the event that such approval is not obtained, the land premium (together with the GST thereon) paid by the Northpoint Vendor will be refunded.

One of the conditions specified in the Recommendation Letter is that the Northpoint Vendor must build and construct the New Yishun Building as an extension of Northpoint Shopping Centre.

The New Yishun Building is intended to have a tenancy mix which complements Northpoint Shopping Centre’s existing tenant portfolio and positioning. Further, about 21,500 sq ft of NLA in the New Yishun Building is intended to be leased to the National Library Board for use as a Library. The Manager believes that the inclusion of a new library in the New Yishun Building will help to further increase the shopper traffic in Northpoint Shopping Centre, reinforcing its dominant position as the shopping destination of choice for residents and shoppers within its immediate catchment area.

On completion of the sale and purchase of Northpoint, the Trustee, as trustee for FCT, and the Northpoint Vendor will enter into the Co-operation Agreement to regulate each party’s rights and obligations in connection with the construction of and completion of works for the New Yishun Building and the integration of Northpoint Shopping Centre and the New Yishun Building in order that Northpoint Shopping Centre and the New Yishun Building shall be linked to form a connected retail development.

The closest competing retail properties to Northpoint Shopping Centre are Causeway Point, Sun Plaza and Sembawang Shopping Centre, as described above. Located next to Northpoint Shopping Centre is the Yishun 10 complex (which houses a Golden Village cineplex), and several retail shops including a convenience store and several fast food outlets. Given the limited range of retail shops in the cineplex, the Manager believes that Yishun 10 is not in direct competition with Northpoint Shopping Centre. Instead, the Manager believes that the complex complements Northpoint, which benefits from the flow of cinema-goers from the complex.

In Yishun, there are numerous HDB shops situated around the bus interchange and at the void deck of some of the HDB blocks. As with their counterparts in other HDB estates, these shops generally focus on the provision of basic services and products and are not in direct competition with Northpoint Shopping Centre.

Although there is no new supply in Northpoint Shopping Centre’s micro-market in the immediate future, its secondary trade area will include the addition of approximately 23,860 sq m (256,827 sq ft) of new retail space in Ang Mo Kio Town Centre, slated to open in 2007.

(See Appendix D — “Independent Retail Property Market Overview Report”.)
**Anchorpoint**

The Queenstown area is served by various shopping centres. Directly opposite Anchorpoint, is the IKEA Industrial Building, anchored by IKANO Pte Ltd (formerly known as IKEA Pte Ltd), a popular lifestyle and furnishings retailer. Also in close proximity is Queensway Shopping Centre, which is known for sporting goods and wear. Both IKEA and Queensway Shopping Centre focus on specialised niche markets, which do not overlap with that of Anchorpoint, except for the furniture trade. Anchorpoint, which positions itself as a family shopping destination, offers a wider range of goods and services.

Within the Queenstown and Bukit Merah housing estates are numerous HDB shops, eateries and markets. These focus largely on the provision of basic services and products and are not in direct competition with Anchorpoint. Further out in the secondary trade area is Tiong Bahru Plaza, a sizeable suburban shopping centre, totalling approximately 18,050 sq m (194,288 sq ft) in Net Lettable Area.

New supply of retail space within the same trade area is expected from VivoCity, which is due for completion in October 2006. Located at the HarbourFront area, VivoCity is expected to be Singapore’s largest retail and lifestyle venue, with over one million sq ft of space. However, VivoCity is not expected to be a major threat to Anchorpoint, which will continue to be supported by its catchment area.

(See Appendix D — “Independent Retail Property Market Overview Report”.)
CAUSEWAY POINT

Address
1 Woodlands Square Singapore 738099.

Title
99 years leasehold estate commencing from 30 October 1995.

Description
Causeway Point, the largest shopping centre in FCT’s portfolio, is located in the heart of Woodlands, one of the three regional centres under the Singapore Concept Plan. With a Net Lettable Area of 425,268 sq ft as at 31 December 2005, Causeway Point features seven storeys of shopping and entertainment, a retail basement and two levels of basement carparks. Causeway Point has a strong positioning as a one-stop family-oriented shopping destination for residents in the northern part of Singapore, and affords shoppers a wide range of shopping, dining and leisure activities.

Causeway Point is conveniently located adjacent to two major transportation hubs, the Woodlands MRT station and the Woodlands regional bus interchange, and has a car park facility of 934 lots. Higher levels of shopper traffic resulting from enhanced accessibility have enabled the shopping centre to consistently realize almost full occupancy rates and command strong rentals.

In addition, Causeway Point also benefits from patrons and shopper flow from Woodlands Civic Centre, which is located opposite the shopping centre and houses branch offices of several major government-related agencies such as the CPF Board, Northwest Community Development Council, National Library Board, Singapore Post, and Singapore Power Limited.

Occupancy and Gross Revenue
For FY2005 and the three months ended 31 December 2005, Causeway Point had a weighted average occupancy rate of 99.7% and 100.0% respectively. For FY2005, Causeway Point generated Gross Revenue of S$48.6 million, representing 68.4% of the total Gross Revenue generated by the Properties. For the three months ended 31 December 2005, Causeway Point generated Gross Revenue of S$12.3 million, representing 69.0% of the total Gross Revenue generated by the Properties.

Net Lettable Area (as at 31 December 2005)
425,268 sq ft

Year of Completion
8 October 1998 (based on Temporary Occupation Permit)

Appraised Value (as at 31 December 2005)
S$622,300,000

Tenant Information
As at 31 December 2005, Causeway Point had 157 tenants. The major tenants in Causeway Point include Courts (Singapore) Limited, Metro (Private) Limited, Cold Storage Singapore (1983) Pte Ltd, Cathay Cineplexes Pte Ltd and Horizon Foodmalls (Causeway) Pte Ltd. The 10 largest tenants of Causeway Point in terms of Gross Rent accounted for 43.0% of its total Gross Rent and 66.3% of its total Net Lettable Area as at 31 December 2005. In the same period, no more than 22.5% of the total Gross Rent from Causeway Point was derived from any one trade sub-sector.
Trade sector analysis for Causeway Point

(a) By Gross Rent as at 31 December 2005

The following chart provides a breakdown by Gross Rent of the different trade sectors represented in Causeway Point as at 31 December 2005:

(b) By Net Lettable Area as at 31 December 2005

The following chart provides a breakdown by Net Lettable Area of the different trade sectors represented in Causeway Point as at 31 December 2005:
### Top Ten Tenants

The table below sets out information on the top ten tenants (in terms of Gross Rent) as at 31 December 2005:

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Trade Sub-sector</th>
<th>Lease Expiry Date</th>
<th>Net Lettable Area (sq ft)</th>
<th>Percentage of Total Net Lettable Area (%)</th>
<th>Percentage of Total Gross Rent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courts (Singapore) Limited</td>
<td>Furnishing/Electronics</td>
<td>November 2007</td>
<td>36,147</td>
<td>8.5</td>
<td>8.5</td>
</tr>
<tr>
<td>Metro (Private) Limited(1)</td>
<td>Department Store/Health &amp; Beauty</td>
<td>November 2008 and May 2009(2)</td>
<td>74,714</td>
<td>17.6</td>
<td>7.7</td>
</tr>
<tr>
<td>Cathay Cineplexes Pte Ltd</td>
<td>Entertainment</td>
<td>January 2006(5)</td>
<td>55,699</td>
<td>13.1</td>
<td>6.0</td>
</tr>
<tr>
<td>Horizon Foodmalls (Causeway) Pte Ltd</td>
<td>Food &amp; beverages</td>
<td>November 2006</td>
<td>24,555</td>
<td>5.8</td>
<td>4.9</td>
</tr>
<tr>
<td>John Little Private Limited</td>
<td>Department Store</td>
<td>October 2007</td>
<td>20,797</td>
<td>4.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Popular Book Company Pte Ltd</td>
<td>Books/Gifts/Crafts</td>
<td>October 2012</td>
<td>9,544</td>
<td>2.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Kiddy Palace Pte Ltd</td>
<td>Fashion</td>
<td>November 2009</td>
<td>13,931</td>
<td>3.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Giordano Originals (Singapore) Private Limited</td>
<td>Fashion</td>
<td>December 2007</td>
<td>1,926</td>
<td>0.4</td>
<td>1.5</td>
</tr>
<tr>
<td>L.A.I. Singapore Pte Ltd</td>
<td>Entertainment</td>
<td>November 2007</td>
<td>9,343</td>
<td>2.2</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>281,829</strong></td>
<td><strong>66.3</strong></td>
<td><strong>43.0</strong></td>
</tr>
</tbody>
</table>

#### Notes:

1. Includes the leases for Metro Department Store and Clinique Service Centre.
2. 406 sq ft will expire in November 2008 and 74,308 sq ft will expire in May 2009.
4. 498 sq ft will expire in August 2007 and 34,675 sq ft will expire in November 2007.
5. This lease has expired in January 2006 and the space has been reconfigured, of which 32,851 sq ft has been renewed for a period of six years and has been leased to Cathay Cineplexes Pte Ltd. The remaining space has been reconfigured into two different leases, of which one lease has been entered into with Apex-Pal International Ltd. trading as Sakae Sushi which occupies 4,417 sq ft and the remaining space of 13,270 sq ft has been leased to Banquet Holdings Pte. Ltd. as a halal foodcourt. The reconfiguration has resulted in re-zoning of approximately 5,161 sq ft as common area.
### Expiries and Renewals

The following table sets out information on leases that have expired and those that have been renewed by the existing tenants during the periods indicated:

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of expired leases(1)</th>
<th>Net Lettable Area of expired leases (sq ft)</th>
<th>Number of expired leases renewed</th>
<th>Total Net Lettable Area of leases renewed (sq ft)</th>
<th>Renewal rate by number of expired leases (%)</th>
<th>Renewal rate by Net Lettable Area of expired leases (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2003</td>
<td>10</td>
<td>4,928</td>
<td>9</td>
<td>4,490</td>
<td>90.0</td>
<td>91.1</td>
</tr>
<tr>
<td>FY2004</td>
<td>10</td>
<td>104,759</td>
<td>8</td>
<td>104,423</td>
<td>80.0</td>
<td>99.7</td>
</tr>
<tr>
<td>FY2005</td>
<td>132</td>
<td>226,964</td>
<td>112</td>
<td>215,142</td>
<td>84.8</td>
<td>94.8</td>
</tr>
<tr>
<td>Three months ended</td>
<td>7</td>
<td>16,552</td>
<td>7</td>
<td>16,552</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Total/Average</td>
<td>159</td>
<td>353,203</td>
<td>136</td>
<td>340,607</td>
<td>85.5</td>
<td>96.4</td>
</tr>
</tbody>
</table>

**Note:**

(1) Excluding leases which were pre-terminated.

The table below sets out information of leases, as at 31 December 2005, that will expire during the periods indicated:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total number of expiring leases(1)</th>
<th>Net Lettable Area of expiring leases (sq ft)</th>
<th>Expiring leases as a percentage of Net Lettable Area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2006</td>
<td>10</td>
<td>61,665</td>
<td>14.5</td>
</tr>
<tr>
<td>FY2007</td>
<td>22</td>
<td>37,595</td>
<td>8.8</td>
</tr>
<tr>
<td>FY2008</td>
<td>112</td>
<td>188,994</td>
<td>44.5</td>
</tr>
<tr>
<td>Beyond FY2008</td>
<td>37</td>
<td>137,014</td>
<td>32.2</td>
</tr>
<tr>
<td>Total</td>
<td>181</td>
<td>425,268</td>
<td>100</td>
</tr>
</tbody>
</table>

**Note:**

(1) This refers to the number of lease agreements.
Address
930 Yishun Avenue 2 Singapore 769098.

Title
99 years leasehold commencing from 1 April 1990.

Description
Northpoint is part of Northpoint Shopping Centre, the pioneer suburban shopping centre in Yishun Town, which consistently draws a high volume of visitors. Northpoint Shopping Centre comprises a four-storey shopping complex with two basement retail floors, one basement carpark, and a two-storey building extension. Northpoint Shopping Centre is conveniently linked to the Yishun MRT station through its basement and is situated between the Yishun bus interchange and the Yishun 10 complex (which houses a Golden Village cineplex).

Northpoint has tenants with brand names typically found along Orchard Road, Singapore’s premier shopping and tourist precinct. A wide assortment of apparel, jewellery, footwear and food outlets tenanted by quality tenants like John Little Private Limited, Cold Storage Singapore (1983) Pte Ltd and Popular Book Company Pte Ltd are offered at Northpoint. Northpoint also houses an entertainment centre on the fourth level, “Timezone”, comprising 7,007 sq ft of Net Lettable Area as at 31 December 2005.

In 2001, Northpoint Shopping Centre was refurbished and an external staircase was built connecting the corner unit on the second floor to the first floor. This unit now houses the Starbucks cafe. In 2002, a new two-storey building extension housing food outlets such as Old Chang Kee and Ya Kun Kaya Toast, and specialty shops such as GNC, were added to Northpoint Shopping Centre. This extension is part of the common property of Northpoint Shopping Centre and is currently managed by the Northpoint Management Corporation, as is the basement carpark comprising 194 parking lots. It is intended that FCT will appoint a liquidator for the purpose of winding up the affairs of the Northpoint Management Corporation and liquidate the Northpoint Management Corporation. The extension and the basement carpark will, upon the liquidation of the Northpoint Management Corporation, be owned by FCT.

Northpoint offers a “one-stop” shopping, dining and entertainment destination for the residents of Yishun, an enjoyable diversion for the cinema-goers, and an attractive destination for non-residents given its accessibility and diversity.

Occupancy and Gross Revenue
For FY2005 and the three months ended 31 December 2005, Northpoint had an average occupancy rate of 99.6% and 99.3% respectively. For FY2005, Northpoint generated Gross Revenue of S$17.8 million, representing 25.1% of the total Gross Revenue generated by the Properties. For the three months ended 31 December 2005, Northpoint generated Gross Revenue of S$4.4 million, representing 24.8% of the total Gross Revenue generated by the Properties.

Net Lettable Area (as at 31 December 2005)
144,227 sq ft (including the B1 Units but excluding the two-storey building extension)

149,243 sq ft (including both the B1 Units and the two-storey building extension)
Year of Completion

2 December 1992 (based on Temporary Occupation Permit issued in respect of Unit #B2-10 only) and 12 November 1992 (based on Temporary Occupation Permit issued in respect of Northpoint Shopping Centre (excluding Unit #B2-10))

Appraised Value (as at 31 December 2005)

S$255,900,000 based on the Net Lettable Area of 149,243 sq ft as at 31 December 2005 (which includes the Net Lettable Areas of the B1 Units and the two-storey building extension)

Tenant Information

The major tenants in Northpoint include Cold Storage Singapore (1983) Pte Ltd, Food-Link Services Pte Ltd, Popular Book Company Pte Ltd and Pertama Merchandising Pte Ltd. The 10 largest tenants of Northpoint in terms of Gross Rent together accounted for 43.8% of its total Gross Rent and 59.3% of its total Net Lettable Area as at 31 December 2005. In the same period, no more than 32.8% of the total Gross Rent from Northpoint was derived from any one trade sub-sector.

Trade sector analysis for Northpoint

(a) By Gross Rent as at 31 December 2005

The following chart provides a breakdown by Gross Rent of the different trade sectors represented in Northpoint as at 31 December 2005:
(b) By Net Lettable Area as at 31 December 2005

The following chart provides a breakdown by Net Lettable Area of the different trade sectors represented in Northpoint as at 31 December 2005:

Top Ten Tenants

As at 31 December 2005, Northpoint had 74 tenants. The major tenants in Northpoint include Cold Storage Singapore (1983) Pte Ltd, Food-Link Services Pte Ltd which operates The Food Mall in basement two (a 19-stall food-court occupying 16,738 sq ft), Popular Book Company Pte Ltd which operates Popular bookstore, and Pertama Merchandising Pte Ltd which operates Harvey Norman.

The table below sets out information on the top ten tenants (in terms of Gross Rent) as at 31 December 2005:

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Trade Sub-sector</th>
<th>Lease Expiry Date</th>
<th>Net Lettable Area (sq ft)</th>
<th>Percentage of Total Net Lettable Area (%)</th>
<th>Percentage of Total Gross Rent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Furnishing/Electronics/</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health &amp; Beauty</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food-Link Services Pte Ltd</td>
<td>Food &amp; beverages</td>
<td>December 2008</td>
<td>16,738</td>
<td>11.6</td>
<td>8.2</td>
</tr>
<tr>
<td>Popular Book Company Pte Ltd</td>
<td>Books/Gifts/Crafts</td>
<td>January 2008</td>
<td>13,624</td>
<td>9.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Pertama Merchandising Pte Ltd</td>
<td>Furnishing/Electronics</td>
<td>July 2006</td>
<td>6,783</td>
<td>4.7</td>
<td>4.4</td>
</tr>
<tr>
<td>John Little Private Limited</td>
<td>Department Store</td>
<td>June 2006</td>
<td>10,947</td>
<td>7.6</td>
<td>4.1</td>
</tr>
<tr>
<td>RSH (Singapore) Pte Ltd</td>
<td>Fashion</td>
<td>November 2007</td>
<td>2,680</td>
<td>1.9</td>
<td>3.0</td>
</tr>
<tr>
<td>McDonald’s Restaurants Pte Ltd</td>
<td>Food &amp; beverages</td>
<td>November 2007</td>
<td>2,874</td>
<td>2.0</td>
<td>2.8</td>
</tr>
<tr>
<td>ABR Holdings Limited</td>
<td>Food &amp; beverages</td>
<td>August 2008</td>
<td>3,380</td>
<td>2.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Bata Shoe (Singapore) Private Limited</td>
<td>Fashion</td>
<td>November 2007</td>
<td>2,164</td>
<td>1.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Oversea-Chinese Banking Corporation Limited</td>
<td>Services</td>
<td>November 2007</td>
<td>1,862</td>
<td>1.3</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>85,474</strong></td>
<td><strong>59.3</strong></td>
<td><strong>43.8</strong></td>
</tr>
</tbody>
</table>

Notes:

(1) Includes the leases for Cold Storage Singapore (1983) Pte Ltd, Guardian Pharmacy and Handifix.
(2) 1,420 sq ft will expire in November 2008 and 23,002 sq ft will expire in November 2011.
### Expiries and Renewals

The following table sets out information on leases that have expired and those that have been renewed by the existing tenants during the periods indicated:

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of expired leases</th>
<th>Net Lettable Area of expired leases (sq ft)</th>
<th>Number of expired leases renewed</th>
<th>Total Net Lettable Area of leases renewed (sq ft)</th>
<th>Renewal rate by number of expired leases (%)</th>
<th>Renewal rate by Net Lettable Area of expired leases (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2003</td>
<td>17</td>
<td>30,717</td>
<td>15</td>
<td>29,770</td>
<td>88.2</td>
<td>96.9</td>
</tr>
<tr>
<td>FY2004</td>
<td>11</td>
<td>14,702</td>
<td>9</td>
<td>13,130</td>
<td>81.8</td>
<td>89.3</td>
</tr>
<tr>
<td>FY2005</td>
<td>44</td>
<td>76,459</td>
<td>39</td>
<td>72,311</td>
<td>88.6</td>
<td>94.6</td>
</tr>
<tr>
<td>Three months ended 31 December 2005</td>
<td>7</td>
<td>24,809</td>
<td>6</td>
<td>21,892</td>
<td>85.7</td>
<td>88.2</td>
</tr>
<tr>
<td><strong>Total/Average</strong></td>
<td><strong>79</strong></td>
<td><strong>146,687</strong></td>
<td><strong>69</strong></td>
<td><strong>137,103</strong></td>
<td><strong>87.3</strong></td>
<td><strong>93.5</strong></td>
</tr>
</tbody>
</table>

Note:
(1) Excluding leases which were pre-terminated.

The table below sets out information of leases, as at 31 December 2005, that will expire during the periods indicated:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total number of expiring leases</th>
<th>Net Lettable Area of expiring leases (sq ft)</th>
<th>Expiring leases as a percentage of Net Lettable Area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2006</td>
<td>12</td>
<td>24,341</td>
<td>16.9</td>
</tr>
<tr>
<td>FY2007</td>
<td>12</td>
<td>14,541</td>
<td>10.1</td>
</tr>
<tr>
<td>FY2008</td>
<td>42</td>
<td>55,490</td>
<td>38.5</td>
</tr>
<tr>
<td>Beyond FY2008</td>
<td>11</td>
<td>49,855</td>
<td>34.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77</strong></td>
<td><strong>144,227</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Note:
(1) This refers to the number of lease agreements.
ANCHORPOINT

Address
368 and 370 Alexandra Road Singapore 159952/3.

Title
Freehold.

Description
Situated in Queenstown, the first satellite town built by HDB, Anchorpoint is strategically located at the junction of Queensway and Alexandra Road, which are well served by public transport. Anchorpoint is also accessible via the Queenstown MRT station which is about 600 metres away.

Anchorpoint is a boutique mall serving an immediate population of approximately 73,000 residents in its primary trade area, including two sizeable private residential developments, The Anchorage, located adjacent to the shopping centre, and Queens, located near the Queenstown MRT station. In total, these two residential developments comprise approximately 1,500 units. Anchorpoint comprises of two levels of shops located on the first storey and first basement level of a five-storey commercial-cum-residential block with a basement carpark (which comprises 130 parking lots and is part of the common property managed by the Anchorpoint Management Corporation) and a two-storey freestanding building that was given conservation status in 1993 under the URA's voluntary conservation scheme.

Across Alexandra Road from Anchorpoint, accessible by an overhead bridge, is IKEA Industrial Building, which is anchored by IKANO Pte Ltd (formerly known as IKEA Pte Ltd) which operates IKEA, the popular lifestyle and furnishing retail shop. This is the only IKEA outlet in Singapore and attracts a high volume of visitors. Accordingly, Anchorpoint also benefits from IKEA's visitor volume. On the south-west of Anchorpoint is Queensway Shopping Centre, which is known for selling sporting goods and wear, and which also contributes to the volume of visitors to the area and, accordingly, benefits Anchorpoint.

In FY2004, Anchorpoint embarked on change in tenant mix and repositioning exercise. Anchorpoint emerged from the repositioning as a vibrant food and beverage hub which offers both residents of and visitors to Queenstown and Alexandra Road areas a wide variety of food and beverage, together with specialty shops that deal in home furnishings, gifts and apparel. The annual volume of visitors at Anchorpoint increased from 2.4 million in 2003 to 3.0 million in 2005.

Occupancy and Gross Revenue
For FY2005 and the three months ended 31 December 2005, Anchorpoint had an average occupancy rate of 95.9% and 93.6% respectively. For FY2005, Anchorpoint generated Gross Revenue of S$4.6 million, representing 6.5% of the total Gross Revenue generated by the Properties. For the three months ended 31 December 2005, Anchorpoint generated Gross Revenue of S$1.1 million, representing 6.2% of the total Gross Revenue generated by the Properties.

Net Lettable Area (as at 31 December 2005)
71,000 sq ft

Year of Completion
15 January 1997 (based on Temporary Occupation Permit)

Appraised Value (as at 31 December 2005)
S$36,975,000
Tenant Information
As at 31 December 2005, Anchorpoint had 44 tenants. The major tenants in Anchorpoint include Cold Storage Singapore (1983) Pte Ltd, Oscar’s Food Mall (A.P.) Pte. Ltd., Novena Furnishings Centre Pte. Ltd. and Tung Lok Millennium Pte Ltd. The 10 largest tenants of Anchorpoint in terms of Gross Rent together accounted for 58.8% of its total Gross Rent and 61.0% of its total Net Lettable Area as at 31 December 2005. In the same period, no more than 23.4% of the total Gross Rent from Anchorpoint was derived from any one trade sub-sector.

Trade sector analysis for Anchorpoint

(a) By monthly Gross Rent as at 31 December 2005
The following chart provides a breakdown by monthly Gross Rent of the different trade sectors represented in Anchorpoint as at 31 December 2005:

(b) By Net Lettable Area as at 31 December 2005
The following chart provides a breakdown by Net Lettable Area of the different trade sectors represented in Anchorpoint as at 31 December 2005:
**Top Ten Tenants**

The table below sets out information on the top ten tenants (in terms of Gross Rent) as at 31 December 2005:

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Trade Sub-sector</th>
<th>Lease Expiry Date</th>
<th>Net Lettable Area</th>
<th>Percentage of Total Net Lettable Area</th>
<th>Percentage of Total Gross Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oscar’s Food Mall (A. P.) Pte. Ltd.</td>
<td>Food &amp; beverages</td>
<td>July 2006</td>
<td>6,534</td>
<td>9.2</td>
<td>7.8</td>
</tr>
<tr>
<td>Novena Furnishings Centre Pte. Ltd.</td>
<td>Furnishing/Electronics</td>
<td>October 2006</td>
<td>6,297</td>
<td>8.9</td>
<td>6.5</td>
</tr>
<tr>
<td>Tung Lok Millennium Pte Ltd</td>
<td>Food &amp; beverages</td>
<td>August 2007</td>
<td>4,704</td>
<td>6.6</td>
<td>4.3</td>
</tr>
<tr>
<td>Sin Hup Furniture</td>
<td>Furnishing/Electronics</td>
<td>November 2006</td>
<td>2,746</td>
<td>3.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Standard Chartered Bank</td>
<td>Services</td>
<td>June 2006</td>
<td>1,561</td>
<td>2.2</td>
<td>3.7</td>
</tr>
<tr>
<td>Watson’s Personal Care Stores Pte Ltd</td>
<td>Health &amp; Beauty</td>
<td>October 2007</td>
<td>1,949</td>
<td>2.7</td>
<td>3.6</td>
</tr>
<tr>
<td>The White Collection Pte Ltd</td>
<td>Furnishing/Electronics</td>
<td>October 2006</td>
<td>3,444</td>
<td>4.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Kentucky Fried Chicken Management Pte Ltd</td>
<td>Food &amp; beverages</td>
<td>April 2006(3)</td>
<td>1,087</td>
<td>1.5</td>
<td>2.9</td>
</tr>
<tr>
<td>RSH (Singapore) Pte Ltd</td>
<td>Fashion</td>
<td>April 2006(4)</td>
<td>1,356</td>
<td>1.9</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>43,327</strong></td>
<td><strong>61.0</strong></td>
<td><strong>58.8</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. Includes the leases for Cold Storage Singapore (1983) Pte Ltd, Guardian Pharmacy, 7-Eleven and Photo Finish.
2. 12,917 sq ft expired in April 2006 and has been extended by a further six months to October 2006, 495 sq ft will expire in July 2007 and 237 sq ft will expire in August 2006.
3. Lease expired in April 2006 and has been renewed till April 2009.
4. Lease expired in April 2006 and was not renewed.
## Expiries and Renewals

The following table sets out information on leases that have expired and those that have been renewed by the existing tenants during the periods indicated:

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of expired leases</th>
<th>Net Lettable Area of expired leases (sq ft)</th>
<th>Number of renewed leases</th>
<th>Total Net Lettable Area of leases renewed (sq ft)</th>
<th>Renewal rate by number of expired leases (%)</th>
<th>Renewal rate by Net Lettable Area of expired leases (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2003</td>
<td>30</td>
<td>47,485</td>
<td>18</td>
<td>25,317</td>
<td>60.0</td>
<td>53.3(2)</td>
</tr>
<tr>
<td>FY2004</td>
<td>12</td>
<td>12,634</td>
<td>9</td>
<td>11,902</td>
<td>75.0</td>
<td>94.2</td>
</tr>
<tr>
<td>FY2005</td>
<td>10</td>
<td>8,422</td>
<td>7</td>
<td>4,580</td>
<td>70.0</td>
<td>54.4(2)</td>
</tr>
<tr>
<td>Three months ended 31 December 2005</td>
<td>3</td>
<td>2,477</td>
<td>3</td>
<td>2,477</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total/Average</strong></td>
<td><strong>55</strong></td>
<td><strong>71,018</strong></td>
<td><strong>37</strong></td>
<td><strong>44,276</strong></td>
<td><strong>67.3</strong></td>
<td><strong>62.3</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. Excluding leases which were pre-terminated.
2. These low renewal rates were mainly due to the non-renewal of the leases of two major tenants in FY2003 and a major tenant in FY2005. These areas had since been leased and are presently occupied by seven tenants.

The table below sets out information of leases, as at 31 December 2005, that will expire during the periods indicated:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total number of expiring leases (1)</th>
<th>Net Lettable Area of expiring leases (sq ft)</th>
<th>Expiring leases as a percentage of Net Lettable Area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2006</td>
<td>22</td>
<td>35,721</td>
<td>50.3</td>
</tr>
<tr>
<td>FY2007</td>
<td>19</td>
<td>26,377</td>
<td>37.2</td>
</tr>
<tr>
<td>FY2008</td>
<td>6</td>
<td>4,285</td>
<td>6.0</td>
</tr>
<tr>
<td>Beyond FY2008</td>
<td>3</td>
<td>3,229</td>
<td>4.5</td>
</tr>
<tr>
<td>Vacant space</td>
<td>3</td>
<td>1,388</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>53</strong></td>
<td><strong>71,000</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Note:**

1. This refers to the number of lease agreements.
The Manager commissioned Knight Frank Pte Ltd to prepare the “Independent Retail Property Market Overview Report” dated 31 December 2005 (see Appendix D — “Independent Retail Property Market Overview Report”). This summary (which has also been prepared by Knight Frank Pte Ltd) covers the key findings from the said report. It includes the outlook for Singapore’s economy; macro level analysis for the retail property market covering the islandwide supply, demand, price and rental trends; the performance of the retail sector; demand drivers for retail space; and trends in the retail property investment market. Similar analysis on the respective micro-markets in which Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre are located are also discussed.

General Economy

Advanced estimates by the Ministry of Trade and Industry indicate that the economy expanded at a healthy rate in 2005 with a Gross Domestic Product ("GDP") growth of 5.7%. Inflation remains a medium term concern given that the domestic economy is close to its potential output level, and there also exists upside risks to external inflation. The Monetary Authority of Singapore has forecast inflation to average between 1.0% to 1.5% in 2006, with an anticipated rise in oil-related price pressures and a modest pick-up in domestic costs. The Government’s view is that barring unforeseen negative shocks, the Singapore economy could still expand at a moderate GDP growth of 3.0% to 5.0% in 2006.

Retail Sector Performance Review

Retail Sales Performance

The retail industry is very susceptible to changing market conditions. As real GDP increases, demand for goods and services increases, which in turn boosts retail sales. The economic outlook thus has a strong bearing on retail sales and the performance of the retail property market sector. During the Asian Financial Crisis in 1998, the retail sector suffered a double blow with a slump in external demand as well as domestic belt-tightening as a result of economic uncertainty. Excluding sales of motor vehicles, retail sales in real terms contracted by 8.6% year-on-year in 1998. After the Asian Financial Crisis, retail sales rose by 7.8% and 7.3% on a year-on-year basis in 1999 and 2000 respectively. Retail sales growth slowed to 0.5% year-on-year the following year, in the aftermath of the 11 September 2001 terrorist attacks on the US. The retail sector also recorded a year-on-year decline of 2.9% in 2003 reflecting the impact of SARS. Nonetheless, since 3Q 2003, the sector has shown consistent growth. In November 2005, the sector notched a year-on-year growth of 4.1% over November 2004.

Performance of the Various Segments in the Retail Sector

The retail sector in 2005 has been supported by the strong expansions of various segments, including food and beverage, recreational goods, telecommunications apparatus and computers, optical goods and books, restaurants, fast food outlets, medical goods and toiletries. Many of these segments registered double-digit year-on-year growths in November 2005 except for fast food outlets and medical and toiletries.
Examination of Key Drivers and Indicators

Overview of Singapore’s Demographic Trends

The mid-year estimates from the Department of Statistics showed that the total resident population in Singapore comprising citizens and permanent residents was around 3.5535 million in 2005 as compared to 3.4869 million in 2004. The resident population grew by 1.9% between 2004 and 2005, and at an average annual rate of about 1.7% from 1995 to 2005. Non-resident population in mid-2005 was 797,900 as compared to 753,400 in mid-2004 (or an increase of about 5.9%). The total population of Singapore comprising residents and foreigners residing for a minimum of 1 year increased at an average annual rate of 5.4% from 1995 to 2005. In 2005, the total population of Singapore was 4.3514 million compared with 4.2403 million in 2004, a 2.6% increase. The influx of working expatriates is another factor that has an impact on retail consumption. The influx of expatriates is expected to increase as a result of the increasing number of multinational corporations expanding their businesses to Singapore to gain access to the fast-growing Asia markets. This will have a favourable impact on the retail industry.

Per Capita Income

Per capita GDP grew from S$33,142 in 1995 to S$42,567 in 2004, translating to an average annual growth rate of 2.5%. It has been observed that as people become more affluent, shopping trends have also changed with more people now patronizing shopping centres rather than HDB shops or road-side stores. The unemployment rate dipped to 3.3% in September 2005 from 3.4% in June 2005. This trend bodes well for retailers. There are signs that the retail scene for 2006 will do better than that in 2005 if the economic climate remains buoyant.

Retail Sales Turnover and Retail Sales Turnover Per Square Foot

Annual retail sales turnover peaked at S$28.6 billion in 2000. Over the years, retail sales turnover per square foot of occupied retail space declined as the market became more competitive, as more and more malls sprung up. Going forward, with the economic outlook improving and bolstered by rising employment, retail sales turnover should remain fairly robust. Due to the large oncoming supply of retail space from VivoCity in 2006, we expect to see steady retail sales turnover per square foot.

Macro Market Overview of the Retail Property Market

Islandwide Retail Stock

Generally, there was no major increase in the stock of retail space over the past 3 years. According to URA estimates, total stock of retail space (the aggregate of private sector and public sector stocks in terms of Net Lettable Area) in Singapore was about 3.144 million sq m as at the end of 3Q 2005. Total stock of retail space has decreased steadily by 21,000 sq m since end-2003. Retail space outside the Central Region\(^1\) (i.e. suburban areas) accounts for about 31.7% of the total stock of retail space while Orchard Planning Area\(^2\) accounts for about 11.6%, Rest of Central Area about 16.4%, and Downtown Core Area about 9.6%. The overall occupancy level as at 3Q 2005 islandwide is about 92.0%.
Note:

(1) As defined by URA, Central Region Central Area and Fringe Area. The Central Area includes the following planning areas: Downtown Core, Orchard, Outram, Museum, Newton, River Valley, Singapore River, Marina East, Straits View and Rochor. (Map of Central Region is found in Map A). All areas not covered in the Central Region are considered as “outside the Central Region” or “suburban” as commonly referred to.

(2) As defined by URA, Orchard Planning Area is bounded by Claymore Road and Scotts Road to the north, Central Expressway and Oxley Road to the east, Eber Road and Orchard Boulevard to the south and Grange Road and Tanglin Road to the west.

Of the 2.002 million sq m of private sector retail space in Singapore, an estimated 81.9% is found in the Central Region while the balance 18.1% (or 363,000 sq m) is found in the suburban areas. For the 2.002 million sq m stock within the Central Region, the distribution is as follows: Orchard Planning Area comprises 22.1%, Downtown Core comprises 15.9%, Rest of Central Area comprises 26.9%, and Fringe Area comprises 35.1%. (Please refer to Map A — “Map of Central Region” above for the boundary of these planning areas, namely, Downtown Core, Orchard Area, Rest of Central Area and Fringe Area).

Although private retail stock increased by 11.9% over the last ten years, per capita retail space has declined marginally from 0.51 sq m in 1995 to 0.46 sq m currently; but overall it was fairly stable throughout the 10-year period. This is largely due to a corresponding increase in total population, which grew by about 23.4% over the last 10 years, from about 3.53 million to 4.35 million. Generally, there was no major increase in the stock of private retail space over the past 3 years. In fact there was a marginal decrease of about 4,000 sq m in the suburban areas. The well-regulated release of land for commercial uses by the Government has ensured a well-balanced retail space supply to support an increasing population base.

Islandwide Demand, Supply and Occupancy Rate of Private Retail Space

The occupancy rate of private retail space fell by 0.86 percentage points between 1Q 1998 and 1Q 1999, when the Asian Financial Crisis hit Singapore. Apart from temporary declines coinciding with events such as the terrorist attacks on the US on 11 September 2001, the Bali Bombing, the Iraq War and the SARS outbreak, occupancy rate of private sector space has been generally healthy at above 85% all these years. Islandwide occupancy rate of private retail space in 3Q 2005 improved by 0.5 percentage points over that in the previous quarter, while that for suburban areas declined by 0.2 percentage points during the same period. Suburban malls have enjoyed high occupancy rates of more
than 90% all these years since the last low of 87.2% in 2Q 2000. The occupancy rate for private retail space in suburban areas in 3Q 2005 stood at 95.9%.

**Potential Retail Supply Islandwide**

According to URA estimates, there will be an additional supply of 545,000 sq m of retail space within the next 5 years, comprising 468,000 sq m of private retail space and 77,000 sq m of public retail space. The additional private retail space supply of 468,000 sq m contributes 19.9% (inclusive of existing stock) of the total potential stock of private retail space. About 131,000 sq m and 22,000 sq m of private space currently under construction are expected to add to the islandwide stock in 2006 and 2007 respectively. There is only one suburban project under construction, a shopping development at Ang Mo Kio Central, that is along the same North-South MRT line as Northpoint Shopping Centre and Causeway Point. It has a gross floor area (“GFA”) of about 23,860 sq m and is slated for completion by 2007. This will not be a major threat to Northpoint Shopping Centre and Causeway Point as they are fairly established and have captive catchments from the housing estates in their neighbourhoods. This project of 23,860 sq m will contribute only 5.6% to the total potential stock of suburban retail space.

Recently, URA announced its confirmed list and reserve list of Government Land Sales (“GLS”) for the first half of 2006. Only one site in Collyer Quay (with a potential GFA of 10,000 sq m for lifestyle and retail use) is in the confirmed list. There are 12 residential sites, 2 commercial cum residential sites, 4 commercial sites, 2 “white” sites and 3 hotel sites in the reserve list for the first half of 2006. Singapore Tourism Board (“STB”) will also offer (on short-term lease of between 10 to 30 years) one parcel of land next to Faber House and another next to Orchard Building for multi-concept lifestyle establishments to add retail vibrancy to Orchard Road.

Over the next three to five years there will be at least two new suburban malls coming up from the GLS awarded between June and October 2005: (i) the development on Jurong West land parcel P3 located at Jurong West Central 3/Jurong West Street 64, to be developed by Prime Point Realty Development Pte Ltd, could yield a potential GFA of about 46,933 sq m of retail space; and (ii) the development on Choa Chu Kang P2 located at Yew Tee Close/Choa Chu Kang North 6, to be developed by Choice Homes Alpha Pte Ltd, could yield a potential GFA of about 10,880 sq m.

In the medium to long term, there will be less than a handful of sites for retail development in the suburban areas. However, suburban malls at the MRT or LRT nodes and in town centres will continue to dominate as shopping venues for residents living in major housing estates in the heartlands. They enjoy the clear advantages of captive residential populations and easy accessibility via convenient public transport. The GLS programme will continue to supply land adjacent to MRT or LRT stations for future commercial developments.

In the Central Area, the three sites in Orchard Area, namely the Orchard Turn Site sold in December 2005 and the two sites at Somerset that could be sold in the next few months, could yield a total supply of another 139,200 sq m of retail space. These new supply to Orchard Area will only come in 2008, at the earliest, from these sites. The developer for the Business Financial Centre site at Marina Boulevard has announced that the mega commercial project that comprises mainly office space will have about 9,000 sq m of retail space. This will add to the existing stock in the Downtown Area.

There is limited oncoming supply of retail space in the suburban areas in the northern region of Singapore over the next two years. Most of the larger supply of suburban retail space arises from several new developments in the Fringe Area and western and eastern suburban areas.
Price Trend of Retail Properties

Singapore's retail property market has experienced two major cycles of booms and busts since the mid-1990s. Retail property prices on average fell by almost 41.0% from 3Q 1996 to hit a trough in 3Q 1999 during the Asian Financial Crisis. They recovered by about 19.0% between 3Q 1999 and 1Q 2001. Over three years starting in 2Q 2001, retail property prices on average contracted 18.5% before climbing out of the abyss in 2Q 2004. Since then, the growth in capital values of retail real estate has been gathering strength. In 3Q 2005 retail property prices grew by about 5.6% from the previous quarter as well as by 4.4% on a year-on-year basis.

In light of the economic recovery, the average price of retail space is expected to pick up in 2006.

Rental Trend of Retail Property

The retail property rental trend generally corresponds to the retail property price trend. Retail rents experienced two troughs in the last 10 years. They contracted by 18.9% between the peak in 4Q 2000 to the trough in 1Q 2004. In the next 6 quarters to 3Q 2005 they recovered by 7.3%, including a growth of 3.7% between 3Q 2004 and 3Q 2005.

Retail Real Estate Market Outlook

The outlook for the retail industry appears to be positive on the back of improving regional and local economies, the return of consumer confidence, rising employment rates and the increase in tourist arrivals. This optimism has already been reflected in a buoyant stock market and could translate into improved retail spending from 2006 onwards. Market confidence in the retail property market was evident in the land price of S$1.38 billion or S$10,976 per sq m per plot ratio paid for the Orchard Turn Site under a URA tender in December 2005. This site will generate 125,726 sq m of GFA of which 70.0% to 75.0% will be for retail use. Targeted for completion by end-2008, it will revitalise the Orchard Road retail scene.

There are 12 residential sites, 2 commercial cum residential sites, 4 commercial sites, 3 hotel sites and 2 "white" sites on the Reserve List under the GLS Program for the first half of 2006. These sites can potentially yield about 4,320 private residential units, 125,500 sq m of commercial space and 1,305 hotel rooms. None of these sites are located in the Yishun, Woodlands or Alexandra areas where Northpoint, Causeway Point and Anchorpoint, respectively, are located except for one residential site at Woodlands Avenue 2/Rosewood Avenue in Woodlands that could yield 195 residential units. This will provide potential shopper catchment for Causeway Point in 2 to 3 years' time if the site is sold in 2006. This is likely to translate into continuing support for retail rentals in Causeway Point's micro-market.

The outlook for the job market is also expected to continue to improve. The 2005 Budget announcement to cut the personal income tax rate by 2.0% over two years for top earners, as well as a smaller percentage for the majority of tax payers, can bring about more disposable income and this can be expected to have a positive effect on the retail market.

The proposed development of the two Integrated Resorts is expected to benefit the retail and hospitality sectors by stimulating spending. With the completion of the two resorts, STB aims to double the number of tourist arrivals in Singapore to 16 million per year. The duration of foreign visitors' stay in Singapore is also expected to lengthen. The two resorts are expected to result in incremental GDP growth of at least S$1.5 billion per annum, in terms of increased contribution from the tourism and services sectors. Furthermore, up to 35,000 new jobs could be created as a result of the two resorts.

Barring any unexpected negative events, the economy is expected to be much more stable in 2006 and consumer confidence more upbeat. Indeed we are witnessing continued leasing activities as well as a surge in enquiries for retail space. With the supply of good quality space being limited and occupancy remaining healthy, rents and prices are expected to rise in 2006 and 2007. New entrants will come into the retail industry and demand for retail space will rise. The retail market should remain healthy in year
2006, as there is only one concentrated large supply, namely the completion of VivoCity at the fringe of the Central Region. It could put pressure on retail rents although the effects could be localized and may not have any impact on suburban locations away from the area. Rents on the whole could rise by 1.0% to 4.0% in 2006 and 2007. We foresee that rentals, in general, will hold steady or even exhibit a slight increase of 2.0% to 3.0% if economic conditions remain firm in 2006. Overall, retail property net yields are likely to remain stable at around 5.0% to 6.0%.

Over the medium term (3 to 5 years) and longer term (5 to 10 years), the retail market can be expected to mirror the broader economy. It is important to reiterate that supply conditions have been, and will likely remain, positive because the Government regulates pipeline supply fairly closely. Suburban malls tend to enjoy some monopoly in the respective trade areas with the Government’s well-regulated land supply policy.

On a competitive level, retail rental rates which underpin retail capital values, should exhibit a similar pattern to the islandwide retail industry trend. Retail rents in the Yishun and Woodlands areas may even outperform average trends because of an increasing number of housing units, especially from new residential developments currently under construction around the Yishun, Sembawang and Woodlands areas.

**Retail Investment Market**

There have been a total of 42 major retail investment transactions since 1995. The investment sales market rebounded strongly in 2004 on the back of continued land purchases by developers and the conclusion of more acquisitions by property funds. This trend continued into 2005. Total investment sales in 2005 stood at S$13.31 billion, about 57.7% higher than the S$8.44 billion achieved in 2004. Commercial properties took up S$5.52 billion or 41.5% of total investment sales in 2005. Listed commercial property REITs acquired S$2.53 billion worth of properties, representing 45.9% of total commercial investment sales in 2005.

The Singapore REIT market has grown significantly since the first REIT, CapitaMall Trust ("CMT", a retail property REIT set up by CapitaLand), was launched in 2002. As at 31 December 2005, there are seven listed REITs in Singapore. Out of these, 4 own retail properties in their portfolio. In 2005 alone, two listed REITs, CapitaMall Trust and Suntec REIT, acquired a total of six shopping and entertainment properties worth a total value of S$1.124 billion.

The investment sales in 2005 were dominated by retail and mixed retail cum office transactions that included six shopping centre properties as direct sales or REIT purchases. Recent investment sales were driven mainly by asset securitization and acquisitions by REITs. Prime REIT was listed in September 2005 with an asset value of S$1.303 billion for a portfolio of retail and office space. Based on the portfolio’s annualized forecast net property income for 2006, the property yield works out to 5.1%. The second largest deal was made by CMT in July 2005, purchasing Parco Bugis Junction for S$580.8 million.

Other major deals include Suntec REIT’s purchase of Park Mall in May 2005 for S$230.0 million and Chijmes in September 2005 for S$128.0 million; CMT’s purchase of Sembawang Shopping Centre in May 2005 for S$78.0 million, Jurong Entertainment Centre in July 2005 for S$68.0 million and Hougang Plaza (96.7% of the total share value thereof) in April/June 2005 for S$43.8 million; and Yishun Development Pte Ltd’s purchase of most of the units in Basement 1 of Northpoint Shopping Centre in November 2005 for S$44.42 million.

In today’s increasingly yield-driven investment market, investors are attracted by the good retail net property yield of 5.0% to 6.0%. However, the ability of a mall to achieve a good yield is highly dependent on the mall’s location, tenant mix, accessibility and asset management.
Key Retail Market Trends

In Singapore most of the retail businesses are located in shopping centres. In 2004 and 2005, many malls revamped their tenant mix and/or underwent or planned refurbishment works to keep up with competition. Amongst them were Novena Square, Marina Square, Milenia Walk, Cathay Cineleisure Orchard, Clarke Quay and Liang Court. Suburban malls serving the heartland populations saw, or will also be seeing, constant upgrading and improvements in their mix. Examples of suburban malls that have gone through or will be going through upgrading and improvements include: Tampines Mall, Junction 8, Century Square, Tiong Bahru Plaza, Jurong Point, Sembawang Shopping Centre and IMM Building.

A new retail segment will likely emerge from the latest Government initiatives to promote warehouse and ‘big box’ retailing concepts. In November 2005, three major retailers, IKEA, Courts and the Dairy Farm Group, got together to pioneer the Warehouse Retail Scheme (“WRS”) that was launched by the Economic Development Board in April 2004. This S$200.0 million pilot project located at the south-eastern corner of Tampines Avenue 10 and Tampines Expressway with a sizeable land area of 93,000 sq m, will see these three companies locating retail outlets within an integrated development that will also house their respective regional headquarters as well as management, training, logistics, warehousing and procurement facilities. The retail component therein is capped at 40.0%, and the three companies are not allowed to sublet space to other retail operators. The subject warehouse retail building is expected to open between November 2006 and March 2007.

WRS projects can promote new and innovative retail concepts that are different from those offered by shopping malls and neighbourhood shops. They can add more variety and vibrancy to consumers’ shopping experience and Singapore’s retail industry. The WRS scheme aims to draw not only local shoppers and regional shoppers but also international visitors and buyers, thereby promoting Singapore’s position in the international retail scene.

Another recent trend is the popularity of village hubs and street level shops, in particular for food and beverage businesses.

Suburban vs. City Retailing

Since the early 1990’s, as a result of the Government’s policy to decentralise commercial space, the majority of retail space growth has occurred in the new satellite towns. These suburban commercial locations can be classified as Regional Centres (Jurong East, Tampines and Woodlands) or suburban centres. Retail malls in such locations are generally very successful as they provide a more convenient retail option for the heartland populations’ daily purchases. Our market observations indicate that suburban malls are preferred locations for convenience shopping and are well patronized by the local population catchments that live around the vicinities of the malls.

Micro Market and Benchmarking Analysis

Supply in Suburban Area and Fringe Area

The suburban areas cover those areas outside the Central Region as defined by URA. According to URA data, as at 3Q 2005 the existing stock of private retail space outside the Central Region stood at 363,000 sq m or 18.1% of the total private stock of retail space in Singapore. URA data also indicate some new supply in the next two to three years, including from Ang Mo Kio Town Centre (23,860 sq m) and from two sites sold in 2004, namely Jurong West (estimated GFA 46,933 sq m) and Yew Tee (estimated 10,880 sq m), which together could yield a total GFA of 81,673 sq m.

According to URA data, as at 3Q 2005, the existing stock of private retail space in the Fringe Area stood at 574,000 sq m or 28.7% of the total private stock of retail space in Singapore. URA data also indicates some new supply in the next one to three years, from VivoCity (94,100 sq m) in 2006 and City Square (65,850 sq m) and Kallang Leisure Park (15,620 sq m) in 2008.
Demand and Occupancy in Suburban Area and Fringe Area

Based on URA figures, total suburban private sector retail space occupied as at 3Q 2005 was 348,000 sq m. In 3Q 2005, there was marginal change in demand from the previous quarter. The decline of 1,000 sq m occupied retail space recorded for 3Q 2005 suggests that some space had been given up. At the end of 3Q 2005, occupancy outside Central Region was 95.9%, higher than the islandwide occupancy rate of 90.8%. Most major prime suburban malls enjoy significantly higher occupancy rate than the market average, and some of them are even almost 100.0% occupied. This reflects the combined effects of limited supply and healthy demand in the suburban areas. Occupancy for Fringe Area was 87.6% as at 3Q 2005, lower than the islandwide level.

Notably, the occupancy rates of private retail space outside of Central Region and in the Orchard Area has consistently been above the islandwide and Central Region figures. With the emergence of suburban malls, the occupancy rate of private retail space in Orchard Area has remained slightly below that of private retail space outside the Central Region. The supply of retail space in the suburban areas are regulated and spread out over many public housing estates in Singapore. Any new supply may not create a major impact to Causeway Point or Northpoint Shopping Centre unless they are located in the relevant micro-market areas.

Our records show that the retail rents in suburban areas are generally lower than those in Orchard Area, but suburban rents are more resilient to sharp corrections. Being more dependent on the locals and heartlanders in their primary market areas to generate demand, rentals for retail space in the suburban areas, while still subject to the influence of the usual demand and supply considerations and conditions in the local economy, are less susceptible to changes in external economic conditions. Generally, the average per sq m rental rate for prime space in suburban malls has been steady while that for Orchard Road malls has been declining over the last 3 years. This has narrowed the rental gap between suburban malls and malls in the Orchard Area.

Retail Market Projections for Suburban Area and Fringe Area

The supply of retail space in the suburban areas is geographically distributed throughout the island and there is no official price or rental indices for specific suburban areas. For the purpose of this summary report, we have relied on available data from URA which relate to the overall suburban market. For the Woodlands and Yishun micro-markets; we have also relied on information from REALIS, while for the Alexandra micro-market we have relied on URA's official data for Fringe Area as a proxy.

Potential Supply of Shop Space for Suburban Area and Fringe Area

As at 3Q 2005, 1,000 sq m of potential supply of private shop space from areas outside the Central Region is under construction, with another 74,000 sq m planned. All of these potential supplies are not located near Northpoint Shopping Centre, Causeway Point or Anchorpoint Shopping Centre except for the Ang Mo Kio development site that is in the secondary area of Northpoint Shopping Centre. The amount of gross floor area is 23,860 sq m and may have some impact on Northpoint Shopping Centre when it is completed in 2007.

As for Causeway Point, there is no new supply in its trade area in the immediate future. We note that there is a plot of vacant State Land adjoining Causeway Point. Based on the Master Plan 2003, this plot is designated “white” and has a maximum gross plot ratio of 5.6. However, as at date of this report we are not aware of any planning approval granted for the plot. Nevertheless, with the expected increase in the residential population in the trade area, we believe the additional population catchment is able to support more retail space.
Anchorpoint Shopping Centre is located at the fringe of the Central Region. Currently 118,000 sq m of potential supply of private shop space located at the fringe of the Central Region is under construction. Another 95,000 sq m of private shop space is planned. Based on the GLS Programme for the first half of 2006, there are no new sites in the micro-market of Anchorpoint Shopping Centre. However, new addition of retail space will come from VivoCity at the HarbourFront area, which is located within the same trade area of Alexandra. Unlike Anchorpoint Shopping Centre, which mainly targets the surrounding residential and working population, VivoCity positions itself as an iconic retail, leisure and entertainment destination targeting both locals and tourists. Hence we do not expect VivoCity to be a major threat to Anchorpoint Shopping Centre. Anchorpoint Shopping Centre, which is part of a mixed residential and retail development, still has a captive resident catchment. In addition more new car showrooms flourishing in the area, coupled with an active car sales market in recent years as prices of Certificates of Entitlement fall, could invite more visitors to this area, thus generating higher shopper traffic to the mall. With limited new supply of retail space and the expected increase of resident population in this area, Anchorpoint Shopping Centre is not likely to face intensified competition and should have sufficient shopper catchment to sustain its retail business.

**Micro Market Review of the Retail Property Sector – North Region & Fringe Area**

**Stock and Future Supply**

Data from REALIS show that total retail space stock (comprising both private sector and public sector stocks) in the North Region amounts to 167,887 sq m. The major malls which include Causeway Point, Sembawang Shopping Centre, Sembawang Plaza and Northpoint Shopping Centre constitute about 70.0% of this stock. No new supply is expected in the North region in the short term except for the state land next to Northpoint Shopping Centre that the Singapore Land Authority has in principle agreed to alienate to Yishun Development Pte Ltd. Other possible supply in the future could come from vacant sites around the MRT stations in Woodlands and Admiralty.

**Demand and Occupancy**

Data from REALIS for the North Region shows a marginal decline of 138 sq m in total retail space stock for 3Q 2005 vis-a-vis the previous quarter. Total occupied space as at 3Q 2005 was 153,676 sq m while total supply was 167,887 sq m (a slight decline of 346 sq m from 2Q 2005). Hence occupancy went up by 0.1% to reach 91.5%. This relatively low occupancy rate in the North Region may be attributed to the large supply of HDB retail space in the Woodlands and Sembawang areas where shop operators are finding it difficult to compete with the large suburban malls in the area. This occupancy rate is also lower than the islandwide average suburban occupancy rate of 96.3%. Nonetheless the current occupancy levels for Causeway Point and Northpoint Shopping Centre are each close to 100.0%. Several institutions and new housing units coming up in the Woodlands area will bring an increase in shopper traffic to Causeway Point in the next couple of years. In addition, the proposed Northern General Hospital in Yishun is expected to be ready by March 2009. There is likely to be some ancillary retail space in the hospital but this will not have a significant impact on Northpoint Shopping Centre. On the other hand, the opening of the hospital, which will be within walking distance to Northpoint Shopping Centre, is likely to bring an increase in shopper traffic to Northpoint Shopping Centre.

**Rental Levels**

The average monthly rental for Causeway Point and Northpoint Shopping Centre is about 25.0% to 30.0% and 15.0%, respectively, lower than that for Junction 8 in Bishan. Rentals at Causeway Point and Northpoint Shopping Centre are generally below those in major suburban malls, such as Tampines Mall and Jurong Point, which are able to attract visitors and shoppers from outside their own primary and secondary trade areas. There is room for rental improvement for Causeway Point and Northpoint Shopping Centre over the next few years as the North Region develops and its stock of private housing increases.
The average gross rent for prime retail space in Northpoint Shopping Centre (mainly at basement level 2 and street level) is approximately S$202.86 per sq m (or S$18.85 per square foot) per month as at 30 November 2005. This is in line with the average gross rent of S$206.12 per sq m (or S$19.15 per square foot) per month achieved for prime ground floor retail space in the North Region, but is lower by 15.0% to 25.0% compared against several other suburban malls that are able to attract shoppers from outside their own primary and secondary trade areas.

Our market analysis of prime retail rents and derived yields for malls in the suburban areas and Fringe Area show that the comparative net yields of prime retail space in these locations range from 5.0% to as high as 6.5% depending on location, tenure and quality of the space.

**Capital Values of Retail Space in Woodlands, Yishun and Alexandra Areas**

Most of the space in suburban retail developments in the vicinity of Northpoint Shopping Centre (such as Sun Plaza, Sembawang Shopping Centre, Jubilee Entertainment Centre and Yishun 10 which houses a Golden Village cineplex) are held by landlords or property funds for rental income rather than for strata unit sales. There is only a handful of competing retail centres in the immediate surroundings of Northpoint Shopping Centre. The major competitors to Northpoint Shopping Centre are Sembawang Shopping Centre and Sun Plaza. There were two recent transactions in the area: (i) the sale of 2,936 sq m of retail space comprising most of the Basement 1 units of Northpoint Shopping Centre at about S$44.42 million or S$15,129 per sq m in November 2005; and (ii) the sale of Sembawang Shopping Centre (comprising 9,078 sq m of retail space and 48 units of apartments) at S$78.0 million in June 2005 to CMT. The price trends of retail space in suburban areas are very varied because the price for retail space is a function of a host of factors such as the location, size and frontages of the property and the demographics of the trade area. Sales transactions of other shopping centres or retail properties in the market can only serve as a guide to the capital values of Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre. Prime retail spaces that are located along main entrances, busy shopping corridors and lower floor levels in a retail development tend to command higher prices than those that are less well located.

**Retail Rental Projection for Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre**

We expect continued economic growth in 2006 with stable trading conditions. While new supply is massive in 2006, largely due to VivoCity (which is located at the fringe of the Central Region, away from the trade areas of Causeway Point and Northpoint Shopping Centre), it comes on-stream after the lean supply in 2005. It is reported that VivoCity is currently 65.0% leased. All in all, we expect rents islandwide to firm up further by a small improvement of 3.0%.

For Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre, we have looked at more specific issues such as the upgrading of competing malls, the potential new retail developments from the reserve sites in the suburban areas and the impact of increases in the residential population in their micro-markets arising from new residential developments. There are no impending new retail developments on the reserve sites in the vicinities of Causeway Point and Northpoint Shopping Centre in the next couple of years. However, for Anchorpoint Shopping Centre, VivoCity may pose some threat, as it is located in the same trade area of Alexandra. Any impact on Anchorpoint Shopping Centre will therefore be seen in 2006. In comparison to neighbouring shopping malls in the area, Causeway Point and Northpoint Shopping Centre enjoy the most strategic locations right next to the Woodlands MRT station and the Yishun MRT station respectively, and are in high-density populated residential areas. Both malls appeal to the budget and medium-end market.
We believe that Causeway Point and Northpoint Shopping Centre at their current committed occupancy of close to 100.0% are doing better than the average occupancy rate of 95.9% for private retail space in the suburban areas as at 3Q2005. This higher occupancy rate and the limited supply of new retail space in the immediate vicinities of the Causeway Point and Northpoint Shopping Centre will underpin their rental growth in the next two years, which is projected to be between 2.0% to 3.0% per annum. For Anchorpoint Shopping Centre, there is no new supply of retail space in the immediate vicinity but there will be several new car showrooms coming up along Alexandra Road and Leng Kee Road in next one to two years as the old buildings there are redeveloped, and this will increase human traffic to the area.

As at 30 November 2005, average gross rents are approximately S$10.14 per square foot per month for Northpoint Shopping Centre, S$8.69 per square foot per month for Causeway Point and S$5.30 per square foot per month for Anchorpoint Shopping Centre. The average gross rents for Causeway Point and Northpoint Shopping Centre are below the current average gross rents of S$11.00 to S$12.50 per square foot per month for repositioned and upgraded malls such as Tampines Mall and Junction 8.

Assuming that Northpoint Shopping Centre, Causeway Point and Anchorpoint Shopping Centre remain status quo, we believe that rents could rise between 2.0% to 3.0% in the short to medium term with the limited supply of new retail space in their immediate vicinities. The rental growth projections are summarized below.

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<tr>
<th>Area</th>
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<tr>
<td>Anchorpoint Shopping Centre</td>
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Review of Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre

Review of Causeway Point

Causeway Point is one of the largest shopping centres located in the suburbs. At close to 40,000 sq m, it is slightly bigger than the existing Jurong Point and is the latest suburban mall to be built in one of the three regional centres in Singapore, Woodlands Regional Centre, the other two being Jurong Point in Jurong East Regional Centre and Tampines Mall in Tampines Regional Centre. The mall is sited adjacent to the Woodlands MRT station and the Woodlands regional bus interchange.

The key strengths of Causeway Point lies in its popularity with families and locals living in the Woodlands area. Causeway Point is conveniently located at the heart of the Woodlands Regional Centre and is located directly next to the Woodlands MRT station and the Woodlands regional bus interchange. The mall provides more than 900 car park lots located at Basements 2 and 3 and on Levels 2 to 6. It enjoys an immediate catchment of around 222,000 residents in Woodlands and another 72,000 in Sembawang. There is also a cluster of working population in the nearby industrial parks, many local schools and the American School, which provide shopper traffic to the mall. The resident population around Causeway Point is likely to increase in the next couple of years with the completion of several new residential projects which will contribute a total of more than 1,000 new housing units.

It has a wide-ranging tenant mix. The anchor tenants Cold Storage Supermarket and Courts ensure a regular stream of shoppers. Causeway Point also boasts a good number of foreign and made-in Singapore labels such as Esprit, The Body Shop, Eu Yan Sang, Osim International as well as jewellery boutiques like Poh Heng, Lee Hwa Jewellery and Risis. There are also popular food and beverage outlets such as McDonald's, Kentucky Fried Chicken, Mos Burger, Swensen's, Pizza Hut, Delifrance, Bengawan Solo and Ya Kun Kaya Toast that ensure a regular stream of shoppers to the mall. For entertainment, there is the popular entertainment centre Timezone and Cathay Cineplexes; both are
major crowd pullers to the mall. In addition the Symphony Music School and the Causeway Hua Language Centre are expected to attract a steady stream of visitors and students to Causeway Point.

There are also several opportunities to build on and maximise the strengths of Causeway Point. Causeway Point can actively manage its trade mix to enhance its reputation as a middle income shopping destination for residents living in the North of Singapore. It can increase its offering to trades that are more family-oriented and appeal to the middle-income young families and working population. Already with its significant size and strong tenant mix, Causeway Point is known as a one-stop destination mall. To improve rental levels and expand its retail range, existing large anchor tenant spaces can be reconfigured into smaller units, and space from the upper levels can be decanted to lower levels or repositioned to make the mall more attractive to shoppers. There are also opportunities to attract more shopper traffic to flow upwards by making the upper levels a “must shop” destination with a strong entertainment zone or education zone, since there are many schools in the vicinity.

There may be opportunities for asset enhancement through decanting if there are unutilized area on the lower floors or roof terraces and open areas. There are opportunities to reconfigure space if some of the anchor tenants do not renew their leases or reduce their space requirements upon expiry of their existing leases. The space thus vacated can be subdivided into smaller lettable units, which will increase the variety of specialty retail tenants in the mall.

**Review of Northpoint Shopping Centre**

Northpoint Shopping Centre is located in the heart of Yishun New Town, at a highly visible and vibrant corner of Yishun Avenue 2 and Yishun Central directly facing Yishun MRT station. Directly linked to the Yishun MRT station via an underpass at Basement 2, Northpoint Shopping Centre is very convenient and accessible to shoppers who do not drive. It was the first privately owned and managed shopping centre in a suburban housing estate built on land tendered from the HDB Sales of Site Program in 1990. Officially opened in 1992, it is a 4-storey retail complex with 3 basement levels (including 194 car park lots in Basement Level 1, 2, and 3). Northpoint Shopping Centre is almost fully let.

Major tenants such as the Cold Storage Supermarket, Popular Book store, John Little, Royal Sporting House, Timezone, Food Mall (a food court) and McDonald’s Fast Food Restaurant are crowd pullers. There are a total of 90 outlets offering a good variety of products and services catering to the lower-mid to mid income market, including food and beverage, fashion, life’s little luxuries, entertainment, beauty and health care, salon/spa, services, books/crafts/gifts, accessories, household equipment and electrical appliances, banking services and so on. Northpoint Shopping Centre provides a destination for families, the young and trendy, workers and students, and also benefits from shopper traffic generated by a 10-screen GV Golden Village cineplex and the Yishun bus interchange, which are both adjacent to it.

The key strength of Northpoint Shopping Centre is that it is popular with families and locals living in the Yishun Area. Northpoint Shopping Centre is conveniently located at the heart of Yishun New Town right in the town centre, with direct underpass linkage to the Yishun MRT station via Basement 2. It is also next to the Yishun bus interchange. Commuting to the shopping centre by public transport is convenient and there are 194 car park lots that are available in the development.

Northpoint Shopping Centre enjoys an immediate catchment of around 180,000 comprising resident population in Yishun and working population in Yishun Industrial Park. It’s proximity to many schools and learning institutions provide the shopper traffic to the malls. The residential population around Northpoint Shopping Centre area is expected to increase in the next couple of years with the completion of several new residential projects that will contribute a total of more than 700 housing units.

There are also several opportunities to build on and maximise the strengths of Northpoint Shopping Centre. To improve rental levels and expand its retail range, existing large anchor tenant spaces can be reconfigured into smaller units, and space from the upper levels can be decanted to lower levels or
repositioned to make the mall more attractive to shoppers. There are also opportunities to attract more shopper traffic to flow upwards by making the upper levels a “must shop” destination with a strong entertainment zone or education zone, since there are many schools in the vicinity. The second level of the extension building can be dedicated for entertainment trades that can operate longer than the mall’s normal operating hours for the “night owls” as it is separated from the main building. Letting them out to KTV operators, pubs and cyber cafés are some possibilities.

Northpoint Shopping Centre can actively manage its trade mix to enhance its reputation as a middle income shopping destination for residents living in the area. It can increase its offerings of trades that are more family-oriented and appealing to the middle-income young families and working population.

There may be opportunities for decanting upper-level space at Northpoint Shopping Centre if there are unutilized areas on the lower floors or roof terraces and open areas. Unutilized open space, for example the walkway between the main building and the extension building, can be covered up to improve the linkage so as to increase shopper traffic.

**Review of Anchorpoint Shopping Centre**

Completed in 1997, Anchorpoint Shopping Centre is part of a condominium development known as The Anchorage. It comprises two levels of shops located on the 1st storey and Basement 1 of a 5-storey commercial-cum-residential block and a freestanding conservation building known as Copperdome. It is situated at the junction of Alexandra Road and Queensway right in between Queenstown Planning Area and Bukit Merah Planning Area. The mall provides a good shopping destination for families, youngsters and office workers in the vicinity.

Anchorpoint Shopping Centre has several anchor tenants and popular stores like Cold Storage Supermarket, Novena Furnishings, Guardian, Kentucky Fried Chicken, Royal Sporting House, Bata Shoes, and Delifrance, which are well patronized by local shoppers.

The key strength of Anchorpoint Shopping Centre is that it was built as an ancillary retail component of a residential project known as The Anchorage. Naturally, it is positioned as a family-oriented mall, which provides a convenient one-stop shopping experience for residents living in The Anchorage and other residential developments in the immediate surroundings such as Queens. The main focus of the specialty shops is on family shoppers while the mall also offers a wide variety of retail trades catering to various market segments. It is located at the Fringe Area of Central Region and just about 20 minutes drive away from the city. Commuting to the shopping centre by public buses is very convenient as there is a bus stop right in front of the development.

There are two big private residential developments, The Anchorage and Queens, in the primary trade area of Anchorpoint. The two developments together have more than 1,500 units, which provide a ready catchment to support the retail business of Anchorpoint Shopping Centre. Combined with the surrounding public housing estates, Anchorpoint Shopping Centre enjoys an immediate catchment of around 73,000 residents in its primary trade area and 159,000 residents in its secondary trade area. Its proximity to many industrial estates, office buildings, schools and learning institutions provide further support to the mall.

Although small in size, Anchorpoint Shopping Centre has a wide category of trades that is appealing not only to family shoppers residing nearby but also to all age groups from elsewhere. It has the advantage of Cold Storage Supermarket and Oscar’s Food Mall as its anchor tenants and crowd pullers. Other food and beverage outlets include Paddyfields Thai Restaurant, Sanliu Bar, Delifrance, Kentucky Fried Chicken, Bengawan Solo and Secret Recipe Café alongside specialty shops that deal in home furnishings, healthcare, books, jewellery, gifts and apparel. The Standard Chartered Bank on the first floor ensures a regular shopper flow to Anchorpoint Shopping Centre.
There are several opportunities for Anchorpoint Shopping Centre. It will benefit from the increased population catchment and retail demand from some 1,800 new HDB flats under the HDB's Selective En bloc Redevelopment Scheme ("SERS") in Tanglin Halt, Commonwealth Drive, Margaret Drive and Stirling Road by 2007.

Our trade analysis shows that furnishing and electronics tenants currently occupy 22.0% of total lettable area in the mall. To improve rental levels and expand its retail range, existing large anchor space, especially those for furnishing stores, can be reconfigured into smaller units. More stores that are smaller in size and with trades that are more popular among family shoppers can be introduced to fit its family-oriented theme. The food and beverage component can be further strengthened by adding in more restaurants or food outlets with unique features to increase the mall's trade variety and attractiveness to the local residents and working population.

Trade Catchment Overview

Trade Area Analysis - Causeway Point

In terms of existing competition, the most relevant competing centres to Causeway Point are Sembawang Shopping Centre and Sun Plaza, both located in the neighbouring Sembawang area. However, there are several strong advantages that Causeway Point has over these two shopping centres. In terms of accessibility, Causeway Point enjoys the convenience of having the Woodlands MRT station and the Woodlands regional bus interchange at its doorstep. In terms of positioning, Causeway Point has the hallmark of a popular suburban mall with attractions like department stores, supermarket, furnishing and electronics store, restaurants, food courts, fast food outlets, specialty retail and entertainment and sports. Its anchor tenants include Metro and John Little (two popular department stores), Courts (a popular furnishing and electronics store for the mass market) and Cold Storage (a popular supermarket). For entertainment, Causeway Point has the attraction of Cathay Cineplexes, a 7-screen cinema conveniently located on its 7th storey, which is a major crowd puller.

The primary trade area of Causeway Point is defined as the Woodlands Planning Area and Sembawang Planning Area. The majority of Causeway Point's patronage will come from this primary trade area, derived based on ease of accessibility as well as physical proximity. The secondary trade area comprises Yishun and Choa Chu Kang. Based on data obtained from the Singapore Department of Statistics' Census of Population 2000 and our residential database of new completions in 2001 to 2005, the population in Causeway Point's primary trade area is estimated to be 294,000 persons. This is 6.8% of Singapore's total population of 4.3514 million in 2005. The secondary catchment for Causeway Point has an estimated population of 334,789 persons or 7.7% of the total population. As the locality is characterized predominantly by public housing, it is not surprising that 92.3% of the 174,834 dwelling units within the primary and secondary trade areas are public housing units. The remaining 7.7% are private housing units.

Although Causeway Point caters mostly to the residents of Woodlands and Sembawang, the non-residential population in the northern part of Singapore also contributes to the shopper traffic patronage to the mall. This would include the staff and students from 17 primary schools, 15 secondary schools, two junior colleges, the Singapore American School and Innova Junior College. Shoppers would also come from visitors to Hospital at View Road, Woodlands Regional Library and the Marsiling Children's library, the nearby industrial parks and factory buildings (such as the Admiralty Industrial Park and North Link Industrial Building, Hiang Kie Industrial Building and North Land Industrial Building).

Causeway Point's trade area is likely to see some increase in population in the future. The projected increase is likely to come largely from potential residents in the new public housing units in Woodlands and Sembawang areas. Based on the projected ultimate dwelling units including private developments on State Land (HDB Annual Report 2004/05) and new private housing units on private land, the population in the primary trade area is estimated to reach 547,200 by Year X (a term used by the planning authorities to indicate the ultimate long-term planning vision of Singapore). This reflects an
increase of about 85.7% from the existing population. Non-residential population will come from the proposed Republic Polytechnic, which is expected to complete in 2006, and the proposed multi-storey driving centre in Woodlands Industrial Park.

Causeway Point is one of the most successful shopping malls in the northern region of Singapore. The mall is located in Woodlands, a residential estate comprising predominantly HDB housing. The shopping mall is supported by a residential population of some 460,000 located in Woodlands, Sembawang, Choa Chu Kang and as far as Yishun areas, with slightly more than 200,000 residents within the Woodlands HDB New Town. Causeway Point is one of the largest malls located in one of Singapore's three suburban regional centres offering a wide variety of good and services from more than 170 retail units comprising a strong mix of specialty shops and anchor tenants. According to a traffic count provided by the registered proprietor, this popular mall is visited by an average of 2.22 million shoppers per month.

**Trade Area Analysis - Northpoint Shopping Centre**

In terms of existing competition, the most relevant competing centres to Northpoint Shopping Centre are Sembawang Shopping Centre and Sun Plaza, both located in the neighbouring Sembawang area. There is considerable catchment overlap among these shopping malls. However, there are several strong advantages that Northpoint Shopping Centre has over Sembawang Shopping Centre. For accessibility, Northpoint Shopping Centre enjoys the convenience of having the Yishun MRT station and the Yishun bus interchange, which are just at its doorstep, while Sembawang Shopping Centre is located at a further 1.0 km away from this public transport node. In terms of positioning, Northpoint Shopping Centre has the hallmark of a popular suburban mall with attractions like food court, supermarket, department stores, fast food outlets, specialty retail, book shop, entertainment and leisure.

Northpoint Shopping Centre could also ride on the popular crowd drawer, GV Golden Village cineplex (a 10-screen cinema housed in the Yishun 10 complex adjacent to the mall), and the NTUC Co-operative supermarket also adjacent to the mall which is popular with the mass market. Northpoint Shopping Centre can benefit from the spillovers of shoppers without dedicating large spaces for these categories of tenants where the rentals are usually at lower rates in view of the sizeable space taken up. Northpoint Shopping Centre is also near many amenities located around Yishun New Town such as the Yishun Stadium, Orchid Country Club, Safra Club House and the Lower Seletar Park. The visitors to these destinations will provide additional shopper traffic to the mall.

Based on data obtained from the Singapore Department of Statistics’ Census of Population 2000 and our residential database of new completions in 2001 to 2005, the population of the primary trade area in 2005 is estimated to be 180,000 persons. This is 4.1% of Singapore’s total population of 4.3514 million in 2005. The secondary trade area for Northpoint Shopping Centre has an estimated population of 273,283 persons or 6.3% of the total population. As the locality is characterized predominantly by public housing, it is not surprising that 90.0% of the 125,748 dwelling units within the primary and secondary trade areas are public housing units. The remaining 10.0% are private housing units.

Although Northpoint Shopping Centre caters mostly to the residents of Yishun, Sembawang and Ang Mo Kio, the non-residential population in the northern part of Singapore forms the population of the other patrons to the mall. This would include the staff and students from 14 primary schools, 11 secondary schools, a junior college and an institute of education, army and air force personnel from Khatib and Nee Soon Camp, civil defence personnel at the newly opened 3rd Civil Defence Division HQ and Yishun Fire Station at Yishun Industrial Park A, and workers from the Yishun Industrial Park and Ang Mo Kio Industrial Park III.
The population in Northpoint Shopping Centre's trade area is expected to increase in the future. The projected increase in population is likely to come largely from potential residents in the new public housing units in Yishun and Sembawang areas. Based on the projected ultimate dwelling units including private developments on State Land (HDB Annual Report 2004/05) and new private housing units on private land, the population in the primary trade area is expected to reach 302,400 in Year X. This reflects an increase of about 68.5% from the existing population. Non-residential population will come from the proposed 400-bed Northern General Hospital at Yishun Central that is slated to open in March 2009, and a planned new and bigger library that will be built in Yishun in the next few years. These are expected to further increase shopper traffic to Northpoint Shopping Centre.

Northpoint Shopping Centre is one of the most successful shopping malls in the northern region of Singapore. In 2002 it expanded its shopping space by building an extension on the common property next to the main building. More specifically, the mall is located in Yishun, a residential estate comprising predominantly HDB housing. The shopping mall is supported by a residential population of some 452,000 located in Yishun, Sembawang and Ang Mo Kio areas, with close to 180,000 residents within the Yishun HDB New Town. Northpoint Shopping Centre is a mid-size mall with close to 100 retail units comprising a good mix of specialty shops and anchor tenants. According to a traffic count provided by the registered proprietor, this popular mall is visited by an average of 1.49 million shoppers per month.

**Trade Area Analysis – Anchorpoint Shopping Centre**

In terms of existing competition, the most relevant competing centres to Anchorpoint Shopping Centre are Queensway Shopping Centre and IKEA. However, both of them focus on niche markets and do not compete directly with Anchorpoint. Queensway Shopping Centre is well known for its great variety of sporting goods and trendy apparel and accessories. Its target group is mainly young adults and students. IKEA, on the other hand, also has a different niche market. The Swedish furnishing store provides durable home furniture and related services at affordable prices. Albeit small in size, Anchorpoint Shopping Centre’s city fringe location and accessibility enable it to reach a larger population catchment outside its primary trade area. The Anchorage, which has a total of 775 units, combined with the nearby public housing estate provides a ready catchment sufficient enough to support the retail business of Anchorpoint Shopping Centre.

Based on data obtained from the Singapore Department of Statistics’ Census of Population 2000 and our residential database of new completions in 2001 to 2005, the population in the primary trade area in 2005 is estimated to be approximately 73,000 persons. This is 1.7% of Singapore’s total population of 4,3514 million in 2005. The secondary catchment for Anchorpoint Shopping Centre has an estimated population of 159,026 persons or 3.7% of the total population. As the locality is characterized predominantly by public housing, it is not surprising that 88.4% of the 64,588 dwelling units within the primary and secondary trade areas are public housing units. The remaining 11.6% are private housing units. Although Anchorpoint Shopping Centre caters mostly to the residents of the nearby public and private housing estates, the non-residential population in vicinity forms the other population of patrons to the mall. This would include the staff and students from 4 primary schools, 5 secondary schools and a junior college. Patrons would also come from the nearby working population from Alexandra Hospital, car showrooms in the vicinity, Alexandra Fire Station, AIA Building, Telok Blangah Industrial Estate and Depot Lane Industrial Estate. There is a free shuttle bus service from PSA Building to Anchorpoint Shopping Centre during lunch hours, which will also draw the working population from the Alexandra Technopark and Alexandra Distripark.
The population in the trade area of Anchorpoint Shopping Centre is expected to increase in the future. The projected increase in population is likely to come largely from potential residents in the new public housing units in Queenstown and Bukit Merah areas. Based on the projected ultimate dwelling units including private developments on State Land (HDB Annual Report 2004/05) and new private housing units on private land, the population in the primary trade area is expected to reach 91,260 in Year X. This reflects an increase of about 24.0% from the existing population. Non-residential population will come from proposed industrial developments at Alexandra Road/Leng Kee Road. This will further increase shopper traffic to Anchorpoint Shopping Centre.

As an ancillary retail component of a residential development, Anchorpoint Shopping Centre has over the years become a popular shopping destination of nearby residents and office workers. Anchorpoint Shopping Centre enjoys an immediate catchment of around 73,000 resident populations in its primary trade area and 159,026 resident populations in its secondary trade area. It is a small-size mall with close to 50 retail units comprising a good mix of specialty shops and anchor tenants. It is positioned as a family-oriented mall, which provides convenient daily necessity shopping for residents who live or work around the Alexandra Road and Queensway areas. According to a traffic count provided by the registered proprietor, the mall is visited by an average of about 250,000 shoppers per month.
THE MANAGER AND CORPORATE GOVERNANCE

The Manager

The Manager, Frasers Centrepoint Asset Management Ltd., was incorporated in Singapore under the Companies Act on 27 January 2006. It has a paid-up capital of S$1.0 million, with a registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 and its telephone and facsimile numbers are (65) 6276 4882 and (65) 6276 6328 respectively.

The Manager is a wholly-owned subsidiary of the Sponsor.

Directors of the Manager

The Board is entrusted with the responsibility for the overall management of the Manager. The following table sets forth information regarding the Directors:

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<tr>
<th>Name</th>
<th>Age</th>
<th>Address</th>
<th>Position</th>
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<tbody>
<tr>
<td>Dr Han Cheng Fong</td>
<td>64</td>
<td>3 Toronto Road, Singapore 574430</td>
<td>Chairman and Non-Executive Director</td>
</tr>
<tr>
<td>Mr Christopher Tang Kok Kai</td>
<td>45</td>
<td>26 Faber Terrace, Singapore 129021</td>
<td>Chief Executive Officer and Executive Director</td>
</tr>
<tr>
<td>Mr Anthony Cheong Fook Seng</td>
<td>51</td>
<td>263 River Valley Road, #13-20 Aspen Heights, Singapore 238309</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Mr Lim Ee Seng</td>
<td>54</td>
<td>56 Lorong Melayu, Singapore 416942</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Mr Bobby Chin Yoke Choong</td>
<td>55</td>
<td>7 Maple Lane, Singapore 277551</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Mr Philip Eng Heng Nee</td>
<td>59</td>
<td>53C Jalan Lim Tai See, Singapore 268383</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Mr Soh Kim Soon</td>
<td>60</td>
<td>16 Gentle Drive, Singapore 309219</td>
<td>Independent Director</td>
</tr>
</tbody>
</table>

None of the Directors are related to one another, any substantial shareholder of the Manager or any Substantial Unitholder.

Experience and Expertise of the Board of Directors

Information on the business and working experience of the Directors is set out below:

Dr Han Cheng Fong is the Chairman of the Manager. He is also the Group Chief Executive Officer and a director of F&N.

Dr Han joined the F&N Group in May 2001 as Deputy Chairman of FCL, a position that he still holds. He was appointed Managing Director of F&N in April 2002, was appointed the F&N Group’s Managing Director cum Deputy CEO in October 2004, and assumed the position of Group Chief Executive Officer of the F&N Group on 1 February 2006. Dr Han currently holds various directorships in Asia Pacific Breweries Limited, FCL, Fraser & Neave Holdings Berhad, Asia Pacific Investment Pte Ltd, Times Publishing Limited and DB Breweries Limited. He is also Chairman of Frasers Property (China) Limited.
Up to 11 January 2004, he was the Deputy Chairman of the Board of Trustees of Singapore Management University. Until April 2000, he held directorships in companies related to DBS Land Limited, including Deputy Chairman and Group Chief Executive Officer of DBS Land Limited, Chairman of Raffles Hotel (1886) Ltd., Raffles City (Private) Limited, RC Hotels (Pte) Ltd and The Ascott Group Limited and was Deputy Chairman of Raffles Holdings Limited and Parkway Holdings Limited. Dr Han also held previous regional business appointments as Chairman of Australand Holdings Limited and Deputy Chairman of United Malayan Land Bhd.

Prior to joining the DBS Land group, Dr Han was the Deputy Managing Director of the Petroleum Corporation of Singapore (Private) Limited from 1984 to 1989, and was the Permanent Secretary in the Ministry of Labour, Singapore from 1978 to 1984.

Dr Han graduated from the University of Singapore with a Bachelor of Science (First Class Honours) degree in Physics. He also holds a PhD degree in Nuclear Physics from the University of Birmingham, United Kingdom.

Mr Christopher Tang Kok Kai is the Chief Executive Officer and an Executive Director of the Manager. Mr Tang has extensive management and investment experience in both the real estate as well as the manufacturing sectors. He is one of the pioneers of real estate securitisation, having led many high profile real estate securitisation transactions with total value exceeding S$1.5 billion in the past seven years. Mr Tang is also highly experienced in the field of mergers and acquisitions, having led many such deals of companies in the real estate, healthcare and food and beverage sectors. Mr Tang’s all round experience includes asset management, marketing and operations.

Mr Tang joined the F&N Group in 2001 as General Manager of FCL for strategic planning and asset management. He subsequently moved to F&N and is part of the senior management team responsible for strategic planning, business development as well as the mergers and acquisition activities of F&N. He provided leadership, helped define the strategy, identified, evaluated, structured, negotiated and executed many of the strategic thrusts of the F&N Group. Some key transactions include the acquisition of a Hong Kong listed real estate company with activities in residential and commercial properties, the securitisation of one of F&N Group’s shopping malls as well as the acquisition of major stakes in listed regional dairy companies.

Mr Tang played a key role in defining the initiative for the F&N Group to establish and list FCT. He was instrumental in the formation of FCT, and spearheaded its origination to its current launch.

Prior to joining the F&N Group, Mr Tang was with DBS Bank (2000) and DBS Land (1997 to 2000). At DBS Land, Mr Tang’s last appointment was senior manager, strategic planning and asset management. He was a key member in the development and execution of the DBS Land Group’s strategies as well as asset management. He was one of the earliest to spot the trend in the convergence of the real estate and the capital markets and was a pioneer in the property securitisation of Robinson Point, 268 Orchard Road and 6 Battery Road. Mr Tang’s experience at DBS Land included real estate acquisition. He was also a key member in the investor relations team of the company and met regularly with analysts and fund managers in private meetings, roadshows and conferences.

Before making a career switch to the property sector in 1997, Mr Tang was in the oil industry for ten years and was with oil major, British Petroleum, for most of the ten years. His career within the oil industry included retail operations, marketing and regional sales. His last position in British Petroleum was as retail operations manager for Singapore and Sabah, responsible for the retailing business of the Singapore and Sabah network of service stations, shops and car washes.

Mr Tang holds a Masters in Business Administration and a Bachelor of Science Degree from the National University of Singapore.

Mr Anthony Cheong Fook Seng is a Non-Executive Director of the Manager. He is also the Group Company Secretary and director of F&N.
Mr Cheong joined the F&N Group in Times Publishing Limited as Corporate General Manager (Group Finance) and Company Secretary in 2001.

Mr Cheong currently holds directorships in a number of F&N Group’s subsidiaries including FCL, Fraser & Neave Holdings Bhd and Asia Pacific Investment Pte Ltd. He is also an alternate director to Dr Han Cheng Fong on the board of Asia Pacific Breweries Limited.

Mr Cheong is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants of Singapore.

Mr Lim Ee Seng is a Non-Executive Director of the Manager. He is also the Chief Executive Officer and a director of FCL. Mr Lim joined FCL in October 2004 where as its Chief Executive Officer he is responsible for the management and performance of the FCL group of companies’ ("FCL Group") entire portfolio of real estate business that spans over 11 countries. These include property development, property investment, retail mall management, and an international chain of serviced apartments.

Mr Lim has more than 26 years of experience in the real estate industry. From 1996 to October 2004, he was the Managing Director of MCL Land Limited, a public listed company on the SGX-ST. Under his leadership, the MCL Land Limited became a reputed developer of numerous successful property development projects known for their quality and reliability.

From 1989 to 1996, Mr Lim was the General Manager of the property division of First Capital Corporation Ltd (now known as GuocoLand Limited), a public listed company on the SGX-ST, where he played a key role in transforming the company into a major property development and investment group.

Mr Lim holds a Masters degree in Project Management and a Bachelors degree in Civil Engineering from the National University of Singapore. He is also a board member of the Construction Authority of Singapore, and a council member of the Chinese Chamber of Commerce from 2000 to 2004.

Mr Bobby Chin Yoke Choong is an Independent Director of the Manager. Mr Chin was the Managing Partner of KPMG Singapore from 1992 until his retirement from KPMG in September 2005.

He was admitted as a partner of KPMG Singapore in 1983. Mr Chin joined KPMG Singapore in 1974 after receiving his degree in accountancy from the University of Singapore. In 1975, he was seconded to the Manchester office in the UK and returned to the Singapore firm in 1979.

He qualified as a Chartered Accountant of the Institute of Chartered Accountants in England & Wales in 1979. Mr Chin is a registered member of the Institute of Certified Public Accountants of Singapore, and an associate member of the Institute of Chartered Accountants in England & Wales.

In his term as the Managing Partner of KPMG Singapore, Mr Chin was a member of KPMG Asia Pacific Board, KPMG International Board and KPMG International Council which is the ultimate authoritative body of KPMG International.

Mr Philip Eng Heng Nee is an Independent Director of the Manager.

Mr Philip Eng was appointed Deputy Chairman of MCL Land Limited on 1 March 2005. He is non-executive Chairman of Accord Customer Care Solutions, City Gas Pte Ltd and CityGas China Pte Ltd, Director of MTQ Corporation Limited, Asia General Holdings Ltd, Singapore Computer Systems Limited, Chinese Development Assistance Council and Commissioner of PT Bank Danamon Indonesia. Mr Eng is also Singapore’s High Commissioner to the Federal Republic of Nigeria and Vice Chairman of Network Indonesia.
Mr Eng graduated from the University of New South Wales with a Bachelor of Commerce in Accountancy in 1969. Upon graduation, he worked in a Chartered Accountant firm in Australia while studying to qualify as a Chartered Accountant, which he obtained in 1971.

Mr Eng began his career in Singapore with Price Waterhouse Singapore from 1972 to 1976. He was the Finance Director of Rank O’Connors from 1976 to 1980 and Company Secretary of Rheen Hume Industries from 1980 to 1982. He joined Jardine Cycle & Carriage Limited in 1982 and was appointed Company Secretary in 1983. In 1985 he assumed responsibilities for the motor operations of the Jardine Cycle & Carriage Group and in 1996 he was appointed Group Managing Director of Jardine Cycle & Carriage Limited with overall responsibility for the Group’s businesses throughout the Asia Pacific region.

During his tenure, Mr Eng diversified the Group’s motor business to Australia and New Zealand where the markets achieved leadership positions in the respective market segments, and he also expanded the Group’s property business to Malaysia. In 2000, he was responsible for Jardine Cycle & Carriage Limited’s successful and largest investment ever in PT Astra International Tbk, one of Indonesia’s conglomerates and the largest independent automotive group in Southeast Asia.

Mr Eng retired as Group Managing Director of Jardine Cycle & Carriage Limited on 28 February 2005. He continues to provide services to the Group motor operations on a consultancy basis.

Mr Soh Kim Soon is an Independent Director of the Manager.

Mr Soh is currently Chairman of ORIX Investment and Management Private Limited and ORIX Leasing Singapore Limited. Mr Soh was previously Senior Managing Director of DBS Bank and was with DBS Bank for more than 29 years. During his long career with DBS Bank, he held key senior positions in both business and support functions. Mr Soh was also previously Chairman of DBS Securities Holdings Pte. Ltd. and DBS Finance Ltd. Mr Soh is currently on the Boards of two public-listed companies, namely EnGro Corporation Limited and Singamas Container Holdings Ltd.

Mr Soh is a B.A. (Hons) graduate of the University of Singapore and an Associate of the Chartered Institute of Bankers.

A list of the present and past directorships of each Director of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H — “List of Present and Past Principal Directorships of Directors and Executive Officers”.

The Key Roles of the Board

The key roles of the Board are to:

- guide the corporate strategy and directions of the Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- oversee the proper conduct of the Manager.

The seven-member Board of Directors comprises three Non-Executive Directors, three Independent Directors and an Executive Director. The Executive Director is Mr Christopher Tang Kok Kai, who is also the Chief Executive Officer of the Manager.

The Board meets to review the key activities and business strategies of the Manager. The Board intends to meet regularly, at least once every quarter, to deliberate the strategic policies of FCT, including acquisitions and disposals, approval of the annual budget and review of the performance of FCT.
Each Director has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of FCT. The Directors will contribute in different ways, including using their personal contacts to further the interest of FCT.

Each of the Directors has experience in being a director of public listed companies (whether in Singapore or overseas) (see “The Manager and Corporate Governance — Experience and Expertise of the Board of Directors”). They therefore have the appropriate experience to act as directors of the Manager and are familiar with the rules and responsibilities of a director of a public listed company.

The Board will, on listing of FCT, approve a set of internal controls which sets out approval limits for capital expenditure, investments and divestments and bank borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

Changes to regulations and accounting standards will be monitored closely by the members of the Audit Committee. To keep pace with regulatory changes, where these changes have an important bearing on the Manager’s or Directors’ disclosure obligations, the Directors will be briefed either during Board meetings or at specially convened sessions involving the relevant professionals. Management also provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

The majority of the Directors are non-executive. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Chairman and the Chief Executive Officer, provides a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate on the business activities of the Manager.

The positions of Chairman of the Board and Chief Executive Officer are separately held by two persons in order to maintain an effective check and balance. The Chairman of the Board, Dr Han Cheng Fong is a Non-Executive Director, while the Chief Executive Officer, Mr Christopher Tang Kok Kai is an Executive Director.

There is a separation of the roles and responsibilities between the Chairman and the Chief Executive Officer of the Manager. The Chairman is responsible for the overall management of the Board as well as ensuring that the members of the Board and the management work together with integrity and competency, and that the Board engages the management in constructive debate on strategy, business operations, enterprise risk and other plans while the Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Manager.

The Board has separate and independent access to senior management and the company secretary at all times. The company secretary attends to corporate secretarial administration matters and attends all Board meetings. The Board also has access to independent professional advice where appropriate.
Management Reporting Structure of the Manager

Board of Directors
Dr Han Cheng Fong (Chairman and Non-Executive Director)
Mr Christopher Tang Kok Kai (Executive Director)
Mr Anthony Cheong Fook Seng (Non-Executive Director)
Mr Lim Ee Seng (Non-Executive Director)
Mr Bobby Chin Yoke Choong (Independent Director)
Mr Philip Eng Heng Nee (Independent Director)
Mr Soh Kim Soon (Independent Director)

Chief Executive Officer
Mr Christopher Tang Kok Kai

Senior Finance Manager
Ms Teo Siaw Shien

Senior Investment Manager
Mr Jack Lam Juck Ngai

Senior Asset Manager
Ms Lim Poh Tin

Senior Investor Relations & Research Manager
Mr Fu Yu-Cheng Clarence

Roles of the Executive Officers of the Manager

The Chief Executive Officer of the Manager is responsible for working with the Board to determine the strategy for FCT. The Chief Executive Officer will also work with the other members of the Manager’s management team to ensure that FCT is operated in accordance with the Manager’s stated investment strategy. Additionally, the Chief Executive Officer will be responsible for planning the future strategic development of FCT.

He is also responsible for strategic planning, the day-to-day operations of FCT and working with the Manager’s investment, asset management, financial and compliance personnel in meeting the strategic, investment, and operational objectives of FCT.

The Senior Finance Manager is in charge of the Finance Team, which is responsible for the keeping and reporting of FCT’s financial condition as well as the development of a comprehensive system of business score cards and key performance indicators to facilitate the effective management of FCT’s assets. The Senior Finance Manager will work closely with the Senior Asset Manager to provide the projection of the rental returns, carry out accounting in relation to the rental collections and the operating expenses incurred in the course of managing and operating the properties in FCT’s portfolio, and monitor any outstanding rents. The Senior Finance Manager’s responsibilities also cover the preparation of statutory accounts, co-ordination with external auditors, management of tax affairs as well as the preparation of FCT’s performance reports for Unitholders and investors.

The Senior Investment Manager is in charge of the Investment Team, which is responsible for identifying, researching and evaluating potential acquisitions and related investments both in Singapore and overseas with a view to enhancing FCT’s portfolio, or divestments where a property is no longer strategic, fails to enhance the value of FCT’s portfolio or fails to be yield accretive. The Investment Team led by the Senior Investment Manager also recommends and analyses potential asset enhancement initiatives. In order to support these various initiatives, the team develops financial models to test the financial impact of different courses of action. These findings will be research-driven to help develop and implement the proposed initiatives.
The **Senior Asset Manager** is in charge of the Asset Management Team, which is responsible for formulating the business plans in relation to FCT’s properties with short, medium and long term objectives, and with a view to maximising the rental income of FCT via active asset management. The Senior Asset Manager works closely with the Property Manager to implement FCT’s strategies so as to ensure that the properties in FCT’s portfolio maximise their income generation potential and minimise their expense base without compromising their marketability. The Asset Management Team led by the Senior Asset Manager focuses on the operations of FCT’s properties, the implementation of the short to medium term objectives of FCT’s portfolio and the supervision of the Property Manager in the implementation of FCT’s property-related strategies.

The **Senior Investor Relations & Research Manager** is responsible for facilitating communications and liaison with Unitholders. This includes regular statutory reporting, such as producing annual reports to Unitholders, and reporting to the SGX-ST in compliance with the Listing Manual. The principal objective of the Senior Investor Relations & Research Manager is to provide exceptional service to Unitholders by maintaining continuous disclosure and transparent communications with Unitholders and the market. The Senior Investor Relations & Research Manager will assist the Chief Executive Officer in facilitating and co-coordinating the formulation of strategic plans focused primarily on the creation of value for Unitholders, and in promoting and marketing FCT to Unitholders, prospective investors and the media through regular communications, roadshows, events and internet website.

**Experience and Expertise of the Executive Officers**

Information on the working experience of the executive officers of the Manager is set out below:

**Mr Christopher Tang Kok Kai** is the Chief Executive Officer of the Manager. Details of his working experience is set out in the section “Experience and Expertise of the Board of Directors”.

**Ms Teo Siaw Shien** is the Senior Finance Manager of the Manager.

Ms Teo joined the FCL Group in 1994. As the senior finance manager of the FCL Group, she was primarily responsible for coordinating the FCL Group’s budgetary process and all aspects of group accounting and financial reporting.

Ms Teo started her career in public accounting with Ernst & Young in 1991 where she was subsequently promoted to the position of senior auditor before leaving the profession for commerce in 1993. At Ernst & Young, she was engaged in the audits of companies from a wide range of industries including real estate, hospitality, manufacturing, and investment holding.

Ms Teo graduated from the National University of Singapore with a Bachelor of Accountancy degree. She is a Singapore Certified Public Accountant and is a member of the Institute of Certified Public Accountants of Singapore. Ms Teo also holds a Master of Science (Real Estate) degree from the National University of Singapore.

**Mr Jack Lam Juck Ngai** is the Senior Investment Manager of the Manager. Mr Lam has close to 13 years of experience in the property industry spanning across a variety of roles in both the private and public sectors. Prior to joining the Manager, Mr Lam was with CapitaMall Trust Management Limited, the manager of CapitaMall Trust (Singapore’s first listed real estate investment trust), as its research manager since the trust’s listing in July 2002. CapitaMall Trust Management Limited is a subsidiary of CapitaLand Limited. Mr Lam’s key focus was in spearheading various research initiatives and projects for the management of the trust and its assets as well as in support of the trust’s investment and acquisition activities. These included research and analysis work on the financial market, real estate market and retail industry as well as market and consumer research for the trust’s portfolio of retail assets.
Concurrent to his appointment with CapitaMall Trust Management Limited, Mr Lam was also the manager of investment and asset management with CapitaLand Retail Limited (another subsidiary of CapitaLand Limited), where he primarily focused on the retail property market in the PRC. His main responsibilities encompassed business development and acquisition work and the investment management of a substantial portfolio of retail assets spread across various cities in the PRC. He was a key member of the investment team spearheading CapitaLand’s partnership with a PRC government entity, Shenzhen International Trust & Investment Co., Ltd, on the investment in an extensive pipeline of retail mall projects to be anchored by Wal-Mart (the world’s largest retailer) across the PRC.

Prior to working with CapitaLand group, Mr Lam was head of advisory services for the Singapore office of international property consultants, Cushman & Wakefield. His other prior work experiences were as a senior development officer with JTC, an assistant manager with Knight Frank Pte Ltd and as a planner with the URA.

Mr Lam holds a Master of Business Administration in Finance (with Distinction) from the University of Leeds, UK in 2001 and a Bachelor of Engineering (Civil) degree from the National University of Singapore in 1993

Ms Lim Poh Tin is the Senior Asset Manager of the Manager. Ms Lim has about 20 years of real estate experience. Besides asset management, she also has wide experience in property management.

Prior to joining the Manager, she was an asset manager at Lend Lease Real Estate Investments Pte Ltd, the manager of Parkway Parade Shopping Centre. Ms Lim was responsible for the short, medium and long-term master-planning of Parkway Parade. She was centre manager of Parkway Parade from 2000 to 2005 and was a key member of the team which was instrumental in the successful repositioning of Parkway Parade which was voted the second favourite shopping centre in a survey conducted by The Straits Times in 2004. She was the main driver for the key areas of its centre management to ensure the operational efficiency for the property.

Ms Lim was the centre manager at Cuscaden Properties Pte Ltd and was responsible for the centre management of Tanglin Mall and Tanglin Place from 1994 to 2000.

From 1991 to 1994, Ms Lim was an asset manager with Richard Ellis Pte Ltd. She was responsible for the management of several properties which included Park Mall, Promenade and International Building. Prior to joining Richard Ellis, Ms Lim was a property manager with Colliers Jardine from 1988 to 1991.

Ms Lim holds Diplomas in Building Maintenance and Management from Ngee Ann Technical College and Management Studies from Singapore Institute of Management. She obtained her Bachelor of Science Honours degree in Real Estate Management from Oxford Brookes University in 2001.

Mr Fu Yu-Cheng Clarence is the Senior Investor Relations & Research Manager of the Manager. Prior to joining the Manager, Clarence Fu was investor relations director at Chartered Semiconductor Manufacturing Ltd ("Chartered"), a company listed on NASDAQ and SGX-ST. Joining Chartered in 2001 as a key member of the investor relations team, his responsibilities included managing Chartered’s Singapore investor relations department, developing Chartered’s investor communication program and internal policies, and maintaining open communication channels with financial analysts and institutional and retail shareholders.

Since 1997, Mr Fu has practiced investor relations for companies listed on the SGX-ST, NASDAQ and NYSE. Among his other duties, he was responsible for increasing the profile of these companies, maintaining proactive communications with the investment community, and developing communication and financial marketing tools such as annual reports, financial and corporate press releases, investor presentations and corporate website.
Prior to joining Chartered, Mr Fu established and managed the investor relations function for Raffles Holdings as the investor relations director and for Pacific Internet Limited as investor relations manager. Between 1997 and 1999, he was assistant manager of corporate finance and investor relations at the APP group of companies.

From 1995 to 1997, Mr Fu was manager of institutional sales at HLG Securities (HK) Ltd based in Hong Kong. Prior to joining HLG Securities, he was technical manager and customer services at Bowne of Singapore.

Mr Fu holds a Master of Business Administration degree from Macquarie University in Australia, and Bachelor of Engineering degree (with honors) in Electrical and Computer Engineering from Stevens Institute of Technology in the United States.

A list of the present and past directorships of each Executive Officer of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H — “List of Present and Past Principal Directorships of Directors and Executive Officers”.

**Management Reporting Structure of the Property Manager**

![Diagram of the management reporting structure]

**Executive Officers of the Property Manager**

Frasers Centrepoint Retail Concepts Pte. Ltd., a wholly-owned subsidiary of FCL, is appointed the Property Manager of FCT.

Information on the working experience of the Executive Officers of the Property Manager is set out below:

**Mr Tong Kok Wing** is the General Manager (Investment Properties) of the Property Manager since May 2006. For the past 27 years, he focused on the development, marketing and management of retail malls, both locally and overseas.

Prior to joining the FCL Group, he was concurrently the General Manager of Parco Bugis Junction and the General Manager (Retail Management) in Keppel Land. Under his leadership, Parco Bugis Junction won a number of awards from Singapore Tourism Board, Singapore Retailers Association and International Council of Shopping Centres.
Widely regarded as one of Singapore’s foremost leaders in retail mall management, Mr Tong was President of The Association of Shopping Centres, Singapore for four years. He is also a founder member of Retail Professional Network and its current Treasurer. Last year he co-authored “The 4Rs of Asian Shopping Centre Management” which was very well received and a version in Bahasa Indonesia is now available.

A board member of National Fire Prevention Council and an advisor to Chinatown Street Market Committee, he played a pivotal role in helping Parco Bugis Junction win its landmark property tax case in the High Court which decided that tenants’ advertising and promotions contribution cannot be included as part of a retail mall’s annual value.

Mr Tong holds a degree in Estate Management. He is a member of both the Chartered Institute of Marketing and Singapore Institute of Surveyors and Valuers as well as a licensed appraiser of real estate.

Ms Ho Cheng Han Felicia is the Senior Manager (Marketing Communications) of the Property Manager. She has been with the FCL Group for the past eleven years, and is currently responsible for marketing communications to support the three business divisions within the group (investment properties, residential developments and service apartment properties) by ensuring a consistent alignment of corporate values and objectives with that of its parent company, F&N. Ms Ho oversees the production of marketing communication materials like annual reports, corporate brochures and newsletters. She is also involved in strategic initiatives like corporate name changes, rebranding/repositioning, and provides inputs in relation to FCL Group’s participation in these initiatives.

In addition, Ms Ho is responsible for advertising, promotional and public relations activities of the seven retail properties: Centrepoint Shopping Centre, Anchorpoint, Causeway Point, Northpoint, Compass Point Shopping Centre, Valley Point Shopping Centre and Robertson Walk, collectively known as the “Frasers Centrepoint Malls”. She also manages several key initiatives for the malls — two loyalty clubs, a shopping voucher scheme and the “Frasers Centrepoint Malls” website. She is also responsible for cultivating a positive image and top-of-mind recall for the malls through a cohesive public relations programme.

In 1996, Ms Ho spearheaded the launch of Centrepoint Shopping Centre’s website, the first local shopping centre website, which has evolved into the “Frasers Centrepoint Malls” website. In that same year, she brought in an award-winning children’s educational show, “Sesame Street”, to Centrepoint Shopping Centre, the first live show for a Singapore mall. Ms Ho has also been instrumental in Centrepoint Shopping Centre’s numerous wins (1st prize three times in a row) in its well-known Christmas Decorations since 1995. In 2003, Ms Ho’s efforts in driving the “Learning Mall” theme for Compass Point won the mall an international marketing accolade, “The Maxi Award”. This award is given out yearly by US-based ICSC (The International Council of Shopping Centres) to shopping centres which conceptualise and implement successful marketing programmes. A year later, Causeway Point garnered the “Best A&P Efforts” accolade from the Singapore Retailers Association and was also voted “Best Suburban Mall” by the national press, The Straits Times.

Prior to joining the Property Manager, Ms Ho was handling public relations, corporate communications and advertising and promotions for Wisma Atria Shopping Centre and Forum The Shopping Mall. She has also worked with a local public relations firm as a consultant to leading companies in the IT and retail sectors.

Ms Ho holds a Bachelor Degree in Business, Major in Marketing from the Edith Cowan University in Perth, Australia. She is also an active member of the Communications & Networking Committee in the Association of Shopping Centres (Singapore) and the Orchard Road Business Association. She obtained her Certificate-In-Education (Major in English Language) from the Institute Of Education in 1984.
Ms Lim Tow Ling Molly is the Centre Manager of Causeway Point, the largest shopping centre in FCT's portfolio. Ms Lim has more than fourteen years of experience in leasing commercial properties, which includes eleven years of shopping centre management. She has been actively involved in enhancing tenant mix, resolving legal tenancy issues and managing operational matters including safety and security, technical facilities, car park facilities and customer service. Ms Lim was involved in formulating the standard operating procedures for lease documentation and office administration, overseeing customer service as well as facilitating the implementation of the division’s balance scorecard initiatives.

Under Ms Lim's management, Causeway Point was bestowed the Best Suburban Mall in Singapore title by The Straits Times in 2004. She was responsible for facilitating the commencement of tenant operations at Causeway Point despite recession sentiments in 1998.

Prior to managing Causeway Point, Ms Lim was a Centre Executive at Northpoint from 1994 to 1997. Prior to joining the FCL Group in 1994, Ms Lim was an Estates Officer with the commercial properties section of the Housing & Development Board where she managed the leasing of space for HDB's commercial properties. She was also involved in the letting of shophouses in the Little India Conservation Project.

Ms Lim graduated from the National University of Singapore with a Bachelor of Social Sciences (Honours) degree majoring in Economics. She also holds a Graduate Diploma in Business Administration from the Singapore Institute of Management.

Mr Lee Kam Seng is the Centre Manager of Northpoint, one of the first suburban shopping malls in Singapore.

Mr Lee has more than 21 years of experience in building and plant construction, and management of major shopping centres. In the last 12 years with the FCL Group, he has played a key role in the management of the group’s investment properties and as Council Member of the Management Corporation of Compass Point Shopping Centre and Compass Heights.

Mr Lee was responsible for managing the retrofitting of Northpoint in 2001 and the construction of the two-storey building extension at Northpoint in 2002. Mr Lee was a Building Manager of Northpoint from 1995 to 1997, responsible for the day-to-day management and maintenance of the building's infrastructure and facilities. From 1992 to 1995, he was the Building Executive of Northpoint.

In the decade prior to joining the FCL Group, Mr Lee worked for several companies in the building and plant construction industry including Techniskil Pte Ltd, Foster Wheeler Italiana Spa, Raffles City Pte Ltd, Hong Fok Corporation and Wah Chang Engineering Corporation.

Mr Lee holds a Full Technological Certificate in Mechanical Engineering from the City and Guild Institute of London, United Kingdom. He is also a Certified Fire Safety Manager, certified by the Singapore Civil Defence Force and Ngee Ann Polytechnic.

Ms Tan Hwee Cheng is the Centre Manager of Anchorpoint. She has nine years of centre management experience and has been responsible for all aspects of leasing, marketing, security, and maintenance and engineering activities. Ms Tan played a key role in the 2004 revamp of Anchorpoint's east wing, where the food and beverage tenant mix was significantly strengthened. This resulted in the annual volume of visitors to Anchorpoint increasing 12.5% from 2.4 million in 2003 to 3.0 million in 2005.

From 2001 to 2003, Ms Tan was the Assistant Centre Manager for Robertson Walk and Valley Point. Prior to that, she was a Centre Executive at Centrepoint Shopping Centre from 1997 to 2000.
Before joining the FCL Group, Ms Tan was an Executive with the Volunteer Action and Development Centre of National Council of Social Services where she was responsible for the organisation and implementation of training courses for all direct service volunteers from Voluntary Welfare Organisations.

Ms Tan graduated with a Bachelor of Arts degree from the National University of Singapore. She also holds a Master of Science (Real Estate) degree from the National University of Singapore, a Postgraduate Diploma in Marketing from The Chartered Institute of Marketing, United Kingdom, and a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

Ms Heng Chye Hong is an Advertising & Promotions Manager of the Property Manager. She joined the FCL Group in July 1996 and is primarily responsible for organising promotional events for Centrepoint Shopping Centre, Anchorpoint, Robertson Walk, Valley Point Shopping Centre, Causeway Point and Northpoint. Ms Heng’s responsibilities include managing advertising budget and expenditure, conceptualising new promotional ideas, supervising a four-member team to ensure the smooth-running of all promotions, liaising with advertising agencies to ensure timely production and execution of television, radio and press advertisements, and publicity collateral, liaising with tenants for sponsorship or joint promotions, and working with contractors to decorate the malls in accordance with the promotion theme.

Ms Heng organised the successful grand opening celebrations for Anchorpoint in 1997 and Causeway Point in 1999. She conceptualised the launch of the first “Frasers Centrepoint Malls” loyalty programme (formerly known as “Malls of Centrepoint”) — “Driven To Shop” in 2003, increasing sales and traffic to the properties. Ms Heng was responsible for launching the “Grand Club” in 2001, a one-of-its kind exclusive shopper club to address the older shoppers in the malls, believed to be the first of its kind in Singapore.

Ms Heng played a key role in the accolades awarded to the FCL Group’s properties. These include Centrepoint Shopping Centre winning The Association of Shopping Centres’ “The Best Christmas Shopping Experience Contest 2004”, and Robertson Walk achieving the “Friend of The Arts Award” by National Art’s Council from 2002 to 2003; the “Arts Supporter Award” by National Art’s Council in 2004 and a Merit in the “Creative Ear Awards” (Mediacorp Radio) in 2003. Centrepoint Shopping Centre was one of the three shopping centres short-listed for Singapore’s Effie Awards 2005, which recognises effective advertising in the industry.

Ms Heng contributes actively in The Association of Shopping Centres’ and the Singapore and Orchard Road Business Association’s advertising and promotions initiatives.

Prior to joining the FCL Group, Ms Heng was an executive with the corporate affairs department of the National University Hospital from 1993 to 1996. Trained with the necessary writing and editorial skills, Ms Heng was then the sub-editor of the hospital’s monthly in-house newsletter, “Lifeline”. She was also actively involved in media and complaint management, organisation of hospital tours, and the publication of annual reports and communication brochures.

Ms Heng graduated from the Queensland University of Technology, Australia with a Bachelor of Business degree, majoring in Public Relations.

Ms Soh Hui May Sheila is an Advertising & Promotions Manager of the Property Manager. She joined the FCL Group in July 1997 and has primarily been responsible for public relations activities and for FCL’s shopping mall website.

Ms Soh is responsible for maintaining a strong identity for the website, ensuring it is an excellent source of information for shoppers as well as providing tenants with a good promotional tool for their sales and events. In 2001, she played a key role in securing funding from the Infocomm Development Authority of
Singapore to revamp the website into an entirely new broadband website. She was also responsible for the launching of the online and secured payment facility for the sales of the “Malls of Centrepoint” shopping vouchers.

Ms Soh also manages all aspects of the shopping vouchers programme including ensuring its sales, the related banking and credit card reward/redemption programmes, and creating general awareness of shopping vouchers as a gift idea. In 2003, she was instrumental in working with external vendors to develop and implement an electronic lucky draw system as an additional tool for advertising and promoting the FCL Group’s shopping centres. This system eradicates the need to print lucky draw coupons and enables easy tracking of shopper profiles and spending. She also actively oversees the “Grand Club” privilege card programme by working closely with tenants to offer exclusive shopping privileges and benefits to encourage increased spending.

Her public relations responsibilities include assisting with media relations activities and ensuring consistent press coverage and mileage.

Prior to joining the FCL Group, Ms Soh was the Senior Public Relations Executive with the Parkway Healthcare Group from 1993 to 1996. Her responsibilities there included organizing seminars for general practitioners and specialists, coordinating press conferences, writing in-house newsletters, and conducting hospital tours.

Ms Soh graduated from the Queensland University of Technology, Australia with a Bachelor of Business degree, majoring in journalism.

Ms Clarissa Pukiat is the Research and Development Executive of the Property Manager. She joined the FCL Group in 2003 and is currently responsible for all research and development activities including research on market trends and developments, and benchmarking and analysing the performance of the group’s portfolio of investment properties. Prior to this, she was Centre Executive at Anchorpoint where she was actively involved in the marketing, leasing, building management, maintenance, and security operations of the shopping centre.

Prior to joining the FCL Group, Ms Pukiat completed an internship with SLF Management Services Pte Ltd from August 2002 to February 2003, where as Property Officer, she assisted the project managers in managing defect cases from the residential projects and building maintenance contracts.

From 2000 to 2001, Ms Pukiat was Tenant Design Coordinator with PT Swadharma Primautama, a subsidiary of the Lyman Group in Jakarta, Indonesia, where she was responsible for coordinating and facilitating all fitting-out projects and interior works. Prior to that, Ms Pukiat was Management Trainee and Architect with PT Berkat Plywood, a subsidiary of the Lyman Group in Jakarta, Indonesia where she was actively involved in preparing architectural drawings and assisting senior architects with the monitoring of the detail works during the construction period.

Ms Pukiat graduated from the Parahyangan Catholic University in Bandung, Indonesia with a Bachelor of Architecture degree. She also holds a Master of Science (Real Estate) degree from the National University of Singapore.

Roles and Responsibilities of the Manager

The Manager has general powers of management over the assets of FCT. The Manager’s main responsibility is to manage FCT’s assets and liabilities for the benefit of Unitholders.

The Manager will set the strategic direction of FCT and give recommendations to the Trustee on the acquisition, divestment or enhancement of assets of FCT in accordance with its stated investment strategy.
The Manager has covenanted in the Trust Deed to use its best endeavours to ensure that the business of FCT is carried on and conducted in a proper and efficient manner and to conduct all transactions with or for FCT at arm’s length.

Further, the Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of FCT’s properties.

The Manager will also be responsible for ensuring compliance with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Guidelines), the Trust Deed, the Tax Ruling and all relevant contracts. The Manager will be responsible for all regular communications with Unitholders.

The Manager may require the Trustee to borrow on behalf of FCT (upon such terms and conditions as the Manager deems fit, including the charging or mortgaging of all or any part of the Deposited Property) whenever the Manager considers, among other things, that such borrowings are necessary or desirable in order to enable FCT to meet any liabilities or to finance the acquisition of any property. However, the Manager must not direct the Trustee to incur a borrowing if to do so would mean that FCT’s total borrowings exceed the limit stipulated by the MAS based on the value of its Deposited Property immediately prior to the time the borrowing is incurred.

In the absence of fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Trust Deed. In addition, the Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Manager, to have recourse to the Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager. The Manager may, in managing FCT and in carrying out and performing its duties and obligations under the Trust Deed, with the written consent of the Trustee, appoint such person to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Trust Deed, provided always that the Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

Manager’s Fees

The Manager is entitled under the Trust Deed to the following management fees:

- 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 the Net Property Income in the relevant financial year.

Although 80.0% of the management fees are assumed to be paid in Units (see “Profit Forecast and Profit Projection — Assumptions”) for the Forecast Period 2006 and the Projection Year 2007, the Manager has agreed to receive such amount of its management fees in Units as would be required to support the forecast and projected distributions for the said periods. The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine) after the Projection Year 2007, having regard to the distribution yields to Unitholders and cash flow of FCT.

Any increase in the rate or any change in the structure of the Manager’s management fees must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders’ meeting duly convened and held in accordance with the provisions of the Trust Deed.
The Manager is also entitled to:

- 1.0% of each of the following as is applicable (subject to there being no double-counting):
  
  (i) the acquisition price of any real estate purchased, whether directly or indirectly through one or more special purpose vehicles, by FCT (plus any other payments in addition to the acquisition price made by FCT or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of FCT’s interest);
  
  (ii) the underlying value of any real estate which is taken into account when computing the acquisition price for the equity interests of any vehicle holding directly or indirectly the real estate purchased, whether directly or indirectly through one or more special purpose vehicles, by FCT (plus any additional payments made by FCT or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of FCT’s interest); or
  
  (iii) the acquisition price of any investment by FCT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

- 0.5% of each of the following as is applicable (subject to there being no double-counting):
  
  (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by FCT (plus any other payments in addition to the sale price received by FCT or its special purpose vehicles from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of FCT’s interest);
  
  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by FCT (plus any additional payments received by FCT or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of FCT’s interest); or
  
  (iii) the sale price of any investment by FCT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

No acquisition fee is payable for the acquisition of the Properties.

Any payment to third party real estate agents or brokers in connection with the acquisition or divestment of any real estate of FCT shall be paid by the Manager to such persons out of the acquisition fee or the divestment fee received by the Manager, and not additionally out of the Deposited Property of FCT.

The acquisition fee and divestment fee are payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the then prevailing market price provided that in respect of any acquisition and sale or divestment of real estate assets from/to interested parties, such a fee should be in the form of Units issued by FCT at prevailing market price(s). Such Units should not be sold within one year from date of their issuance. Any increase in the maximum permitted level of the Manager’s acquisition fee or disposal fee must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders’ meeting duly convened and held in accordance with the provisions of the Trust Deed.
Annual Reports

An annual report will be issued by the Manager to Unitholders within three months from the end of each accounting period of FCT, containing, among other things, the following key items:

(i) details of all real estate transactions entered into during the accounting period;

(ii) details of FCT’s real estate assets;

(iii) if applicable, with respect to investments other than real estate property:
   (a) a brief description of the business;
   (b) proportion of share capital owned;
   (c) cost;
   (d) (if relevant) Directors’ valuation and in the case of listed investments, market value;
   (e) dividends received during the year (indicating any interim dividends);
   (f) dividend cover or underlying earnings;
   (g) any extraordinary items; and
   (h) net assets attributable to investments;

(iv) cost of each property held by FCT;

(v) annual valuation of each property of FCT;

(vi) analysis of provision for diminution in value of each property of FCT (to the extent possible);

(vii) annual rental income for each property of FCT;

(viii) occupancy rate for each property of FCT;

(ix) remaining term for each of FCT’s leasehold properties;

(x) amount of distributable income held pending distribution;

(xi) details of assets other than real estate;

(xii) details of FCT’s exposure to derivatives;

(xiii) details of FCT’s investments in other property funds;

(xiv) details of borrowings by the Trustee and other financial accommodation to the Trustee in relation to FCT;

(xv) value of the Deposited Property and the net asset value of FCT at the beginning and end of the financial year under review;

(xvi) the prices at which the Units were quoted at the beginning and end of the accounting period, and the highest and lowest prices at which the Units were traded on the SGX-ST during the accounting period;

(xvii) volume of trade in the Units during the accounting period;

(xviii) the aggregate value of all transactions entered into by the Trustee (for and on behalf of FCT) with an “interested party” (as defined in the Property Funds Guidelines) or with an “interested person” (as defined in the Listing Manual) during the financial year under review;

(xix) total operating expenses of FCT in respect of the accounting period, including expenses paid to the Manager and interested parties (if any) and the Trustee, and taxation incurred in relation to FCT’s properties;
(xx) historical performance of FCT, including rental income obtained and occupancy rate for each property in respect of the accounting period and other various periods of time (e.g. one-year, three-year, five-year or 10-year) and any distributions made;

(xxi) total amount of fees paid to the Trustee;

(xxii) name of the Manager, together with an indication of the terms and duration of its appointment and the basis of its remuneration;

(xxiii) total amount of fees paid to the Manager and the price(s) at which they were issued in part payment thereof;

(xxiv) total amount of fees paid to the Property Manager;

(xxv) an analysis of realised and unrealised surpluses or losses, stating separately profits and losses of listed and unlisted investments, if applicable;

(xxvi) any extraordinary items; and

(xxvii) such other items which may be required to be disclosed under the prevailing applicable laws, regulations and rules.

The Manager has obtained a waiver from the SGX-ST from the requirement to prepare an annual report to cover the period from the Listing Date to 30 September 2006. FCT would however announce any material changes to information contained in this Prospectus which would have had been reflected in such annual report.

Additionally, FCT will announce its net asset value on a quarterly basis. Such announcements will be based on the latest available valuation of FCT’s real estate and real estate-related assets, which will be conducted at least once a year (as required under the Property Funds Guidelines). The first such valuation will be conducted by 30 September 2006.

**Retirement or Removal of the Manager**

The Manager shall have the power to retire in favour of a corporation approved by the Trustee to act as the manager of FCT.

Also, the Manager may be removed by notice given in writing by the Trustee if:

- the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the Manager;
- the Manager ceases to carry on business;
- the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any material obligation imposed on the Manager by the Trust Deed;
- the Unitholders, by passing an Ordinary Resolution, shall so decide (without any Unitholder being disenfranchised);
- for good and sufficient reason, the Trustee is of the opinion, and so states in writing, that a change of the Manager is desirable in the interests of the Unitholders; or
- the MAS directs the Trustee to remove the Manager.

Where the Manager is removed on the basis that a change of the Manager is desirable in the interests of the Unitholders, the Manager has a right under the Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the Manager, the Trustee and all Unitholders.
Corporate Governance of the Manager

The following outlines the main corporate governance practices of the Manager.

Board of Directors of the Manager

The Board is responsible for the overall corporate governance of the Manager including establishing goals for management and monitoring the achievement of these goals. The Manager is responsible for the strategic business direction and risk management of FCT. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of Directors. The Board has established a framework for the management of the Manager and FCT, including a system of internal control and a business risk management process. The Board consists of seven members, three of whom are Independent Directors. None of the Directors has entered into any service contract directly with FCT.

The composition of the Board is determined using the following principles:

- the Chairman of the Board should be a non-executive Director;
- the Board should comprise Directors with a broad range of commercial experience including expertise in funds management and the property industry; and
- at least one-third of the Board should comprise Independent Directors.

The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Audit Committee

The Audit Committee is appointed by the Board from among the Directors and is composed of three members, a majority of whom (including the Chairman of the Audit Committee) are required to be Independent Directors. As at the date of this Prospectus, the members of the Audit Committee are Mr Bobby Chin Yoke Choong, Mr Anthony Cheong Fook Seng and Mr Soh Kim Soon, two of whom are Independent Directors. Mr Bobby Chin Yoke Choong has been appointed as the Chairman of the Audit Committee. The role of the Audit Committee is to monitor and evaluate the effectiveness of the Manager's internal controls. The Audit Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

The Audit Committee’s responsibilities also include:

- reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management;
- monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Guidelines;
- reviewing the financial statements and the internal audit report; and
- monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the Listing Manual relating to “interested person transactions” (as defined therein) and the provisions of the Property Funds Guidelines relating to “interested party transactions” (as defined therein) (both such types of transactions constituting “Related Party Transactions”).

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Dealings in Units

The Trust Deed requires each Director to give notice to the Manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest. (See “The Formation and Structure of Frasers Centrepoint Trust — Directors’ Declaration of Unitholdings”.)

The Directors and employees of the Manager may hold Units but are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of FCT’s annual and semi-annual results and (where applicable) property valuations and two weeks before the public announcement of FCT’s quarterly results, and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and
- at any time while in possession of price sensitive information.

In addition, the Manager has given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto within two Business Days after the date on which it acquires or disposes of any Units, as the case may be. The Manager has also undertaken that it will not deal in the Units in the period commencing one month before the public announcement of FCT’s annual and semi-annual results and (where applicable) property valuations and two weeks before the public announcement of FCT’s quarterly results, and ending on the date of announcement of the relevant results or, as the case may be, property valuations.

Management of Business Risk

The Board will meet quarterly or more often if necessary and will review the financial performance of the Manager and FCT against a previously approved budget. The Board will also review the business risks of FCT, examine liability management and will act upon any comments from the auditors of FCT.

The Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Manager and FCT. In assessing business risk, the Board will consider the economic environment and risks relevant to the property industry. It reviews management reports and feasibility studies on individual development projects prior to approving major transactions. The management meets regularly to review the operations of the Manager and FCT and discuss any disclosure issues.

Conflict of Interests

The Manager has instituted the following procedures to deal with conflict of interests issues:

- The Manager will not manage any other real estate investment trust which invests in the same type of properties as FCT.
- All executive officers will be employed by the Manager.
- All resolutions in writing of the Directors in relation to matters concerning FCT must be approved by a majority of the Directors, including at least one Independent Director.
- At least one-third of the Board shall comprise Independent Directors.
- In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or its subsidiaries.
In respect of matters in which a Director has an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and must exclude such interested Directors.

It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of FCT with a related party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of FCT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of FCT with a related party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee’s right to take such action as it deems fit against such related party.

The Sponsor has undertaken to the Trustee that it shall procure the Property Manager to make available to the Audit Committee of FCT for their review, all leasing information relating to the Yishun Property once every six months, the first of such six-month period to commence on the date of issuance of the temporary occupation permit for the New Yishun Building. This undertaking by the Sponsor shall terminate on the earliest of (i) the date the Yishun Property ceases to be owned by Yishun Development Pte Ltd or any subsidiary of the Sponsor, (ii) the date the Yishun Property and Northpoint cease to be owned by two different entities, and (iii) the date the Property Manager ceases to be the property manager of the Yishun Property or Northpoint (the “Deed of Undertaking”).

Related Party Transactions

The Manager’s Internal Control System

The Manager has established an internal control system to ensure that all future Related Party Transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of FCT and the Unitholders. As a general rule, the Manager must demonstrate to its Audit Committee that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Guidelines).

The Manager will maintain a register to record all Related Party Transactions which are entered into by FCT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into. The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by FCT. The Audit Committee shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. In addition, the Trustee will also have the right to review such audit reports to ascertain that the Property Funds Guidelines have been complied with. Further, the following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of FCT’s net tangible assets will be subject to review by the Audit Committee at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of FCT’s net tangible assets will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on
normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of the value of FCT’s net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Guidelines, such transactions would have to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning FCT relate to transactions entered into or to be entered into by the Trustee for and on behalf of FCT with a related party of the Manager (which would include relevant Associates thereof) or FCT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of FCT and the Unitholders, and in accordance with all applicable requirements of the Property Funds Guidelines and/or the Listing Manual relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or FCT. If the Trustee is to sign any contract with a related party of the Manager or FCT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Guidelines (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

Save for the transactions described under “Related Party Transaction in Connection with the Setting Up of FCT” and “Exempted Agreements”, FCT will comply with Rule 905 of the Listing Manual by announcing any interested person transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3.0% or more of FCT’s latest audited net tangible assets.

The aggregate value of all Related Party Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in FCT’s annual report for the relevant financial year.

**Role of the Audit Committee for Related Party Transactions**

The Audit Committee will periodically review all Related Party Transactions to ensure compliance with the Manager’s internal control system and with the relevant provisions of the Listing Manual as well as the Property Funds Guidelines. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit Committee.

If a member of the Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

**Related Party Transactions in Connection with the Setting Up of FCT**

The Trustee, on behalf of FCT, has entered into a number of transactions with the Manager and certain related parties of the Manager in connection with the setting up of FCT. These Related Party Transactions include the following:

- The Trustee has entered into the Trust Deed with the Manager. The terms of the Trust Deed are generally described in “The Formation and Structure of Frasers Centrepoint Trust”.

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• The Trustee has entered into call option agreements in respect of each Property with the relevant Vendor pursuant to which the Trustee was granted the right to require such Vendor to enter into a sale and purchase agreement for the sale of each Property to the Trustee. The relevant Vendor has agreed that when the call option under the relevant call option agreement is exercised, it will enter into a sale and purchase agreement for the sale of the relevant Property with the Trustee on the same day (see “Certain Agreements relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations” for more information on the Call Option Agreements).

• The Trustee and the Northpoint Vendor will enter into a Co-operation Agreement to regulate each party’s rights and obligations in connection with the construction and completion of works for the construction of the New Yishun Building and the integration of Northpoint Shopping Centre and the New Yishun Building in order that Northpoint Shopping Centre and the New Yishun Building shall be linked together to form a connected retail development (see “Certain Agreements Relating to Frasers Centrepoint Trust and Properties and Information on the Management Corporations — Co-operation Agreement”). The Sponsor has granted to FCT a right of first refusal over the future sale of the Yishun Property (after the construction of the New Yishun Building is completed (currently expected to be in 2009) and the temporary occupation permit in respect thereof has been issued) by the Northpoint Vendor (see “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Right of First Refusal”).

• The Trustee and the Manager have entered into the Property Management Agreement with the Property Manager for the operation, maintenance, management and marketing of the Properties and all other properties in Singapore subsequently acquired by FCT in respect of which the Trustee has a right of appointment of the Property Manager thereof. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Property Management Agreement”.)

The Manager considers that the Property Manager has the necessary expertise and resources to perform the property management services, lease management project management services, property tax services and marketing services for the Properties.

Based on its experience, expertise and knowledge of contracts, the Manager believes that the Property Management Agreement was made on normal commercial terms and is not prejudicial to the interests of FCT and the Unitholders.

Save as disclosed in this Prospectus, the Trustee has not entered into any other transactions with the Manager or any related party of the Manager in connection with the setting up of FCT.

**Exempted Agreements**

The fees and charges payable by FCT to the Manager under the Trust Deed, the sharing of income and expenses between FCT and the Northpoint Vendor under the Co-operation Agreement, and the fees and charges payable by FCT to the Property Manager under the Property Management Agreement (together with the Trust Deed and the Co-operation Agreement, the “Exempted Agreements”), each of which constitutes a Related Party Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect FCT. However, the renewal of such agreements will be subject to Rules 905 and 906 of the Listing Manual.
Future Related Party Transactions

As a real estate investment trust, FCT is regulated by the Property Funds Guidelines and the Listing Manual. The Property Funds Guidelines regulate, among other things, transactions entered into by the Trustee (for and on behalf of FCT) with an interested party relating to FCT’s acquisition of assets from or sale of assets to an interested party, FCT’s investment in securities of or issued by an interested party and the engagement of an interested party as property management agent or marketing agent for FCT’s properties. Depending on the materiality of transactions entered into by FCT for the acquisition of assets from, the sale of assets to or the investment in securities of or issued by, an interested party, the Property Funds Guidelines may require that an immediate announcement to the SGX-ST be made, and may also require that the approval of the Unitholders be obtained.

The Listing Manual regulates all interested person transactions, including transactions already governed by the Property Funds Guidelines. Depending on the materiality of the transaction, FCT may be required to make a public announcement of the transaction (Rule 905 of the Listing Manual), or to make a public announcement of and to obtain Unitholders’ prior approval for the transaction (Rule 906 of the Listing Manual). The Trust Deed requires the Trustee and the Manager to comply with the provisions of the Listing Manual relating to interested person transactions as well as such other guidelines relating to interested person transactions as may be prescribed by the SGX-ST to apply to real estate investment trusts.

The Manager may at any time in the future seek a general annual mandate from the Unitholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, including a general mandate in relation to leases and/or licence agreements to be entered into with interested persons, and all transactions conducted under such general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee will appoint an independent financial adviser (without being required to consult the Manager) pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of FCT and the Unitholders.

Both the Property Funds Guidelines and the Listing Manual requirements would have to be complied with in respect of a proposed transaction which is prima facie governed by both sets of rules. Where matters concerning FCT relate to transactions entered or to be entered into by the Trustee for and on behalf of FCT with a related party (either an “interested party” under the Property Funds Guidelines or an “interested person” under the Listing Manual) of the Manager or FCT, the Trustee is required to ensure that such transactions are conducted in accordance with applicable requirements of the Property Funds Guidelines and/or the Listing Manual relating to the transaction in question.

The Manager is not prohibited by either the Property Funds Guidelines or the Listing Manual from contracting or entering into any financial, banking or any other type of transaction with the Trustee (when acting other than in its capacity as trustee of FCT) or from being interested in any such contract or transaction, provided that any such transaction shall be on normal commercial terms and is not prejudicial to the interests of FCT and the Unitholders. The Manager shall not be liable to account to the Trustee or to the Unitholders for any profits or benefits or other commissions made or derived from or in connection with any such transaction. The Trustee shall not be liable to account to the Manager or to the Unitholders for any profits or benefits or other commission made or derived from or in connection with any such transaction.
THE SPONSOR

The Sponsor is a wholly-owned subsidiary of F&N, a leading international and diversified business group with core expertise and dominant standing in the property, food and beverage, and printing and publishing industries. Listed on the SGX-ST, F&N's market capitalisation, as at 31 May 2006, was approximately S$4.5 billion, making it one of the largest listed companies in Singapore. In its latest financial year ended 30 September 2005, F&N generated revenues of S$4.3 billion, with a total asset base of S$8.9 billion. F&N has a business presence in over 20 countries spanning Asia Pacific, Europe and USA and employs more than 14,000 employees worldwide.

Leveraging on its strengths in marketing and distribution, research and development, and products innovation, brands and financial management, as well as acquisition experience, F&N provides key resources and sets strategic directions for its subsidiary companies across all three industries. F&N owns an array of renowned brands that enjoy market leadership across a mix of beer, dairies, and soft drinks; residential properties, shopping centres and serviced residences; as well as publishing and printing services.

F&N acquired the Sponsor in 1990 and the Sponsor has since grown from being a single-shopping centre property company in the 1980s to becoming one of the fastest growing and most reputable real estate owners and developers in Singapore. As at the date of this Prospectus, the Sponsor is a multinational company with a strong foothold in Singapore in property development, property investment and serviced residences industries and is the main property arm of the F&N Group with total assets of S$5.2 billion as at 31 December 2005. Through the Sponsor, F&N develops residential properties, owns and/or manages shopping centres and serviced residences in numerous countries. The Sponsor has development projects in overseas markets, such as the PRC, Thailand, Australia, New Zealand and the United Kingdom and serviced residences operating in South Korea, the PRC, Thailand, the Philippines, France and UK. The Sponsor’s strategic thrust is to strengthen its expertise in all aspects of the real estate business, including property development, investment properties, serviced residences and property management.

Sponsor’s Track Record

The Sponsor has a reputation as one of Singapore’s leading shopping centre managers, known for its pioneering retail concepts, excellent shopping centre locations, quality management and strong tenant relations. It is a pre-eminent shopping centre operator and developer with more than 1.4 million square feet of retail space under its management, comprising seven shopping centres in Singapore, and one shopping centre each in Australia and Vietnam respectively. In total, the shopping centres managed by the Sponsor in Singapore attracted shopper traffic in excess of 80.0 million in 2005.

The Sponsor’s success has been driven by a formula of strategic location, good retail conceptualisation, quality management and sound tenant relations.

Its flagship shopping mall, Centrepoint Shopping Centre, was completed in 1983 and was one of the first modern shopping malls which redefined the shopping experience in Singapore. It has remained among the top shopping centres in Singapore and is well-known among locals and tourists as being home to quality retailers like Robinsons, Marks & Spencer and Cold Storage Singapore (1983) Pte Ltd.

In 1992, the Sponsor built and developed Northpoint Shopping Centre, which was one of the first suburban shopping malls in Singapore. In 2002, a two-storey building extension was added to the shopping centre. Following Northpoint Shopping Centre, the Sponsor developed five other retail properties: Anchorpoint, Valley Point, Robertson Walk, Causeway Point and Compass Point.

Completed in 1998, Causeway Point is one of the largest suburban shopping centres in Singapore. Some of Causeway Point’s tenants include Courts (Singapore) Limited, Cathay Cineplexes Pte Ltd, Cold Storage Singapore (1983) Pte Ltd, John Little Private Limited, Horizon Foodmalls (Causeway) Pte
LTD, Kiddy Palace Pte Ltd, Popular Book Company Pte Ltd and Timezone. The shopping centre won the “Best Decorated Shopping Centre” Newcomer category award in 1998 and the “Best Suburban Mall” accolade in a 2004 poll conducted by the national daily, The Straits Times. In that same year, it also won the “Best Advertising & Promotion Efforts” award from The Singapore Retailers Association. It currently enjoys a traffic count averaging more than two million a month.

**Benefits of Frasers Centrepoint Limited as the Sponsor**

The Sponsor believes it has a high quality shopping centre business and the primary motivation for establishing the real estate investment trust vehicle is to enable it to grow its retail property portfolio. FCT can leverage on the Sponsor’s established track record, financial strength and scale of operations, expertise in integrated retail property operations, overseas reach and network of relationships in the retail sector as follows:

- The Sponsor has an established track record as one of the most successful shopping centre operators in Singapore and will be able to contribute to the successful operation of FCT’s retail properties thereby ensuring consistent earnings growth.

- The Sponsor has the financial strength and retail development, management and marketing expertise to acquire land in Singapore and Asia for development into shopping centres that could potentially be offered to FCT for acquisition. The Sponsor also has the capacity to buy and warehouse completed assets with good growth potential and offer them to FCT for potential acquisition once these assets meet FCT’s investment criteria and targeted returns.

- With seven malls in Singapore under the Sponsor’s management, FCT can leverage on the Sponsor’s “Frasers Centrepoint Malls” branding strength and derive synergies through joint advertising and promotional activities. This will help to increase shopper traffic and consumer spending in FCT’s shopping centres, particularly during peak seasons.

- The Manager can also leverage on the Sponsor’s business presence overseas as well as its established network of relationships with retailers and overseas developers to potentially expand FCT’s portfolio to overseas markets in the long term.

The Sponsor has granted to FCT the right of first refusal over future sales of the Centrepoint Strata Lots and the Yishun Property by the Sponsor’s subsidiaries. If FCT acquires both the Centrepoint Strata Lots and the Yishun Property, the Net Lettable Area of FCT’s initial property portfolio will increase by over 400,000 sq ft, representing 62.5% of the Net Lettable Area of FCT’s initial property portfolio as at 31 December 2005. In addition, FCT has the right of first refusal over completed income producing properties located in Singapore predominantly used for retail purposes, which satisfy certain criteria, (i) that is offered for sale to a FCL Entity, or (ii) in respect of which a FCL Entity has made an offer to purchase and the owner thereof has indicated its willingness to sell, or (iii) over which a FCL Entity has been granted an option with a right to nominate a third party to acquire such property, or (iv) that is developed by a FCL Entity and which such FCL Entity proposes to sell. The right of first refusal is valid for a period of five years from the Listing Date (for so long as the Manager remains the manager of FCT and the Sponsor and/or any of its related corporations remains a major shareholder of the Manager). This enhances FCT’s pipeline of potential future acquisitions. (See “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporations — Right of First Refusal”.)
THE FORMATION AND STRUCTURE OF FRASERS CENTREPOINT TRUST

The Trust Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Trust Deed. Investors should read the Trust Deed itself to confirm specific information and obtain a detailed understanding of FCT. The Trust Deed is available for inspection at the registered office of the Manager at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958.

The Trust Deed

FCT was constituted by a trust deed entered into on 5 June 2006 between the Trustee and the Manager.

FCT is a real estate investment trust constituted by the Trust Deed and is principally regulated by the SFA and the CIS Code (including the Property Funds Guidelines).

The terms and conditions of the Trust Deed shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed and an authorisation by each Unitholder to do all such acts and things as the Trust Deed may require Manager and/or the Trustee to do.

Operational Structure

FCT is established to invest in real estate and real estate-related assets and the Manager must manage FCT so that the principal investments of FCT are real estate and real estate-related assets (including ownership of special purpose vehicles whose primary purpose is to hold or own real estate and real estate-related assets). The principal investment strategy of FCT is to invest, whether directly or indirectly, in a diversified portfolio of income-producing real estate which is used for retail purposes, whether wholly or partially, in Singapore and elsewhere in the region, as well as real estate-related assets.

FCT aims to generate returns for its Unitholders by owning, buying and actively managing such properties in line with its investment strategy (including by selling of any property that has reached a stage that offers only limited scope for growth).

Subject to the restrictions and requirements in the Property Funds Guidelines, the Listing Manual and the Tax Ruling, the Manager is also authorised under the Trust Deed to invest in investments which need not be real estate. Although the Manager may use certain financial derivative instruments for hedging purposes or efficient portfolio management provided that such financial derivative instruments are not used to gear FCT’s overall investment portfolio or are intended to be borrowings of FCT, it presently does not have any intention to invest in options, warrants, commodities, futures contracts, unlisted securities and precious metals.

For further details of the investment objectives and policies of the Manager, see Clause 10 of the Trust Deed.

The Units and Unitholders

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, these rights and interests are safeguarded by the Trustee.
Each Unit represents an undivided interest in FCT. A Unitholder has no equitable or proprietary interest in the underlying assets of FCT and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of FCT. A Unitholder’s right is limited to the right to require due administration of FCT in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee or the Manager.

Under the Trust Deed, each Unitholder acknowledges and agrees that it will not commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the assets of FCT (or any part thereof), including all its Authorised Investments (as defined in the Trust Deed), and waives any rights it may otherwise have to such relief. If the Trustee or the Manager breaches or threatens to breach its duties or obligations to the Unitholder under the Trust Deed, the Unitholder’s recourse against the Trustee or the Manager is limited to a right to recover damages or compensation from the Trustee or the Manager in a court of competent jurisdiction, and the Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach or threatened breach.

Further, unless otherwise expressly provided in the Trust Deed, a Unitholder may not interfere or seek to interfere with the rights, powers, authority or discretion of the Manager or the Trustee, exercise any right in respect of the assets of FCT or any part thereof or lodge any caveat or other notice affecting the real estate assets and real estate-related assets of FCT (or any part thereof), or require that any Authorised Investments forming part of the assets of FCT be transferred to such Unitholder.

No certificate shall be issued to Unitholders by either the Manager or the Trustee in respect of Units issued to Unitholders. For so long as FCT is listed, quoted and traded on the SGX-ST and/or any other Recognised Stock Exchange and the Units have not been suspended from such listing, quotation and trading for more than 60 consecutive calendar days or de-listed permanently, the Manager shall pursuant to the Depository Services Agreement appoint CDP as the Unit depository for FCT, and all Units issued will be represented by entries in the register of Unitholders kept by the Trustee or the agent appointed by the Trustee in the name of, and deposited with, CDP as the registered holder of such Units. The Manager or the agent appointed by the Manager shall issue to CDP not more than 10 Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a lock-up and the expiry date of such lock-up and for the purposes of the Trust Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

There are no restrictions under the Trust Deed or Singapore law on a person’s right to purchase (or subscribe for) Units and to own Units.

**Issue of Units**

The following paragraphs set out, among others, a summary of the provisions of the Trust Deed relating to the issue of Units in FCT.

Subject to the following sub-paragraphs (1), (2) and (3) below and to such laws, rules and regulations as may be applicable, for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the “market price”, without the prior approval of the Holders in a meeting of Holders. For this purpose, “market price” shall mean (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or (ii) if the Manager believes that the calculation in paragraph
(i) above does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of a Unit.

(1) The Manager shall comply with the Listing Rules in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement.

(2) Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

(3) The aggregate number of additional Units which FCT may issue without obtaining Unitholders’ approval in every financial period of FCT shall not exceed 50.0% (or such other percentage as may be prescribed by the SGX-ST from time to time) of the number of Units in issue as at the date of the commencement of the relevant financial period, of which the aggregate number of Units issued other than on a pro rata basis to existing Unitholders shall not exceed 20.0% (or such other percentage as may be prescribed by the SGX-ST from time to time) of the number of Units in issue as at the said date. The first financial period of FCT will commence on the Listing Date and terminate on 30 September 2006.

Pursuant to the new Rule 887 of the Listing Manual which will come into effect on 1 September 2006, any issue of new Units may be made without the prior specific approval of Unitholders in a general meeting if the issue (together with any other issue of Units in the same financial year) would not exceed 10% of the number of Units in issue.

If in connection with an issue of a Unit, any requisite payment of the Issue Price for such Unit has not been received by the Trustee before the seventh Business Day after the Unit was agreed to be issued (or such other date as the Manager and the Trustee may agree), the Manager may cancel its agreement to issue such Unit and upon notice being given to the Trustee, such Unit will be deemed never to have been issued or agreed to be issued. In such an event, the Manager may, at its discretion, charge the investor (and retain the same for its own account) (i) a cancellation fee of such amount as the Manager may from time to time determine to represent the administrative costs involved in processing the application for such Unit, and (ii) an amount (if any) by which the Issue Price of such Unit exceeds the repurchase price applying if such Unit was requested to have been repurchased or redeemed on the same day.

**Suspension of Issue of Units**

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Manual, suspend the issue of Units during:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the opinion of the Manager or the Trustee (as the case may be), might seriously prejudice the interests of the Unitholders as a whole or the Deposited Property;
- any breakdown in the means of communication normally employed in determining the price of any assets of FCT or the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of FCT cannot be promptly and accurately ascertained;
any period when remittance of money which will or may be involved in the realisation of any asset of FCT or in the payment for such asset of FCT cannot, in the opinion of the Manager, be carried out at normal rates of exchange;

any period where the issuance of Units is suspended pursuant to any order or direction issued by the MAS;

in relation to any general meeting of the Holders, any 48 hour period before such general meeting or any adjournment thereof; or

when the business operations of the Manager or the Trustee in relation to FCT are substantially interrupted or closed as a result of, or arising from, pestilence, war, acts of terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or the Trustee (as the case may be) and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Manager or the Trustee (as the case may be).

In the event of any suspension while FCT is listed on the SGX-ST and/or any other Recognised Stock Exchange, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

Redemption of Units

When Units are Unlisted

When the Trust is unlisted, the Manager may but is not obliged to repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Guidelines and a Holder has no right to request for the repurchase or redemption of Units more than once a year. “Unlisted” in this context means not being included on, or having been delisted from, the Official List of the SGX-ST or (as the case may be) any other Recognised Stock Exchange, and in relation to the Units, means having been suspended for more than 60 consecutive calendar days from being listed, quoted or traded on the SGX-ST or (as the case may be) any other Recognised Stock Exchange.

When Units are Listed on the SGX-ST

Unitholders have no right to request the Manager to repurchase or redeem their Units while the Units are listed on the SGX-ST and/or any other Recognised Stock Exchange. It is intended that Unitholders may only deal in their listed Units through trading on the SGX-ST. However, under the Trust Deed, the Manager may decide to make any offer to repurchase or redeem Units (in which case the repurchase price shall be the Current Unit Value per Unit). In the event the Manager so decides, such repurchase or redemption must comply with the Property Funds Guidelines and the listing rules of the SGX-ST and/or the listing rules of any other relevant Recognised Stock Exchange. Any offer of repurchase or redemption of Units shall be offered on a pro rata basis to all Unitholders.

The Manager may also, subject to the listing rules of the SGX-ST and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Guidelines, suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to the terms and conditions of the Trust Deed (see “— Suspension of Issue of Units”).
Redemption Procedures

The Manager will send an offer notice to Unitholders in the event of any offer to redeem the Units. Unitholders wishing to redeem will be asked to respond by sending a request for repurchase or redemption. Following receipt of such request for repurchase or redemption, the repurchase price for the Units that are the subject of the request shall be paid by the Manager to the Unitholder as soon as practicable (and as may be prescribed by the Property Funds Guidelines) after the date of the receipt of the request. The repurchase price shall be the Current Unit Value of the relevant Unit on the day the request is accepted by the Manager less the Repurchase Charge (as defined in the Trust Deed) and less an amount to adjust the resultant total downwards to the nearest whole cent. The repurchase charge is a charge upon the repurchase or redemption of a Unit of such amount as may from time to time be fixed by the Manager generally or in relation to any specific or class of transaction provided that it shall not exceed 2.0% (or such other percentage as the Manager and the Trustee may agree) of the repurchase price at the time the request for repurchase or redemption of the Unit is accepted by the Manager and that this charge shall not apply while the Units are listed, quoted and traded on the SGX-ST and/or any other Recognised Stock Exchange and the Units have not been suspended from such listing, quotation and trading for more than 60 consecutive calendar days or been permanently de-listed.

Rights and Liabilities of Unitholders

The key rights of Unitholders include rights to:

- receive income and other distributions attributable to the Units held;
- receive audited accounts and the annual reports of FCT; and
- participate in the termination of FCT by receiving a share of all net cash proceeds derived from the realisation of the assets of FCT less any liabilities, in accordance with their proportionate interests in FCT.

No Unitholder has a right to require that any asset of FCT be transferred to him.

Further, Unitholders cannot give any directions to the Trustee or the Manager (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- FCT ceasing to comply with applicable laws and regulations; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of either or both of the Trustee and the Manager.

The Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any Unit. The provisions seek to ensure that if the Issue Price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of FCT in the event that the liabilities of FCT exceed its assets.

Under the Trust Deed, every Unit carries the same voting rights.
Amendments of the Trust Deed

Subject to the third paragraph below, save where an amendment to the Trust Deed has been approved by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed, no amendment may be made to the provisions of the Trust Deed unless the Trustee certifies, in its opinion, that such amendment:

- does not materially prejudice the interests of Unitholders and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders;
- is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law); or
- is made to correct a manifest error.

No such amendment shall impose upon any Unitholder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof.

Notwithstanding any of the above, the Manager and the Trustee may, with the written approval of the competent authorities, alter certain provisions in Clause 10 of the Trust Deed relating to the use of derivatives.

Meeting of Unitholders

Under applicable law and the provisions of the Trust Deed, FCT will not hold any meetings for Unitholders unless the Trustee or the Manager convenes a meeting or unless not less than 50 Unitholders or Unitholders representing not less than 10.0% of the total Units issued requests a meeting to be convened.

A meeting of Unitholders when convened may:

- by Extraordinary Resolution and in accordance with the Trust Deed, sanction any modification, alteration or addition to the Trust Deed which shall be agreed by the Trustee and the Manager as provided in the Trust Deed;
- by Extraordinary Resolution and in accordance with the Trust Deed, sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Manager’s management fees, acquisition fee and disposal fee and the Trustee’s fee;
- by Extraordinary Resolution and in accordance with the Trust Deed, remove the auditors;
- by Extraordinary Resolution and in accordance with the Trust Deed, remove the Trustee; and
- by Extraordinary Resolution and in accordance with the Trust Deed, direct the Trustee to take any action pursuant to Section 295 of the SFA.

Any decision to be made by resolution of Unitholders other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the SFA, the CIS Code or the Listing Manual.

Except as otherwise provided for in the Trust Deed, 14 days’ notice at the least (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Unitholders in the manner provided in the Trust Deed. The quorum at a meeting shall not be less than two Unitholders present in person or by proxy of one-tenth in value of all the Units for the time being in issue. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed, and each such notice may, in general, be given by advertisement in the daily press and in writing to each stock exchange on which FCT is listed.
Voting at a meeting shall be by a show of hands unless a poll is demanded by the chairman of the meeting, or by five or more Unitholders present in person or by proxy, or holding or representing one tenth in value of all the Units represented at the meeting. Unitholders do not have different voting rights on account of the number of votes held by a particular Unitholder. On a show of hands, every Unitholder has one vote. On a poll, every Unitholder has one vote for each Unit of which it is the Unitholder. The Trust Deed does not contain any limitation on non-Singapore resident or foreign Unitholders holding Units or exercising the voting rights with respect to their unitholdings.

Neither the Manager nor any of its Associates shall be entitled to vote or be counted as part of a quorum at a meeting convened to consider a matter in respect of which the Manager or any of its Associates has a material interest save for an ordinary resolution duly proposed to remove the Manager, in which case, no Unitholder shall be disenfranchised.

And for so long as the Manager is the manager of FCT, the controlling shareholders (as defined in the Listing Rules) of the Manager and of any of its Associates are prohibited from voting or being counted as part of a quorum for any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholders of the Manager and/or of any of its Associates have a material interest.

**Substantial Holdings**

Under Section 137B of the Securities and Futures Act, Substantial Unitholders will be required to notify the Trustee of their deemed and direct holdings and any subsequent change in the percentage level of such holdings (rounded down to the next whole number) or their ceasing to hold 5.0% or more of the total number of Units within two Business Days of acquiring such holdings or of such changes or such cessation.

Under Section 137A of the Securities and Futures Act, Substantial Unitholders must also, within the same time limit, submit such notifications to the SGX-ST.

Failure to comply with either Section 137A or Section 137B of the Securities and Futures Act constitutes an offence and will render a Substantial Unitholder liable to a fine on conviction.

**Directors’ Declaration of Unitholdings**

Under the Trust Deed, the Directors are required to give notice to the Manager of their acquisition of Units or of changes to the number of Units which they hold or in which they have an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which they hold or in which they have an interest, as applicable. Upon such notification, the Manager will promptly announce such interests or changes to the SGX-ST.

A Director is deemed to have an interest in Units in the following circumstances:

- Where the Director is the beneficial owner of a Unit (whether directly through a direct Securities Account or indirectly through a depository agent or otherwise), he is deemed to have an interest in that Unit.
- Where a body corporate is the beneficial owner of a Unit and the Director is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate, he is deemed to have interest in that Unit.
- Where the Director's spouse or infant child (including step-child and adopted child) has any interest in a Unit, he is deemed to have an interest in that Unit.
- Where the Director, his spouse or infant child (including step-child and adopted child):
  — has entered into a contract to purchase a Unit;
— has a right to have a Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
— has the right to acquire a Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
— is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of Unitholders) to exercise or control the exercise of a right attached to a Unit, not being a Unit of which any of them is the holder,
the Director is deemed to have an interest in that Unit.

- Where the property subject to a trust consists of or includes a Unit and the Director knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Unit, he is deemed to have an interest in that Unit.

The Trustee

The trustee of FCT is HSBC Institutional Trust Services (Singapore) Limited. The Trustee is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA. The Trustee has a paid-up capital of S$5,150,000. The Trustee has a place of business in Singapore at 21 Collyer Quay #14-01 HSBC Building Singapore 049320. The Trustee is independent of the Manager.

Powers, Duties and Obligations

The Trustee’s powers, duties and obligations are set out in the Trust Deed. The powers and duties of the Trustee include:

- acting as trustee of FCT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of FCT with a related party of the Manager or FCT are conducted on normal commercial terms, are not prejudicial to the interests of FCT and the Unitholders, and in accordance with all applicable requirements under the Property Funds Guidelines and/or the Listing Manual or other relevant Recognised Stock Exchange relating to the transaction in question;
- holding the assets of FCT on trust for the benefit of the Unitholders in accordance with the Trust Deed; and
- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of FCT.

The Trustee has covenanted in the Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the Trustee may (on the recommendation of the Manager) and subject to the provisions of the Trust Deed, acquire or dispose of any property, borrow and encumber any asset.

The Trustee may, subject to the provisions of the Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and
- any real estate agents or managers, including a related party of the Manager, in relation to the management, development, leasing, purchase or sale of any of real estate assets and real estate-related assets.

Subject to the Trust Deed and the Property Funds Guidelines, the Manager may direct the Trustee to borrow or raise money or obtain other financial accommodation for the purposes of FCT, both on a secured and unsecured basis.
The Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Guidelines), the Tax Ruling and all other relevant laws. It must retain FCT’s assets, or cause FCT’s assets to be retained, in safe custody and cause FCT’s accounts to be audited. It can appoint valuers to value the real estate assets and real estate-related assets of FCT.

The Trustee is not personally liable to a Unitholder in connection with the office of the Trustee except in respect of its own fraud, gross negligence, wilful default, breach of duty or breach of trust. Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of FCT over which the Trustee has recourse, provided that the Trustee has acted without fraud, gross negligence, wilful default, breach of trust or breach of the Trust Deed. The Trust Deed contains certain indemnities in favour of the Trustee under which it will be indemnified out of the assets of FCT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

**Retirement and Replacement of the Trustee**

The Trustee may retire or be replaced under the following circumstances:

- The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Trust Deed).
- The Trustee may be removed by notice in writing to the Trustee by the Manager:
  - if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;
  - if the Trustee ceases to carry on business;
  - if the Trustee fails or neglects after reasonable notice from the Manager to carry out or satisfy any material obligation imposed on the Trustee by the Trust Deed;
  - if the Unitholders by Extraordinary Resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the Trust Deed, and of which not less than 21 days’ notice has been given to the Trustee and the Manager, shall so decide; or
  - if the MAS directs that the Trustee be removed.

**Trustee’s Fee**

Under the Trust Deed, the maximum fee payable to the Trustee is 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.

FCT will also pay the Trustee a one-time inception fee of S$15,000.

The Trustee’s fee will be subject to review three years from the Listing Date.

Any increase in the maximum permitted amount or any change in the structure of the Trustee’s fee must be passed by an Extraordinary Resolution of Unitholders at a Unitholders’ meeting convened and held in accordance with the provisions of the Trust Deed.
**Termination of FCT**

Under the provisions of the Trust Deed, the duration of FCT shall end on the earliest of:

- the date on which FCT is terminated by the Manager in such circumstances as set out under the provisions of the Trust Deed, as described below; and
- the date on which FCT is terminated by the Trustee in such circumstances as set out under the provisions of the Trust Deed, as described below.

The Manager may in its absolute discretion terminate FCT by giving notice in writing to all Unitholders and the Trustee not less than three months in advance and to the MAS not less than seven days before the termination in any of the following circumstances:

- if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue FCT;
- if the net asset value of the Deposited Property shall be less than S$50,000,000 after the end of the first anniversary of the date of the Trust Deed or any time thereafter; and
- if at any time FCT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable law or regulation, FCT may be terminated by the Trustee by notice in writing in any of the following circumstances, namely:

- if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the Trustee fails to appoint a successor manager in accordance with the provisions of the Trust Deed;
- if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue FCT; and
- if within the period of three months from the date of the Trustee expressing in writing to the Manager the desire to retire the Manager shall have failed to appoint a new trustee in accordance with the provisions of the Trust Deed.

The decision of the Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate FCT pursuant to the paragraph above or otherwise. The Manager shall accept the decision of the Trustee and relieve the Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

Generally, upon the termination of FCT, the Trustee shall, subject to any authorisations or directions given to it by the Manager or the Unitholders pursuant to the Trust Deed, sell the Deposited Property and repay any borrowings incurred on behalf of FCT in accordance with the Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of FCT before distributing the balance of the Deposited Property to the Unitholders in accordance with their proportionate interests in FCT.
CERTAIN AGREEMENTS RELATING TO FRASERS CENTREPOINT TRUST AND THE PROPERTIES AND INFORMATION ON THE MANAGEMENT CORPORATIONS

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of FCT. The agreements are available for inspection at the registered office of the Manager at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 for a period of six months from the date of this Prospectus.

Licence Agreements

“Frasers Centrepoint Malls” Licence Agreement

On the Listing Date, the Property Manager will enter into a licence agreement with F&N, as owner of the trade mark “Frasers Centrepoint Malls” and other associated trade marks and domain names, to allow the Property Manager to use the relevant trade marks and domain names for, inter alia, the operation, management and maintenance of FCT and the marketing activities relating to FCT and for so long as Frasers Centrepoint Retail Concepts Pte. Ltd. shall be the Property Manager and a subsidiary of F&N.

“Frasers Centrepoint Trust” Licence Agreement

On the Listing Date, the Manager will enter into a licence agreement with F&N, as owner of the trade mark “Frasers Centrepoint Trust” and other associated trade marks and domain names, to allow the Manager to use the relevant trade marks and domain names for, inter alia, the operation, management and maintenance of FCT, and the marketing activities relating to FCT and for so long as Frasers Centrepoint Asset Management Ltd. shall be the Manager and a subsidiary of F&N.

Agreements to Acquire the Properties

Anchorpoint

Call Option Agreement

On 5 June 2006, the Trustee entered into the Anchorpoint Call Option Agreement with the Anchorpoint Vendor pursuant to which the Trustee was granted the right to require the Anchorpoint Vendor to enter into the Anchorpoint Sale Agreement for the sale of Anchorpoint to the Trustee. The Anchorpoint Vendor has agreed that when the call option under the Anchorpoint Call Option Agreement is exercised, it will enter into the Anchorpoint Sale Agreement with the Trustee on the same day. It is intended that the call option under the Anchorpoint Call Option Agreement will be exercised by the Trustee on the Listing Date and that the sale and purchase of Anchorpoint will be completed on the same date.

Principal Terms of Purchase

The principal terms of the Anchorpoint Sale Agreement are summarised below:

- the purchase price of Anchorpoint is S$36,016,614, which is a discount to the Appraised Value of Anchorpoint;
- the purchase price is to be satisfied by payment in cash on the Completion Date;
- Anchorpoint will be sold subject to and with the benefit of all existing tenancy and licence agreements as from the Completion Date;
on Completion, the Anchorpoint Vendor will assign to the Trustee all of the Anchorpoint Vendor’s rights, title, interest in, and benefit of, all trademarks, logos, designs, symbols, copyright and any other intellectual property owned by the Anchorpoint Vendor (if any) relating to the name “Anchorpoint”;

on Completion, the security deposits and other deposits held by the Anchorpoint Vendor will be transferred to the Trustee, and all assignable bank/insurance company guarantees covering security deposits issued to the Anchorpoint Vendor will be assigned to the Trustee;

the Anchorpoint Vendor will procure the Sponsor to enter into a deed of income support with the Trustee on or before Completion for the purpose of providing income support to FCT, up to a maximum sum of S$1.3 million, during the period commencing from the Listing Date and up to the end of Projection Year 2007 (the “Income Support Period”) in the event Anchorpoint undergoes any asset enhancement during the Income Support Period, and such asset enhancement works cause disruptions in the business operations of Anchorpoint resulting in a shortfall to the forecast and projected Net Property Income of Anchorpoint for the Forecast Period 2006 and the Projection Year 2007.

certain limited representations and warranties are made by the Anchorpoint Vendor as vendor in respect of Anchorpoint and certain existing tenancies, and claims for breach of warranties are subject to certain limitations, including provisions for an aggregate maximum liability and a limitation period after Completion; and

completion of the sale and purchase of Anchorpoint is conditional upon the listing of the Units on the Listing Date and commencement of trading of such Units on the SGX-ST.

Information Regarding the Title of Anchorpoint

The title to Anchorpoint is held under an estate in fee simple, i.e. freehold.

Northpoint

Call Option Agreement

On 5 June 2006, the Trustee entered into the Northpoint Call Option Agreement with the Northpoint Vendor pursuant to which the Trustee was granted the right to require the Northpoint Vendor to enter into the Northpoint Sale Agreement for the sale of Northpoint to the Trustee. The Northpoint Vendor has agreed that when the call option under the Northpoint Call Option Agreement is exercised, it will enter into the Northpoint Sale Agreement with the Trustee on the same day. It is intended that the call option under the Northpoint Call Option Agreement will be exercised by the Trustee on the Listing Date and that the sale and purchase of Northpoint will be completed on the same date.

Principal Terms of Purchase

The principal terms of the Northpoint Sale Agreement are summarised below:

• the purchase price of Northpoint is S$249,267,118, which is a discount to the Appraised Value of Northpoint;

• in addition to the purchase price, a sum of S$3.0 million, being an amount (based on the unaudited management accounts of the Northpoint Management Corporation as at the month-end immediately preceding the date of the Northpoint Call Option Agreement) which is equivalent to the net surplus monies held by the Northpoint Management Corporation as at the Completion Date, is payable to the Northpoint Vendor on completion;

• the purchase price is to be satisfied by payment in cash on the Completion Date;
• In the event the net surplus monies held by the Northpoint Management Corporation as at the Completion Date (as disclosed in the management accounts of the Northpoint Management Corporation) is lower than S$3.0 million, the Northpoint Sale Agreement contains provisions for a reduction in the aggregate amount payable to the Northpoint Vendor by an amount corresponding to the difference between (a) S$3.0 million and (b) the amount specified in the management accounts of the Northpoint Management Corporation to be the net surplus monies held by the Northpoint Management Corporation as at the Completion Date. There will be no adjustment in the aggregate amount payable to the Northpoint Vendor in the event that the net surplus monies held by the Northpoint Management Corporation as at the Completion Date (as disclosed in the management accounts of the Northpoint Management Corporation) is more than S$3.0 million;

• on the Completion Date, the Northpoint Vendor and the Trustee will enter into a tax undertaking deed whereby the Northpoint Vendor agrees to pay to the Trustee an amount equal to any income tax which the Northpoint Management Corporation, or the Trustee as subsidiary proprietor of Northpoint, may be liable for arising out of any income, profits or gains earned, accrued or received by the Northpoint Management Corporation before Completion.

• Northpoint will be sold subject to and with the benefit of all existing tenancy and licence agreements as from the Completion Date;

• on Completion, the Northpoint Vendor will procure the Sponsor to assign to the Trustee all of the Sponsor’s rights, title, interest in, and benefit of, all trademarks, logos, designs, symbols, copyright and any other intellectual property owned by the Sponsor (if any) relating to the name “Northpoint”;

• on Completion, the security deposits and other deposits held by the Northpoint Vendor will be transferred to the Trustee, and all assignable bank/insurance company guarantees covering security deposits issued to the Northpoint Vendor will be assigned to the Trustee;

• certain limited representations and warranties are made by the Northpoint Vendor as vendor in respect of Northpoint and certain existing tenancies, and claims for breach of warranties are subject to certain limitations, including provisions for an aggregate maximum liability and a limitation period after Completion; and

• completion of the sale and purchase of Northpoint is conditional upon the listing of the Units on the Listing Date and commencement of trading of such Units on the SGX-ST.

Information Regarding the Title of Northpoint

Northpoint is held under a 99-year State lease expiring on 31 March 2089.

The State lease affecting Northpoint is issued by the President of the Republic of Singapore, as lessor under the State lease, and contains terms and conditions ordinarily found in State leases in Singapore. For example, provisions requiring the lessee:

• to use the property for the permitted use approved by the lessor;

• not to exceed the approved gross floor area without the prior written approval of the lessor;

• to pay all rates, taxes, charges and outgoings imposed on the property; and

• to maintain the land and buildings in good and tenantable repair and condition.

The lessor has a right to terminate the State lease and re-enter Northpoint in the event the lessee fails to observe or perform the terms and conditions of the State lease. (See “Risk Factors — Risks Relating to the Properties”.)
Causeway Point

Call Option Agreement

On 5 June 2006, the Trustee entered into the Causeway Point Call Option Agreement with the Causeway Point Vendor pursuant to which the Trustee was granted the right to require the Causeway Point Vendor to enter into the Causeway Point Sale Agreement for the sale of Causeway Point to the Trustee. The Causeway Point Vendor has agreed that when the call option under the Causeway Point Call Option Agreement is exercised, it will enter into the Causeway Point Sale Agreement with the Trustee on the same day. It is intended that the call option under the Causeway Point Call Option Agreement will be exercised by the Trustee on the Listing Date and that the sale and purchase of Causeway Point will be completed on the same date.

Principal Terms of Purchase

The principal terms of the Causeway Point Sale Agreement are summarised below:

- the purchase price of Causeway Point is S$606,170,096, which is a discount to the Appraised Value of Causeway Point
- the purchase price of Causeway Point is to be satisfied in the following manner on the Completion Date:
  (a) the allotment and issue of the Consideration Units to the Causeway Point Vendor (or an entity or company nominated by the Causeway Point Vendor), each Consideration Unit to be allotted and issued at the Offering Price; and
  (b) payment in cash of the purchase price less an amount equivalent to the product of the Offering Price and the Consideration Units;
- Causeway Point will be sold subject to and with the benefit of all existing tenancy and licence agreements as from the Completion Date;
- on Completion, the Causeway Point Vendor will procure the Sponsor to assign to the Trustee all of the Sponsor’s rights, title, interest in, and benefit of, all trademarks, logos, designs, symbols, copyright and any other intellectual property owned by the Sponsor (if any) relating to the name “Causeway Point”;
- on Completion, the security deposits and other deposits held by the Causeway Point Vendor will be transferred to the Trustee, and all assignable bank/insurance company guarantees covering security deposits issued to the Causeway Point Vendor will be assigned to the Trustee;
- certain limited representations and warranties are made by the Causeway Point Vendor as vendor in respect of Causeway Point and certain existing tenancies, and claims for breach of warranties are subject to certain limitations, including provisions for an aggregate maximum liability and a limitation period after Completion; and
- completion of the sale and purchase of Causeway Point is conditional upon the listing of the Units on the Listing Date and commencement of trading of such Units on the SGX-ST.

Information Regarding the Title of Causeway Point

Causeway Point is held under a 99-year State lease expiring on 29 October 2094.

The State lease affecting Causeway Point is issued by the President of the Republic of Singapore, as lessor under the State lease, and contains terms and conditions ordinarily found in State leases in Singapore. For example, provisions requiring the lessee:

- to use the property for the permitted use approved by the lessor;
- not to exceed the approved gross floor area without the prior written approval of the lessor;
to pay all rates, taxes, charges and outgoings imposed on the property; and
• to maintain the land and buildings in good and tenantable repair and condition.

The lessor has a right to terminate the State lease and re-enter Causeway Point in the event the lessee fails to observe or perform the terms and conditions of the State lease. (See “Risk Factors — Risks Relating to the Properties”.)

The consent of the President of the Republic of Singapore, as lessor under the State lease is required for the transfer of Causeway Point. Such consent has been granted for the transfer of Causeway Point to the Trustee.

**Property Management Agreement**

The Properties which comprise the initial portfolio of FCT and all properties located in Singapore subsequently acquired by FCT (provided that the Trustee has the right to appoint or require the appointment of the Property Manager as the property manager of such properties), whether such properties are directly or indirectly held by FCT, or are wholly or partly owned by FCT, will be managed by the Property Manager in accordance with the terms of the Property Management Agreement.

The Property Management Agreement was entered into on 5 June 2006 by the Trustee, the Manager and the Property Manager pursuant to which the Property Manager was appointed to operate, maintain, manage and market the Properties and all subsequently acquired properties of FCT located in Singapore in respect of which the Trustee has a right of appointment of the property manager thereof, subject to the overall management of the Manager.

The Property Management Agreement provides that in respect of each Property and each subsequently acquired property located in Singapore which the Trustee has a right of appointment of the property manager thereof, the Trustee, the Manager and the Property Manager will enter into a separate property management agreement substantially in the form set out in a schedule to the Property Management Agreement (with such modifications as may be agreed by the parties), in order to incorporate the specific terms set out in the Property Management Agreement in their application to each of such properties.

The initial term of the Property Manager under the Property Management Agreement is five years from the Listing Date.

On or before the date falling six months prior to expiry of the initial term of the Property Manager under the Property Management Agreement, the Property Manager may request to extend its appointment for a further five years on the same terms and conditions as are contained in the Property Management Agreement, except for the provisions relating to the extension of the appointment term and the revision of all fees payable to the Property Manager to market rates prevailing at the time of such extension.

On or before the date falling two months before the expiry of the initial term, the Trustee will decide the prevailing market rates for the extension term, based on the recommendation of the Manager. If the Property Manager disagrees with the Trustee’s decision on the prevailing market rates for the extension term, the matter will be referred to an independent expert whose determination of the prevailing market rates shall be final and binding on the parties.

The Trustee will agree to extend the appointment of the Property Manager on the revised fees (determined in accordance with the paragraph above), subject to the approval of the Unitholders of FCT, if such approval is required pursuant to any applicable legislation or regulations (including regulatory requirements on Related Party Transactions relating to real estate investment trusts).
The Trustee shall not be obliged to extend the appointment of the Property Manager if the above conditions are not fulfilled.

**Property Manager’s Services**

The services to be provided by the Property Manager for each property under its management include the following:

- property management services, including (i) establishing (for the approval of the Trustee, following the recommendation of the Manager) operating budgets and annual plans for the operation, maintenance management and marketing of the property, (ii) operating and maintaining the property in accordance with such operating budgets and annual plans, (iii) co-ordinating, reviewing and maintaining at all times certain insurance coverage with the assistance of insurance advisers, and (iv) maintaining books of accounts and records in respect of the operation of the property;

- lease management services, including (i) recommending leasing strategy and negotiating leases, licences and concessions, (ii) supervising and controlling all collections and receipts, payments and expenditure relating to the property, and (iii) lease administration;

- project management services in relation to the development or redevelopment (if not prohibited by the Property Funds Guidelines or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation works to a property, including recommendation of project budget and project consultants, and supervision and implementation of the project;

- property tax services including the submission of property tax objections to the IRAS on the proposed annual value of a property; and

- marketing and marketing co-ordination services including planning and co-ordinating marketing and promotional programmes.

**Fees**

Under the Property Management Agreement, the Property Manager is entitled to the following fees, for each property under its management:

- a fee of 2.0% per annum of the gross revenue for each property;

- a fee of 2.0% per annum of the net property income for each property; and

- a fee of 0.5% per annum of the net property income for each property, in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

**Property tax services**

In addition, in relation to the services provided by the Property Manager in respect of property tax objections submitted to the tax authorities on any proposed annual value of a property, the Property Manager is entitled to the following fees if as a result of such objections, the proposed annual value is reduced resulting in a property tax-savings for the relevant property:

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

- 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

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

The above mentioned fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period. If in compliance with applicable regulatory requirements relating to Related Party Transactions, the approval of Unitholders is required for payment of such fees, such payment will be subject to the obtaining of such Unitholders’ approval, and if such approval cannot
be obtained within the requisite time period for lodgement of such objections, the Property Manager shall not be obliged to undertake the relevant property tax objections and the Trustee shall be entitled to engage other consultants to undertake the relevant property tax objections.

**Project Management Services**

For the 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 Guidelines or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation works on a property:

- where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs;
- 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;
- 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
- 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, “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 GST.

If in compliance with applicable regulatory requirements relating to Related Party Transactions, the approval of Unitholders is required for payment of any of the abovementioned fees for project management services, such payment will be subject to the obtaining of such Unitholders’ approval, and if such approval is not obtained, the Property Manager shall not be obliged to undertake the relevant project management services and the Trustee shall be entitled to engage other consultants to undertake the relevant project management services.

**Reimbursable Amounts**

In addition to the fees payable to the Property Manager, the Trustee, acting on the recommendation of the Manager, shall fully reimburse the Property Manager each month for the employment and remuneration costs incurred for each property of FCT under its management in respect of the (i) centralised team of employees engaged exclusively to provide group services to all properties of FCT under its management which costs have been apportioned by the Property Manager to such property, and (ii) dedicated team of personnel engaged specifically to provide services to such property, where such employment and remuneration costs have been approved by the Trustee in an annual budget following the recommendation of the Manager.

**Expenses**

The Property Manager is authorised to utilise funds deposited in operating accounts maintained in the name of the Trustee, to make payment of all costs and expenses incurred in the operation, maintenance, management and marketing of each property, within each annual budget approved by the Trustee on the recommendation of the Manager.
**Provision of office space**

Where applicable, the Trustee shall permit employees of the Property Manager engaged to manage a property to occupy suitable office space at such property (as approved by the Trustee on the recommendation of the Manager) without the Property Manager being required to pay any rent, service charge, utility charges or other sums in respect thereof.

**Termination**

The Trustee or the Manager may terminate the appointment of the Property Manager under the Property Management Agreement in relation to all the properties of FCT under the management of the Property Manager on the occurrence of certain specified events, which include the liquidation or cessation of business of the Property Manager.

The Trustee or the Manager may also terminate the appointment of the Property Manager specifically in relation to a property under its management in the event of the sale of such property, but the terms of the Property Management Agreement will continue to apply with respect to the remaining properties managed by the Property Manager.

In addition, if the Property Manager within 90 days of receipt of written notice fails to remedy any breach (which is capable of remedy) of its obligations in relation to a property, the Trustee or the Manager may terminate the appointment of the Property Manager in relation to the property in respect of which the breach relates upon giving 30 days’ written notice to the Property Manager.

If the Trustee or the Manager within 90 days of receipt of written notice fails to remedy any breach (which is capable of remedy) of its obligations in relation to a property, the Property Manager may terminate its appointment as property manager in relation to the property in respect of which the breach relates upon giving 30 days’ written notice to the Trustee or the Manager (as the case may be).

If the Property Manager fails to achieve the Minimum Revenue Target for three consecutive Fiscal Years (as defined in the Property Management Agreement), the Trustee and the Manager shall have the right to review the performance of the Property Manager, and on the recommendation of the Manager the Trustee may, within a period of 60 days from the end of the third Fiscal Year in respect of which such Minimum Revenue Target is not achieved, terminate the appointment of the Property Manager in relation only to the property in respect of which the Property Manager has failed to achieve the Minimum Revenue Target for three consecutive Fiscal Years by giving not less than 60 days’ notice in writing to the Property Manager. In respect of (i) the first Fiscal Year ending on 30 September 2006 which is less than 12 months, the Minimum Revenue Target for the first Fiscal Year shall be a pro-rated amount equivalent to the Minimum Revenue Target for the first Fiscal Year multiplied by the number of days comprised in the first Fiscal Year and divided by 365 and (ii) the last Fiscal Year ending on 30 September 2011 which is less than 12 months, the Minimum Revenue Target for the last Fiscal Year shall be a pro-rated amount equivalent to the Minimum Revenue Target for the last Fiscal Year multiplied by the number of days comprised in the last Fiscal Year and divided by 365. “Minimum Revenue Target” means, for each Fiscal Year:

(i) in relation to a property which is comprised in a building which is, or is intended to be, strata sub-divided, an amount which is equivalent to 90.0% of the gross revenue target as set out in the annual budget in respect of all the strata lots comprised, or to be comprised, in such property; and

(ii) in relation to a property which is comprised in a building which is not, or is not intended to be, strata sub-divided, an amount which is equivalent to 90.0% of the gross revenue target as set out in the approved annual budget in respect of such property.
In deciding to recommend the termination of the appointment of the Property Manager in relation to a property pursuant to the Property Manager’s failure to achieve the Minimum Revenue Target for such property for three consecutive Fiscal Years, the Manager shall take into account adverse market conditions and any other relevant considerations beyond the reasonable control of the Property Manager during the relevant periods in question before making such recommendation.

The Property Manager will not be entitled to compensation for the termination of his appointment unless provided otherwise in the Property Management Agreement.

On the termination of the appointment of the Property Manager, the Manager shall, as soon as practicable, recommend to the Trustee the appointment of a replacement property manager for the affected property.

**Novation**

The Trustee and the Manager are entitled to novate their respective rights, benefits and obligations to a new trustee of FCT or a new manager of FCT appointed in accordance with the terms of the Trust Deed. With the prior written approval of the Trustee, which approval shall not be unreasonably withheld, the Property Manager is also entitled to novate its rights, benefits and obligations under the Property Management Agreement to any wholly-owned, direct or indirect subsidiary of the Sponsor.

**Exclusion of Liability**

In the absence of fraud, negligence, wilful default or breach of the Property Management Agreement by the Property Manager, the Property Manager shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Property Management Agreement.

In addition, the Trustee (as trustee of FCT) shall indemnify the Property Manager against any actions, costs, claims, damages, expenses or demands to which it may suffer or incur as property manager, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Property Management Agreement by the Property Manager, its employees or agents.

**No Restriction on Property Manager**

The Property Manager may provide services similar to those contemplated under the Property Management Agreement to other parties operating in the same or similar business as FCT, or in other businesses.

**Co-operation Agreement**

On 5 January 2006, the Northpoint Vendor accepted the Recommendation Letter issued by the COL whereby the COL agreed that it was prepared to recommend to the Singapore Government to alienate the Northpoint Adjacent Land to the Northpoint Vendor, and pursuant to such acceptance the Northpoint Vendor paid to COL the land premium (together with the GST thereon).

The Recommendation Letter provides that alienation of the Northpoint Adjacent Land is subject to the approval of the President of the Republic of Singapore, and in the event that such approval is not obtained, the land premium (together with the GST thereon) paid by the Northpoint Vendor will be refunded.

One of the conditions specified in the Recommendation Letter is that the Northpoint Vendor must build and construct on the Northpoint Adjacent Land a commercial development (the “**New Yishun Building**”) which shall be an extension of the Northpoint Shopping Centre.
On the Completion Date, the Trustee, as trustee for FCT, and the Northpoint Vendor will enter into the Co-operation Agreement to regulate each party’s rights and obligations in connection with the construction and completion of the New Yishun Building and the integration of Northpoint Shopping Centre with the New Yishun Building (collectively the “Works”) in order that Northpoint Shopping Centre and the New Yishun Building shall be linked together to form a connected retail development.

Principal terms of the Co-operation Agreement include the following:

- the Trustee agrees to co-operate with the Northpoint Vendor in order to assist the Northpoint Vendor in the carrying out and the completion of the Works;
- subject to the prior approval of the Singapore Land Authority, vehicular access to, and egress from, the New Yishun Building will be through certain areas situated at Northpoint Shopping Centre, the locations whereof will be finalised by the parties based upon the building plans relating to the Works as approved by the relevant authorities;
- the Property Manager will be appointed to manage (i) the car parks located at Northpoint Shopping Centre and the Yishun Property and (ii) certain areas within Northpoint Shopping Centre which give vehicular access to the Yishun Property, and all expenses incurred in respect of such car parks and access areas shall be shared and borne by the Trustee and the Northpoint Vendor in an agreed proportion;
- all income accruing or resulting from the car parks located at Northpoint Shopping Centre and the Yishun Property (less expenses) shall be shared in the same agreed proportion by the Trustee and the Northpoint Vendor;
- the agreed proportion refers to the relative proportion between the number of car park lots in the New Yishun Building and the number of car park lots in Northpoint Shopping Centre;
- upon (i) an en bloc sale of Northpoint in its entirety to a single purchaser or the sale of Northpoint Shopping Centre in its entirety, or (ii) the sale of the Yishun Property in its entirety, the selling party will procure its purchaser to enter into a deed of novation to assume the selling party’s obligations under the Co-operation Agreement; and
- the Co-operation Agreement will be terminated in the event that:
  — the approval of the President of the Republic of Singapore for the alienation of the Northpoint Adjacent Land is not granted within 12 months (or such longer period as the Trustee or the Northpoint Vendor may agree in writing) from the date of the Co-operation Agreement; or
  — after the date of completion of the sale and purchase of Northpoint under the Northpoint Sale Agreement, Northpoint Shopping Centre and the Yishun Property are owned by the same entity.

Management Corporations

Anchorpoint Development is a strata sub-divided development comprising several strata lots of which Anchorpoint forms part, and Northpoint comprises all the strata lots in Northpoint Shopping Centre, which is also a strata sub-divided development.

Under the Building Maintenance and Strata Management Act 2004 (the “BMSMA”), the registered proprietors of a strata sub-divided development constitute the management corporation which is a body corporate constituted under the BMSMA. The registered proprietors jointly own the common property as tenants-in-common in proportion to the share values attributable to the respective strata lots.
**Share value**

The aggregate share value of Anchorpoint is 17,777 out of the total share values of 100,000 of all the strata lots comprised in the Anchorpoint Development.

The voting rights of a registered proprietor are based on the share value attributed to its strata lots and the maintenance and sinking fund contributions to be paid to the Management Corporations are also based on the share value attributed to the respective strata lots.

**Resolutions of Management Corporations**

The management corporation of a strata sub-divided development is responsible for the control, management and administration of the common property.

Depending on the matter to be decided, the following resolutions may be passed at general meetings of the management corporation:

- an ordinary resolution is a resolution passed at a general meeting of the management corporation duly convened after at least 14 days' notice and if no poll is taken at such general meeting, the valid votes cast in favour of the resolution are more than the valid votes cast against such resolution by the registered proprietors who are entitled to vote and are present (in person or by proxy) at such general meeting. Examples of matters which must be passed by way of an ordinary resolution are the determination of the amounts of maintenance fund and sinking fund contributions and the appointment of a managing agent;

- a special resolution is a resolution passed at a general meeting of the management corporation duly convened after at least 21 days' notice and if on a poll taken at such general meeting, the total of the share value of the strata lots for which valid votes are counted in favour of the resolution is at least 75.0% of the aggregate share value of the strata lots for which all valid votes are cast by the registered proprietors who are present (in person or by proxy) when such vote is taken. Example of matters which must be passed by way of a special resolution is the making of an additional by-law in addition to the prescribed by-laws and the installation or provision of additional facilities or the making of improvements to the common property;

- a unanimous resolution is a resolution passed at a general meeting of the management corporation duly convened after at least 21 days' notice and if the resolution is supported by every valid vote cast by registered proprietors who are present (in person or by proxy) when such vote is taken. Examples of matters which must be passed by way of a special resolution are the creation of easements and restrictions affecting common property;

- a 90.0% resolution is a resolution passed at a general meeting of the management corporation duly convened after at least 21 days' notice and if on a poll taken at such general meeting, the total of the share value of the strata lots for which valid votes are counted in favour of the resolution is at least 90.0% of the aggregate share value of the strata lots for which all valid votes are cast by the registered proprietors who are present (in person or by proxy) when such vote is taken. Example of a matter which must be passed by way of a 90.0% resolution is the making of a by-law to confer on any owner specified in the by-law, for a period which exceeds 3 years, the exclusive use and enjoyment of, or special privileges in respect of, any part of the common property, upon conditions imposed by the management corporation;

- a comprehensive resolution is a resolution which is passed if the matter is firstly considered at a general meeting of the management corporation convened after at least 21 days' notice, and thereafter at the end of a 12-week period after such general meeting is convened, a poll is taken, the total of the share value of the strata lots for which valid votes are counted in favour of the resolution is at least 90.0% of the aggregate share value of the strata lots for which all valid votes are cast by the registered proprietors who are present (in person or by
proxy) when such vote is taken. Example of a matter which must be passed by way of a comprehensive resolution is the designation of certain common property as limited common property; and

- a resolution by consensus is a resolution which is passed if at the end of 12 weeks after a general meeting of the management corporation convened after at least 21 days' notice, all the owners support the resolution in writing. Example of a matter which must be passed by way of a comprehensive resolution is the termination of the strata title scheme.

**Council of Management Corporation**

The management corporation has a council as required under the BMSMA. The members of the council are elected from the registered proprietors of the strata lots in a strata sub-divided development. A registered proprietor who owns multiple strata lots will be allowed proportional representation in the council according to the share value of its strata lots, subject to a maximum of 49.0% of council seats.

Notwithstanding that a council holds office, the management corporation may in general meeting continue to exercise or perform all or any of the powers, duties and functions conferred on the management corporation by, among others, the BMSMA.

The council is restricted from deciding on matters or class of matters which the management corporation in general meeting decides must be determined only by the management corporation in general meeting. Unless so restricted, the council may decide on operational matters relating to the administration of the common property and the management of income from the common property, including, among other things, the increase or reduction of the car park charges for the common property.

The decision of the council is based on the decision of the majority of the members voting on a matter at a council meeting. However, the council must not make a decision (and, if it does so, such decision shall have no force or effect) if prior notice is given by a registered proprietor who owns not less than one third of the strata lots in the sub-divided development that the making of the decision is opposed by such a registered proprietor.

**Right of First Refusal**

An agreement was entered into on 5 June 2006 between the Trustee and FCL pursuant to which the Trustee, as trustee of FCT, was granted a right of first refusal in respect of the following properties:

- the residue of a 99-year leasehold interest commencing 17 August 1979 (“Leasehold Title”) in respect of certain strata lots in Centrepoint Shopping Centre comprising (i) 101 strata lots which are owned by FCL Property Investments Pte. Ltd. (the “FCL Property Strata Lots”) and (ii) 22 strata lots which are owned by FCL Enterprises Pte. Ltd. (the “FCL Enterprises Strata Lots”). The FCL Property Strata Lots and the FCL Enterprises Strata Lots are hereinafter referred to as the “Lot 851 Strata Lots”;

- the residue of a 99-year leasehold interest commencing 17 August 1979 less one day (also referred to as the “Leasehold Title”) in respect of the 63 strata lots in Centrepoint Shopping Centre which are owned by Emerald Hill Developments Pte Ltd (collectively the “Lot 854 Strata Lots”);

- subject to the Northpoint Vendor obtaining approval from the President of the Republic of Singapore to the alienation of the Northpoint Adjacent Land, the property comprising the Northpoint Adjacent Land and the New Yishun Building to be constructed and completed thereon and in respect whereof a temporary occupation permit has been issued (the “Yishun Property”);
any completed income producing property located in Singapore (other than the 31 strata lots in Centrepoint Shopping Centre mentioned below) pre-dominantly used for retail purposes, with a total lettable area of not less than 70,000 square feet, having a freehold title or an unexpired leasehold title of not less than 10 years which FCL reasonably determines is suitable for acquisition by FCT (a “Target Property”), (a) which is offered for sale to a FCL Entity, or (b) which a FCL Entity has made an offer to purchase and the owner thereof has indicated its willingness to sell such property; or (c) over which a FCL Entity has been granted an option (with a right for such FCL Entity to nominate a third party to acquire such property); and

any completed income producing property located in Singapore which is developed by a FCL Entity after the date of the right of first refusal agreement and is pre-dominantly used for retail purposes, with a total lettable area of not less than 70,000 square feet, having a freehold title or an unexpired leasehold title of not less than 10 years and which FCL reasonably determines is suitable for acquisition by FCT (a “FCL Development Property”).

Where:

(1) (in the case of the Lot 851 Strata Lots and the Lot 854 Strata Lots (collectively, the “Centrepoint Strata Lots’)) (i) FCL Property Investments Pte. Ltd. proposes to sell on an en bloc basis the Leasehold Title in respect of all the FCL Property Strata Lots; or (ii) FCL Enterprises Pte. Ltd. proposes to sell on an en bloc basis the Leasehold Title in respect of all the FCL Enterprises Strata Lots; or (iii) Emerald Hill Developments Pte Ltd proposes to sell on an en bloc basis the Leasehold Title in respect of all the Lot 854 Strata Lots (each of FCL Property Investments Pte. Ltd., FCL Enterprises Pte. Ltd. and Emerald Hill Developments Pte Ltd is referred to as a “Designated FCL Subsidiary”), and in this regard FCL has confirmed that any proposed sale by a Designated FCL Subsidiary of its leasehold interest in the Lot 851 Strata Lots and/or in the Lot 854 Strata Lots shall not be for a leasehold period shorter than the relevant Leasehold Title as defined above;

(2) (in the case of the Yishun Property) if the Northpoint Vendor proposes to sell the Yishun Property, and in this regard FCL has confirmed that any proposed sale by the Northpoint Vendor of the Yishun Property shall be after issue of temporary occupation permit for the Yishun Property;

(3) (in the case of a Target Property) a FCL Entity (a) receives a proposed offer of sale of a Target Property, (b) has made an offer to purchase a Target Property and such FCL Entity receives an indication by the owner thereof of its willingness to sell such Target Property, or (c) intends to exercise the option granted to it in respect of a Target Property (as the case may be); and

(4) (in the case of a FCL Development Property) a FCL Entity proposes to sell a FCL Development Property,

FCL will give written notice (the “FCL Notice”) to the Trustee and the Manager and subject to the Trustee and the Manager giving confidentiality undertakings on customary and usual terms, the FCL Notice will be accompanied by a copy of the offer document in connection with the proposed sale of any of the properties mentioned in paragraphs (1), (2), (3) and (4) above (collectively, the “Transaction Documents”) made by, or made available to, the relevant Designated FCL Subsidiary, the Northpoint Vendor or the relevant FCL Entity (as the case may be).
If:

— the Trustee does not confirm in writing to FCL the Trustee’s interest in considering the purchase of the relevant property within seven days (or such longer period as FCL and the Trustee may agree in writing) from the date of the Trustee’s receipt of the FCL Notice together with the relevant Transaction Documents; or

— the Trustee does not enter into a binding commitment for the purchase of the relevant property (in the form of an agreement or a put and call option agreement, whether conditional or unconditional) within 30 days (or such longer period as FCL and the Trustee may agree in writing) from the date of the Trustee’s receipt of the FCL Notice together with the relevant Transaction Documents; or

— (where the Trustee has entered into a binding commitment for the purchase of the relevant property) the proposed purchase by the Trustee of the relevant property is aborted by the Trustee,

the following provisions shall apply:

(I) (in the case of the Centrepoint Strata Lots and the Yishun Property) the relevant Designated FCL Subsidiary or the Northpoint Vendor, as the case may be, shall be entitled to sell the Leasehold Title or its entire interests in the relevant property to any third party purchaser on terms and conditions which are not in material respects more favourable to such third party purchaser than those offered by the relevant Designated FCL Subsidiary or the Northpoint Vendor to the Trustee, and subject thereto, the relevant Designated FCL Subsidiary or the Northpoint Vendor (as the case may be) and FCL shall not have any accountability, liability or further obligation whatsoever to the Trustee in respect of such property; and

(II) (in the case of a Target Property) the relevant FCL Entity is entitled to purchase the relevant Target Property on such terms and conditions as it may deem fit and the relevant FCL Entity and FCL shall not have any accountability, liability or further obligation whatsoever to the Trustee in respect of such Target Property; and

(III) (in the case of a FCL Development Property) the relevant FCL Entity is entitled to sell its entire interests in the relevant FCL Development Property to any third party purchaser on terms and conditions which are not in material respects more favourable to such third party purchaser than those offered by the relevant FCL Entity to the Trustee, and subject thereto, the relevant FCL Entity and FCL shall not have any accountability, liability or further obligation whatsoever to the Trustee in respect of such property.

In respect of a Target Property offered to but not purchased by the Trustee and which is purchased by a FCL Entity pursuant to the paragraph (II) above (a “Warehoused Property”), if such FCL Entity proposes to sell on an en bloc basis the entirety of its interests in a Warehoused Property, FCL shall give written notice to the Trustee and the Manager, and the terms of the right of first refusal regulating the sale of the Yishun Property shall apply mutatis mutandis to the sale of such Warehoused Property.

In respect of 31 strata lots in Centrepoint Shopping Centre which at the date of the right of first refusal agreement have been sold (by the issue of long leasehold titles) by the relevant Designated FCL Subsidiary (collectively the “Sold Units”), if any Sold Unit is thereafter repurchased by a FCL Entity (a “Repurchased Unit”) and such FCL Entity proposes to sell such Repurchased Unit, FCL shall give written notice to the Trustee and the Manager, and the terms of the right of first refusal regulating the sale of a Lot 851 Strata Lot or a Lot 854 Strata Lot, as the case may be, shall apply mutatis mutandis to the sale of such Repurchased Unit, except that the requirement for the sale to be on an en bloc basis shall not apply to the right of first refusal in respect of a Repurchased Unit.
The right of first refusal in respect of the above described properties shall not apply to (i) a sale of the relevant property by a Designated FCL Subsidiary, the Northpoint Vendor or a FCL Entity, as the case may be, to any related corporation of FCL pursuant to a reconstruction, amalgamation, restructuring, merger or any analogous event and (ii) a grant of a lease or tenancy of the relevant property by a Designated FCL Subsidiary, the Northpoint Vendor or a FCL Entity, as the case may be, where the aggregate lease or tenancy term (inclusive of all options to renew) does not exceed 30 years.

The right of first refusal was granted by FCL to the Trustee for a period commencing from the Listing Date and ending on the earliest of (i) the date the Manager ceases to be the manager of FCT, (ii) the date none of FCL or any of its related corporations (as defined in the Companies Act) remains a majority shareholder of the Manager, and (iii) the date of expiry of five years after the Listing Date.
The following summary of certain Singapore income tax consequences of the purchase, ownership and disposition of the Units is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units and does not purport to apply to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisers concerning the application of Singapore tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Units arising under the laws of any other tax jurisdictions.

The IRAS has issued a Tax Ruling on the taxation of FCT and its Unitholders.

In accordance with the Tax Ruling, the Singapore taxation consequences for FCT and that of the Unitholders are described below.

Taxation of FCT

Subject to meeting the terms and conditions of the Tax Ruling, the Trustee will not be assessed to tax on the taxable income of FCT. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate, currently at 20.0%, from the distributions made to Unitholders that are made out of the taxable income of FCT. However, where the beneficial owners are individuals or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax. Also, where the beneficial owners are foreign non-individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10.0% for distributions made during the period from 18 February 2005 to 17 February 2010.

A “Qualifying Unitholder” is a Unitholder who is:

(a) a Singapore-incorporated company which is tax resident in Singapore;
(b) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); and
(c) a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from FCT.

A “foreign non-individual Unitholder” is one who is not a resident of Singapore for income tax purposes and;
• who does not have a permanent establishment in Singapore; or
• who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

To obtain distributions without tax deduction at source, Unitholders who are Qualifying Unitholders must disclose their respective tax status in a prescribed form provided by the Trustee. Similarly, to obtain distributions where tax is deducted at the reduced rate of 10.0% for distributions made between 18 February 2005 to 17 February 2010, foreign non-individual Unitholders must disclose their respective tax status in a prescribed form provided by the Trustee and the Manager (see Appendix E — the section titled “Independent Taxation Report”).

Where the Units are held in joint names, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate, currently at 20.0% from the distributions made out of the taxable income of FCT, unless all the joint Unitholders are individuals.
Where the Units are held through a nominee, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate, currently at 20.0% from the distribution made out of FCT’s taxable income except in the following situations:

- where the Units are held for beneficial owners who are individuals or Qualifying Unitholders, tax may not be deducted at source/withheld under certain circumstances. This includes a situation where a declaration is made by the nominee of the beneficial owners’ status and the provision of certain particulars of the beneficial owners in a prescribed form to the Trustee and the Manager;

- where the Units are held for beneficial owners who are foreign non-individual Unitholders, tax may be deducted at source/withheld at the reduced rate of 10.0% for distributions made between 18 February 2005 and 17 February 2010 under certain circumstances. This includes a situation where a declaration is made by the nominee of the beneficial owners’ status and the provision of certain particulars of the beneficial owners in a prescribed form to the Trustee and the Manager; and

- where the Units are held by the nominees as agent banks or the SRS operators acting for individuals who purchased the Units within the CPF Investment Scheme or the SRS respectively, tax will not be deducted at source/withheld for distributions made in respect of these Unitholders.

FCT will distribute 100.0% of its taxable income for the period from the Listing Date to 30 September 2007, and thereafter to distribute at least 90.0% of its taxable income. For the remaining amount of taxable income not distributed, tax will be assessed on, and collected from, the Trustee on such remaining amount (referred to as Retained Taxable Income). In the event where a distribution is subsequently made out of such retained taxable income, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution.

Gains or profits arising from sale of real properties, if considered to be trading gains derived from a trade or business carried on by FCT, will be taxable under Section 10(1)(a) of the Income Tax Act, Chapter 134. Tax on such gains or profits will be assessed on, and collected from, the Trustee. Consequently, if such after tax gains or profits are distributed, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution.

Gains or profits arising from the sale of real properties, if confirmed to be capital gains by the IRAS, are not subject to tax as there is no capital gains tax in Singapore. Such capital gains may be distributed (at the discretion of the Trustee and the Manager) to Unitholders. If a distribution is made out of such confirmed capital gains, the Trustee and the Manager will not have to deduct tax from the distribution.

Taxation of FCT’s Unitholders

FCT Distributions

Individuals who hold Units as Investment Assets

All individuals who hold Units as investment assets (excluding individuals who hold such Units as trading assets or individuals who hold such Units through a partnership in Singapore) are exempt from income tax on the distributions (excluding distributions out of franked dividends) made by FCT, regardless of the individual’s nationality or tax residence status.

Distributions made out of income previously taxed at the Trustee level (because the distributions were made out of Retained Taxable Income or out of gains or profits taxed as trading gains from the disposal of real properties) will also be exempt from tax in the hands of such individuals.
**Individuals who hold the Units as trading assets or who hold the Units through a partnership in Singapore**

Individuals who hold Units as trading assets or individuals who hold Units through a partnership in Singapore are subject to income tax on the gross amount of distributions that are made out of the taxable income of FCT. Such distributions will be taxed in the individuals’ own hands at their applicable income tax rates.

Distributions made out of income previously taxed at the Trustee level (because the distributions were made out of Retained Taxable Income or out of gains or profits taxed as trading gains from the disposal of real properties) will also be taxed in the hands of these individuals at their applicable income tax rates. The amount of distribution that is subject to tax is the re-grossed amount (the amount of distribution and the proportionate amount of the imputed tax). However, these individuals may claim a tax credit for the imputed tax paid by the Trustee as a set-off against their Singapore income tax liabilities.

**Non-individuals**

Non-individual Unitholders are subject to Singapore income tax on the gross amount of distributions that are made out of the Taxable Income of FCT, regardless of whether the Trustee and the Manager had deducted tax from the distributions. Where tax had been deducted at source at the prevailing corporate tax rate, the tax deducted is not a final tax. Non-individual Unitholders can use such tax deducted at source as a set-off against their Singapore income tax liabilities.

Distributions made out of income previously taxed at the Trustee level (because the distributions were made out of retained taxable income or out of trading gains from the disposal of real properties) will also be taxed in the hands of these non-individuals at their applicable income tax rates. The amount of distribution that is subject to tax is the re-grossed amount (the amount of distribution and the proportionate amount of the imputed tax). However, these non-individuals may claim a tax credit for the imputed tax paid by the Trustee as a set-off against their Singapore income tax liabilities.

Distributions made by FCT to its Foreign Non-Individual Unitholders will be subject to tax deduction at source at the reduced rate of 10.0% for a period of five years from 18 February 2005 to 17 February 2010. This reduced tax rate of 10.0% will also apply to nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are Foreign Non-Individual Unitholders.

**Distributions of capital gains**

Distributions made out of gains or profits arising from a disposal of properties that have been confirmed by the IRAS as capital gains are not taxable in the hands of non-individual Unitholders provided that the Units are not held by them as trading assets. Where the Unitholders are subject to tax on such gains, they will be assessable to tax at their own respective rates.

**Disposal of Units**

Any gains on disposal of the Units are not liable to Singapore tax provided the Units are not held as trading assets.

**Terms and Conditions of the Tax Ruling**

The application of the Tax Ruling is conditional upon the Trustee and the Manager fulfilling certain terms and conditions. The Trustee and the Manager have given undertakings to take all reasonable steps necessary to safeguard the IRAS against tax leakages and to comply with all administrative requirements to ensure ease of tax administration.
The IRAS has expressly reserved the rights to review, amend and revoke the Tax Ruling either in part or in whole at any time.

**Stamp Duty**

By virtue of the Stamp Duties (Real Estate Investment Trust) (Remission) Rules 2005, stamp duty on the instruments of transfer of Singapore properties to real estate investment trusts to be listed or already listed on the SGX-ST would be waived for a period of five years from 18 February 2005. Following this announcement, stamp duty will be waived on the transfer of Singapore properties to FCT for a period of five years from 18 February 2005.

Stamp duty will not be imposed on instruments of transfers relating to the Units. In the event of a change of trustee for FCT, stamp duty on any document effecting the appointment of a new trustee and the transfer of trust assets from the incumbent trustee to the new trustee will be charged at a nominal rate not exceeding S$10.00 as specified under Article 3(g)(ii) of the First Schedule to the Stamp Duties Act, Chapter 312 of Singapore.
PLAN OF DISTRIBUTION

The Manager is making an offering of 261,930,000 Units (representing 42.6% of the total number of Units in issue after the Offering) for subscription at the Offering Price under the Placement and the Public Offer, of which, 8,500,000 Reserved Units (representing 3.2% of the Offering) from the Public Offer tranche will be reserved for subscription by the directors, management and employees of F&N and the Sponsor and their respective subsidiaries. 241,930,000 Units are offered under the Placement and 20,000,000 Units are offered under the Public Offer. Units may be re-allocated between the Placement and the Public Offer (including the Reserved Units), at the discretion of the Underwriters (in consultation with and having due regard to the view of the Manager).

The Public Offer is open to members of the public in Singapore. Under the Placement, the Manager intends to offer the Units by way of an international placement through the Underwriters to investors, including institutional and other investors in Singapore. Subject to the terms and conditions set forth in the Underwriting Agreement, the Manager is expected to effect for the account of FCT the issue of, and the Underwriters are expected to severally (and not jointly) subscribe, or procure subscribers for 261,930,000 Units, in the proportions set forth opposite their respective names below.

<table>
<thead>
<tr>
<th>Underwriters</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBS Bank</td>
<td>91,675,500</td>
</tr>
<tr>
<td>OCBC Bank</td>
<td>91,675,500</td>
</tr>
<tr>
<td>UBS</td>
<td>78,579,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>261,930,000</strong></td>
</tr>
</tbody>
</table>

The Units are being offered at the Offering Price. The Offering Price per Unit in the Placement and the Public Offer is identical. The Underwriters have agreed to subscribe or procure the subscription of 261,930,000 Units at the Offering Price, less the Underwriting, Selling and Management Commissions to be borne by FCT. To the extent of those Loan Units that are subsequently sold pursuant to the exercise of the Over-allotment Option, FCT will bear the Underwriting, Selling and Management Commissions in respect of such Units.

The Offering Price of S$1.03 has been determined, following a book-building process, by agreement between the Underwriters and the Manager. Among the factors that were considered in determining the Offering Price were the level of investor demand for the Units and the prevailing market conditions in the securities markets. At the Offering Price, the Units will be issued at a discount of 1.0% to the net asset value per Unit. (see “Pro Forma Financial Information — Pro Forma Balance Sheet”.)

The Manager, Sponsor and Unit Lender have agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities.

The Underwriting Agreement also provides that the obligations of the Underwriters to subscribe or procure the subscription of the Units in the Offering are subject to certain conditions contained in the Underwriting Agreement.

The Underwriting Agreement may be terminated by the Underwriters at any time prior to payment being made for the Units, upon the occurrence of certain events including, among other things, any change or development in local, national or international financial, political, economic or currency or market conditions or any monetary or trading settlement system (including but not limited to a material devaluation of the Singapore currency against any foreign currencies) in Singapore, Hong Kong, London or the United States or other events in the nature of force majeure, any suspension or limitation on trading in securities generally on the New York Stock Exchange, London Stock Exchange, The Stock Exchange of Hong Kong Limited and SGX-ST, or any banking moratorium or disruption in commercial
banking activities, securities settlement or clearing services or foreign exchange trading in or affecting Singapore, Hong Kong, London or New York or there has occurred any outbreak or escalation of hostilities (including any act of terrorism) or calamity or crisis or epidemic involving Singapore, Hong Kong, London or the United States, and in each case the effect of which is such as to, in the opinion of the Underwriters, be likely to prejudice materially the success of the Offering.

Subscribers of the Units may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Offering Price and applicable stamp duties, taxes and other similar charges (if any) in accordance with the laws and practices of the country of subscription, in addition to the Offering Price.

The Underwriters and their respective affiliates may engage in transactions with, and perform services for, the Trustee, the Manager, the Sponsor, the F&N Group and FCT in the ordinary course of business and have engaged, and may in the future engage, in commercial banking and/or investment banking transactions with the Trustee, the Manager, the Sponsor, the F&N Group and FCT, for which they have received, or may in the future receive, customary compensation.

Over-allotment and Stabilisation

The Unit Lender has granted the Over-allotment Option to the Underwriters for the purchase of up to 39,200,000 Units at the Offering Price. The number of Units subject to the Over-allotment Option will not be more than 15.0% of the number of Units under the Placement and the Public Offer. The Stabilising Manager may exercise the Over-allotment Option in full or in part, on one or more occasions, within 30 days from the date of commencement of trading of the Units on the SGX-ST, solely to cover over-allotments of Units (if any) in connection with the Offering, subject to any applicable laws and regulations.

In connection with the Over-allotment Option, the Stabilising Manager and the Unit Lender have entered into a unit lending agreement (the “Unit Lending Agreement”) dated 27 June 2006 pursuant to which the Stabilising Manager may borrow up to an aggregate of 39,200,000 Units from FCL Investments Pte. Ltd. (also the Unit Lender) for the purpose of facilitating settlement of the over-allotment of Units (if any) in connection with the Offering. The Stabilising Manager will re-deliver to the Unit Lender, such number of Units which have not been purchased pursuant to the exercise of the Over-allotment Option.

In connection with the Offering, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may, in consultation with the other Underwriters and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Such transactions may commence on or after the date of commencement of trading of the Units on the SGX-ST and, if commenced, may be discontinued at any time and shall not be effected after the earlier of (i) the date falling 30 days from the date of commencement of trading of the Units on the SGX-ST, (ii) the date when the over-allotment of the Units which are the subject of the Over-allotment Option has been fully covered (through the purchase of the Units on the SGX-ST and/or the exercise of the Over-allotment Option by the Stabilising Manager, on behalf of itself and the other Underwriters) or (iii) the date falling 30 days after the date of adequate public disclosure of the price of the Units. Any profit after expenses derived, or any loss sustained, as a consequence of the Over-allotment Option or stabilising activities shall be for the account of the Underwriters.

None of the Unit Lender, the Manager, the Sponsor and the Stabilising Manager makes any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Units. In addition, none of the Unit Lender, the Manager, the Sponsor and
the Stabilising Manager makes any representation that the Stabilising Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Units purchased by the Stabilising Manager, not later than 12.00 p.m. on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement through the SGX-ST in relation to the cessation of stabilising action and the number of Units in respect of which of the Over-allotment Option has been exercised not later than 8.30 a.m. on the next trading day of the SGX-ST after the cessation of stabilising action.

Lock-up Arrangements

**FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd.**

FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. have each agreed with the Underwriters that it will not, without the prior written consent of the Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly, among other things, offer, sell or contract to sell or otherwise dispose of:

(i) all or any of the Lock-up Units (or any securities convertible into or exchangeable for Lock-up Units or which carry any rights to subscribe for or purchase Lock-up Units) held by it during the First Lock-up Period; and

(ii) any of the Lock-up Units (or any securities convertible into or exchangeable for Lock-up Units or which carry any rights to subscribe for or purchase Lock-up Units) held by it which will, taking into account of all the Units offered, sold, contracted to sell or disposed of by FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. collectively for the time being, amount to more than 50.0% of the aggregate interests of FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. in the Lock-up Units (adjusted for any bonus issue, consolidation or subdivision) during the Second Lock-up Period,

subject to the following exceptions.

The restrictions described in the preceding paragraph do not apply to any securities lending arrangement with the Underwriters or any sale or transfer of Units by FCL Investments Pte. Ltd. pursuant to exercise of the Over-allotment Option. Furthermore, notwithstanding the above restrictions in the preceding paragraph, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. shall be free to transfer any of the Lock-up Units held by it to F&N or any of F&N's wholly-owned subsidiaries provided that such transferee gives a similar undertaking for the remainder of the Lock-up Periods relating to such Lock-up Units.

**The Sponsor**

The Sponsor, being the direct holding company of each of FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. as at the date of this Prospectus, has agreed with the Underwriters that it will not, without the prior written consent of the Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly, among other things, offer, sell or contract to sell or otherwise dispose of:

(i) any or all of its effective interest in the Lock-Up Units (whether held through its shares in FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. as at the Listing Date (“A Shares” and “B Shares”) and/or otherwise) (or any securities convertible into or exchangeable for Lock-up Units or which carry any rights to subscribe for or purchase Lock-up Units) during the First Lock-up Period; and

(ii) more than 50.0% of its effective interest in the Lock-up Units (whether held through the A Shares and/or B Shares or otherwise) (or any securities convertible into or exchangeable for Lock-up Units or which carry any rights to subscribe for or purchase Lock-up Units) (adjusted for any bonus issue, consolidation or subdivision) during the Second Lock-up Period.
Notwithstanding the foregoing restrictions described in the preceding paragraph, the Sponsor shall be free to transfer any of its effective interest in the Lock-up Units to F&N or any of F&N’s wholly-owned subsidiaries during the Lock-up Periods provided that the transferor procures that each such transferee gives a similar undertaking in respect of such effective interest in the Lock-up Units for the remainder of the relevant Lock-up Periods.

**F&N**

F&N, being the direct holding company of the Sponsor as at the date of this Prospectus, has agreed with the Underwriters that it will not, without the prior written consent of the Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly, among other things, offer, sell or otherwise dispose of:

(i) any or all of its effective interests in the Lock-up Units (whether held through its shares in the Sponsor as at the Listing Date (“Sponsor Shares”) or otherwise) (or any securities convertible into or exchangeable for Lock-up Units or which carry any rights to subscribe for or purchase Lock-up Units) during the First Lock-up Period; and

(ii) more than 50.0% of its effective interest in the Lock-up Units (whether held through the Sponsor Shares or otherwise) (or any securities convertible into or exchangeable for Lock-up Units or which carry any rights to subscribe for or purchase Lock-up Units) (adjusted for any bonus issues, consolidation or subdivision) during the Second Lock-up Period.

Notwithstanding the foregoing restrictions described in the preceding paragraph, F&N shall be free to transfer any of its effective interests in the Lock-up Units to any of F&N’s wholly-owned subsidiaries during the Lock-up Periods provided that such transferee gives a similar undertaking in respect of such effective interest in the Lock-up Units for the remainder of the relevant Lock-up Periods, but notwithstanding anything to the contrary herein, F&N shall be free to transfer any of the Sponsor Shares to any person other than F&N and its wholly-owned subsidiaries upon or after the submission of a listing application to any Recognised Stock Exchange in connection with a proposed listing of the shares in the Sponsor during the Second Lock-up Period.

**The Manager**

The Manager has agreed with the Underwriters that it will not (and will not cause or permit FCT to), directly or indirectly, without the prior written consent of the Underwriters (such consent not to be unreasonably withheld or delayed), among other things, offer, issue, sell, contract to issue or sell or otherwise dispose of (or enter into any transaction (excluding commitments for the sale and purchase of additional properties, whether in the form of a sale and purchase agreement or a put and call option agreement) which is designed to, or might reasonably be expected to, result in the issuance, sale or disposition (whether by actual issuance, sale or disposition or effective economic issuance, sale or disposition due to cash settlement or otherwise)) any Units, nor make any announcement with respect to any of the foregoing transactions other than as required by applicable laws or regulations, until the date falling 180 days from the Listing Date. The restrictions described in this paragraph do not apply to Units to be issued to the Manager in payment of its management fee under the Trust Deed.

If, for any reason, the Offering is not completed by 5 July 2006, the lock-up arrangements described above will be terminated.

**SGX-ST Listing**

FCT received a letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, FCT, the Manager or the Units. It is expected that the Units will commence trading on the SGX-ST on a “ready” basis on or about 5 July 2006.
Prior to this Offering, there has been no trading market for the Units. There can be no assurance that an active trading market will develop for the Units, or that the Units will trade in the public market subsequent to this Offering at or above the Offering Price.

**Issue Expenses**

The estimated amount of the expenses in relation to the Offering of S$15.1 million (assuming that the Over-allotment Option is exercised in full) includes the Underwriting, Selling and Management Commission, professional and other fees and all other incidental expenses in relation to the Offering, which will be borne by FCT. A breakdown of these estimated expenses is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and other fees</td>
<td>2,171</td>
</tr>
<tr>
<td>Underwriting, Selling and Management Commissions</td>
<td>10,735</td>
</tr>
<tr>
<td>Miscellaneous Offering expenses</td>
<td>2,229</td>
</tr>
<tr>
<td><strong>Total estimated expenses of the Offering</strong></td>
<td><strong>15,135</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. Amounts exclude GST, where applicable.
2. Includes financial advisory fees, solicitors’ fees and fees for the Independent Reporting Accountants, the Independent Tax Adviser, the Independent Valuers and other professionals’ fees.
3. Such commissions represent 3.5% of the total proceeds of the Offering (assuming that the Over-allotment Option is exercised in full) and 3.6 cents on a per Unit basis.
4. Includes cost of prospectus production, listing fees, road show expenses and certain other expenses incurred or to be incurred in connection with the Offering.

**Distribution and Selling Restrictions**

No action has been or will be taken in any jurisdiction that would permit a public offering of the Units or the possession, circulation or distribution of this Prospectus or any other offering or publicity material relating to FCT or the Units in any country or jurisdiction (other than Singapore, where action for the purpose is required). Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material, circular, form of application or advertisement in connection with the Units may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations of any such country or jurisdiction.

**Australia**

This Prospectus has not been lodged with the Australian Securities and Investments Commission, and is not a disclosure document or product disclosure statement for the purposes of Australian law. The provision of this Prospectus to any person in Australia does not constitute an offer of Units to that person or an invitation to that person to apply for the issue of Units.

Units may only be offered in Australia by the holder of an Australian financial services licence unless a licensing exemption applies.

Units may only be issued in Australia to wholesale clients who are persons to whom an offer of units may be made in Australia without the need for a product disclosure statement under Part 7.9 of the Corporations Act 2001 (Cwlth) ("Corporations Act"). This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of Units in Australia. FCT is not registered as a managed investment scheme in Australia, and no securities commission or similar authority in Australia has reviewed or in any way passed upon this document or the merits of investing in Units.
in the Units. Units may not be resold in Australia within a period of 12 months after the date of issue otherwise than on a basis excluded from disclosure in accordance with sections 1012D or 1012DA of the Corporations Act.

This is not a securities recommendation or investment advice. A potential investor should seek his own financial advice.

This Prospectus has been prepared without taking account of any investor’s objectives, financial situation or needs, and before acting on it, investors should consider the appropriateness of the information in this Prospectus, having regard to their own objectives, financial situation and needs.

**Denmark**

This Prospectus has not been filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in the Kingdom of Denmark. The Units may not be offered, sold or delivered, directly or indirectly, in Denmark, except (i) to Qualified Investors as defined in the Council Directive 2003/71 EC of 4 November 2003 or (ii) otherwise in compliance with Chapter 6 of the Danish Act on Trading in Securities and the Danish Executive Order No. 306 of 28 April 2005 on the prospectus to be published before securities are admitted to listing or trading on a regulated market or if securities with a value of more than EUR 2,500,000 are being offered to the public.

**European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Joint Financial Advisor and Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Units to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Units which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Units to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Units to the public” in relation to any Units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Units to be offered so as to enable an investor to decide to purchase or subscribe the Units, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.
In addition, this Prospectus must not be distributed to, passed on to, or relied or acted upon, any person in a Member State to the extent that the laws of that Member State prohibit the promotion of the Units to that person. Each Joint Financial Advisor and Underwriter has represented and agreed that it has complied and will comply with any applicable laws of a Member State with respect to anything done by it in relation to the Units in, from or otherwise involving that Member State.

Finland

This Prospectus has not been approved by or filed with the Finnish Financial Supervision Authority pursuant to the Finnish Securities Market Act or the Mutual Funds Act. The Units may not be offered or sold, directly or indirectly, to the public in Finland and any offer or sale of the Units in Finland may be made only to qualified investors under the Securities Markets Act, and/or to less than 100 pre-selected investors or otherwise in circumstances which do not constitute a public offer under the laws of Finland.

France

This document is not being distributed in the context of a public offering in France within the meaning of Article L.411-1 of the Code monétaire et financier, and has therefore not been submitted to the Autorité des marchés financiers for prior approval and clearance procedure. Accordingly, the Units have not been offered or sold, and will not be offered or sold, directly or indirectly, to the public in France, and this offering Prospectus and any other offering materials relating to the Units have not been and will not be distributed or caused to be distributed, to the public in France. Such offers, sales and distributions have only been and shall only be made in France to: (i) providers of investment services relating to portfolio management for the account of third parties; and/or (ii) qualified investors (investisseurs qualifiés); and/or (iii) a restricted circle of investors (cercle restreint d'investisseurs), all as defined in and in accordance with Articles L.411-2, D.411-1 and D.411-2 of the Code monétaire et financier. Investors in France falling within the qualified investors or restricted circle of investors exemption, may only participate in the issue of Units for their own account in accordance with the conditions set out in Articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the Code monétaire et financier. The Units may only be issued, directly or indirectly, to the public in France in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the Code monétaire et financier.

Germany

The offering of the Units does not constitute a public offer in the Federal Republic of Germany. The Units may only be acquired in accordance with the provisions of the German Securities Prospectus Act (Wertpapier-Prospektgesetz), as amended, and any other applicable German law. No application has been made under German law to publicly market the Units in Germany. The Units will only be available in Germany to persons who, by profession, trade or business, buy or sell shares for their own or a third party's account. Therefore, the Units and this Prospectus and any other document relating to the Units must not be distributed in Germany by way of a public offer, public advertisement or in any similar manner.

Hong Kong

FCT has not been authorised by the Hong Kong Securities and Futures Commission. Accordingly, no person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, this Prospectus or any other advertisement, invitation or document relating to the Units which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.
Ireland

The Units and any document in respect of the Units will only be offered, placed or issued in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9 and 23 thereof and any Codes of Conduct Rules made under Section 37 thereof and the provisions of the Investor Compensation Act, 1998 (as amended).

Anything done in or through Ireland in connection with the Units will be in accordance with the provisions of (i) Directive 2003/6/EC as implemented into Ireland, (ii) the Irish Unit Trusts Act 1990 and (iii) the Irish Companies Acts, 1963-2005.

This Prospectus does not and shall not be deemed to constitute an invitation to the public in Ireland or to facilitate participation by the public to purchase an interest in FCT. In Ireland, this Prospectus and the information contained herein is private and confidential. If any person has received this Prospectus contrary to the foregoing restrictions, please return this Prospectus to the Joint Financial Advisors and the Underwriters.

The Netherlands

The Units may not be offered or sold, directly or indirectly, in the Netherlands, as part of the initial distribution of each of the Joint Financial Advisors and Underwriters or as part of any re-offering, and neither this Prospectus nor any other document in respect of the Offering may be distributed or circulated in the Netherlands, other than to individuals or legal entities who or which, in the conduct of a business or profession, deal or invest in investment objects (beleggingsobjecten) within the meaning of article 1 of the Regulation in implementation of section 14 of the Investment Institutions Supervision Act (Uitvoeringsregeling ex artikel 14 Wet toezicht beleggingsinstellingen).

Norway

This Prospectus has not been approved by or registered with the Oslo Stock Exchange or the Norwegian Register of Business Enterprises under Chapter 5 of the Norwegian Securities Trading Act 1997, and the Units may not be offered or sold, and will not be offered or sold to any persons in Norway in any way that would constitute an offer to the public, other than in circumstances where an exemption from the duty to publish a prospectus under the Norwegian Securities Trading Act 1997 shall be applicable.

Switzerland

The Units will not be distributed and offered, directly or indirectly, to the public in Switzerland and this Prospectus may not be publicly distributed or otherwise made publicly available in Switzerland. This Prospectus does not constitute a public offering prospectus as that term is understood pursuant to art. 652a or art. 1156 of the Swiss Code of Obligations. Neither the Manager nor the Trustee has applied nor will they apply for a listing of the Units on the SWX Swiss Exchange or any other exchange or regulated securities market in Switzerland, and consequently, the information presented in this Prospectus does not necessarily comply with the information standards set out in the relevant listing rules. The Units being offered pursuant to this Prospectus have not been registered with the Swiss Federal Banking Commission under the Swiss Investment Fund Act. Therefore, investors do not benefit from protection under the Swiss Investment Fund Act or supervision by the Swiss Federal Banking Commission.

The Units will be distributed and offered in Switzerland, and this Prospectus will be distributed or otherwise made available in Switzerland on a private placement basis to a limited number of individually selected and approached institutional investors with a professional treasury without any public distribution, offering or marketing in or from Switzerland.
For United Arab Emirates residents only

Each Joint Financial Advisor and Underwriter has represented and agreed that the Units have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and/or sale of securities, including those laws applicable in the Dubai International Financial Centre. The information contained in this Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise, and is not intended to be an offer or an invitation to subscribe for or purchase any Units. Further, the information contained in this Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom

The Units are interests in a collective investment scheme which has not been authorised or reviewed by the Financial Services Authority ("FSA") or any other regulatory authority of the United Kingdom. Accordingly, this Prospectus is not being distributed to, and must not be passed on to, or relied or acted upon by, the public in the United Kingdom.

This Prospectus is for distribution in the United Kingdom only to persons to whom communications relating to unregulated collective investment schemes may lawfully be made, including persons who fall within the relevant categories of investors in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or the Financial Services Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as applicable).

Any investment or investment activity to which this Prospectus relates is only available to such persons or will be engaged in only with such persons and this financial promotion must not be relied or acted upon by persons to whom such promotion cannot lawfully be made. Expressions of interest resulting from this Prospectus will only be responded to if received from persons to whom such promotion can lawfully be made.

Each Joint Financial Advisor and Underwriter has represented and agreed that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Units in, from or otherwise involving the United Kingdom.

United States of America

The Units have not been and will not be registered under the Securities Act and, accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Units are being offered and sold in offshore transactions, outside of the United States, in reliance on Regulation S. In addition, until 40 days after the commencement of the Offering, an offer or sale of Units within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Terms used in this subsection have the meanings given to them by Regulation S.
CLEARANCE AND SETTLEMENT

Introduction

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of the Units. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 1,000 Units.

Upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP.

It is expected that the Units will be credited into the Securities Accounts of applicants for the Units within four Market Days after the closing date for applications for the Units.

Clearance and Settlement under the Depository System

The Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Unitholders in respect of the number of Units credited to their respective Securities Accounts.

Transactions in the Units under the book-entry settlement system will be reflected by the seller’s Securities Account being debited with the number of Units sold and the buyer’s Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a S$10 transfer fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

Clearing Fees

A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.05% of the transaction value, subject to a maximum of S$200 per transaction. The clearing fee and transfer fee may be subject to GST (currently 5.0%).

Dealings in the Units will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the third Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.
EXPERTS

Ernst & Young, the Independent Reporting Accountants, were responsible for preparing the “Independent Accountants’ Report on the Profit Forecast and Profit Projection” and the “Independent Accountants’ Report on the Pro Forma Financial Information” found in Appendix A and Appendix B of this Prospectus, respectively.

Knight Frank Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd, the Independent Valuers, were responsible for preparing the “Independent Property Valuation Summary Reports” found in Appendix C of this Prospectus.

Knight Frank Pte Ltd, the Independent Property Consultant, was responsible for preparing the section of this Prospectus entitled “The Independent Retail Property Market Overview Report” found in Appendix D of this Prospectus.

KPMG Tax Services Pte Ltd, the Independent Tax Adviser, was responsible for preparing the “Independent Taxation Report” found in Appendix E of this Prospectus.

The Independent Reporting Accountants, the Independent Valuers, the Independent Property Consultant and the Independent Tax Adviser have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

None of Allen & Gledhill, Shook Lin & Bok, Stamford Law Corporation and Mallesons Stephen Jaques makes, or purports to make, any statement in this Prospectus and none of them is aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.
GENERAL INFORMATION

(1) The profit forecast and profit projection contained in “Profit Forecast and Profit Projection” have been stated by the Directors after due and careful enquiry.

(2) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against the Manager the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position of the Manager.

(3) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against FCT the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position (on a pro forma consolidated basis) of FCT.

(4) The name, age and address of each of the Directors are set out in “The Manager and Corporate Governance — Directors of the Manager”. A list of the present and past directorships of each Director and Executive Officer of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H — “List of Present and Past Principal Directorships of Directors and Executive Officers”.

(5) There is no family relationship among the Directors and executive officers of the Manager.

(6) Save as disclosed below, none of the Directors or executive officers of the Manager is or was involved in any of the following events:

- at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

- at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

- any unsatisfied judgment against him;

- a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

- a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

- at any time during the last 10 years, judgment been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
• a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

• disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

• any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

• to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
  
  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
  
  (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
  
  (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
  
  (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

  in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

• the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Mr Philip Eng Heng Nee was the Group Managing Director of Jardine Cycle & Carriage Limited (formerly known as Cycle & Carriage Limited (“JCC”)) from 1996 to 28 February 2005. In 1998, as part of their industry-wide inquiry under the Customs Act, the Customs and Excise Department inquired into a subsidiary of JCC on the payment of duties of cars. No charges were filed against that subsidiary or any of its officers. A composition amount was paid by that subsidiary. Mr Eng retired as Group Managing Director of JCC on 28 February 2005. Mr Eng was not personally involved in the importation of the relevant cars and the inquiry was not directed at him personally.

Mr Eng was a non-executive director of HospitalityCity Pte Ltd from 20 September 1999 to 13 November 2002 and was also a minority shareholder. Mr Eng resigned as director and disposed of his shares as he considered the operations of the company not to be commercially viable. On or about 8 September 2003, the company lodged a declaration with the Registry of Companies and Businesses that the company cannot by reason of its liability continue its business and the company was placed under creditors’ voluntary winding up. The company is presently still in liquidation. Mr Eng was never active in the running of the business of the company.

(7) The financial year end of FCT is 30 September. The annual audited financial statements of FCT will be prepared and sent to Unitholders within three months after the financial year-end.

(8) A full valuation of each of the real estate assets held by FCT will be carried out at least once a year in accordance with the Property Funds Guidelines. Generally, where the Manager proposes to issue new Units or to redeem existing Units, a valuation of the real estate properties held by FCT must be carried out in accordance with the Property Funds Guidelines. The Manager or the Trustee may at any other time arrange for the valuation of any of the real estate properties held by FCT if it is of the opinion that it is in the best interest of Unitholders to do so.
While FCT is listed on the SGX-ST, investors may check the SGX-ST website http://www.sgx.com for the prices at which Units are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers which publishes such information such as The Straits Times, The Business Times and Lianhe Zaobao, for the price range within which Units were traded on the SGX-ST on the preceding day.

The Manager does not intend to receive soft dollars (as defined in the CIS Code) in respect of FCT. Save as disclosed in this Prospectus, unless otherwise permitted under the Listing Manual, neither the Manager nor any of its Associates will be entitled to receive any part of any brokerage charged to FCT, or any part of any fees, allowances or benefits received on purchases charged to FCT.

The dates of, parties to, and general nature of every material contract which the trustee of FCT has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of FCT) are as follows:

(a) the Trust Deed;
(b) the Causeway Point Call Option Agreement, the Northpoint Call Option Agreement and the Anchorpoint Call Option Agreement;
(c) the Property Management Agreement;
(d) the right of first refusal agreement as described in “Certain Agreements Relating to Frasers Centrepoint Trust and the Properties and Information on the Management Corporation — Right of First Refusal”;
(e) the facility agreements and security documents in respect of the Facilities.

Copies of the following documents are available for inspection at the registered office of the Manager at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 for a period of six months from the date of this Prospectus:

(a) the material contracts referred to in paragraph 11 above, save for the Trust Deed (which will be available for inspection for so long as FCT is in existence);
(b) the Underwriting Agreement;
(c) the Unit Lending Agreement;
(d) the “Independent Accountants’ Report on the Profit Forecast and Profit Projection” as set out in Appendix A of this Prospectus;
(e) the “Independent Accountants’ Report on the Pro Forma Financial Information” as set out in Appendix B of this Prospectus;
(f) the “Independent Property Valuation Summary Reports” as set out in Appendix C of this Prospectus as well as the full valuation reports for each Property;
(g) the “Independent Retail Property Market Overview Report” as set out in Appendix D of this Prospectus;
(h) the “Independent Taxation Report” as set out in Appendix E of this Prospectus;
(i) the written consents of the Independent Reporting Accountants, the Independent Valuers, the Independent Property Consultant and the Independent Tax Adviser, as described in “Experts”;

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(j) the undertaking of the Manager to the MAS covenanting, among other things, not to deal in the Units during certain stipulated periods as described in “The Manager and Corporate Governance — Dealings in Units”;

(k) the Depository Services Agreement;

(l) the Deed of Undertaking;

(m) the Deed of Income Support;

(n) the Tax Undertaking Deed;

(o) the licence agreement relating to “Frasers Centerpoint Mall” entered into between F&N and the Property Management;

(p) the licence agreement relating to “Frasers Centrepoint Trust” entered into between F&N and the Manager; and

(q) the Co-operation Agreement.
GLOSSARY

€

The lawful currency of the European Union

%

Per centum or percentage

Anchorpoint

The properties comprised in strata lot U41774C and strata lot U41775M (with Accessory Lots A82V to A134C and A137V to A161K), both of Mukim 1, and known as 368 and 370 Alexandra Road, Anchorpoint Shopping Centre, Singapore 159952/3

Anchorpoint Call Option Agreement

The agreement dated 5 June 2006 between (i) the Trustee (as trustee of FCT) and (ii) the Anchorpoint Vendor, pursuant to which the Trustee was granted the right to require the Anchorpoint Vendor to enter into the Anchorpoint Sale Agreement

Anchorpoint Development

The strata sub-divided development, of which Anchorpoint forms part of, located at 368, 370, 370A, 370B, 370C, 370D, 370E, 370F, 370G and 370H Alexandra Road, Singapore 159952/3

Anchorpoint Management Corporation

The Management Corporation Strata Title Plan No. 2304, being the management corporation of Anchorpoint Development established under the BMSMA

Anchorpoint Sale Agreement

The agreement to be entered into between (i) the Anchorpoint Vendor as vendor and (ii) the Trustee (as trustee of FCT) as purchaser, relating to the sale and purchase of Anchorpoint

Anchorpoint Vendor

Anchor Developments Pte Ltd, a wholly-owned subsidiary of the Sponsor

Application Forms

The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus

Application List

The list of applicants subscribing for Units which are the subject of the Public Offer

Appraised Value

In relation to (i) Anchorpoint, means the amount of S$36,975,000; (ii) Causeway Point, means the amount of S$622,300,000; and (iii) Northpoint, means S$255,900,000, being the average of the two valuations determined by the Independent Valuers in respect of each property

Asset Owning Companies

The Vendors

Associate

Has the meaning ascribed to it in the Listing Manual

ATMs

Automated teller machines

Authority or MAS

The Monetary Authority of Singapore
B1 Units: The units known as 930 Yishun Avenue 2 #B1-01 to #B1-13, #B1-14/14A, #B1-15 to 18, and #B1-K2 Northpoint Shopping Centre, Singapore 769098

Base Fee: 0.3% per annum of the value of the Deposited Property

BMSMA: The Building Maintenance and Strata Management Act 2004

Board: The board of Directors of the Manager

Business Day: Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading

Cash Payment Amount: The portion of the purchase price of Causeway Point which will be satisfied in the form of cash

Causeway Point: All that piece of land comprised in the whole of Lot 3098T Mukim 13 together with the buildings thereon, and known as 1 Woodlands Square, Causeway Point, Singapore 738099

Causeway Point Call Option Agreement: The agreement dated 5 June 2006 between (i) the Trustee (as trustee of FCT) and (ii) the Causeway Point Vendor, pursuant to which the Trustee was granted the right to require the Causeway Point Vendor to enter into the Causeway Point Sale Agreement

Causeway Point Sale Agreement: The agreement to be entered into between (i) the Causeway Point Vendor as vendor and (ii) the Trustee (as trustee of FCT) as purchaser, relating to the sale and purchase of Causeway Point

Causeway Point Vendor: Woodlands Complex Pte Ltd, a wholly-owned subsidiary of the Sponsor

CDP: The Central Depository (Pte) Limited

Centrepoint Shopping Centre: The strata sub-divided development, of which the Centrepoint Strata Lots form part of, located at 176 and 176A Orchard Road, Singapore 238843/4

Centrepoint Strata Lots: Collectively the Lot 851 Strata Lots and the Lot 854 Strata Lots

CIS Code: The Code on Collective Investment Schemes issued by the MAS

CMBS: Commercial mortgage-backed securities

Committed Leases: All current leases in respect of Properties as at 31 December 2005 or leases with commencement dates after 31 December 2005, which as at 31 December 2005 have been entered into or renewed by the tenant pursuant to a signed commitment to lease

Committed Occupancy: Occupancy rate based on Committed Leases
common property
All the parts of the Anchorpoint Development and Northpoint Shopping Centre which are not comprised in any strata lot shown on the strata title plan lodged with the Registrar of Titles and includes all apparatus and installation and other areas within the definition of common property as defined in the BMSMA.

Companies Act
Companies Act, Chapter 50 of Singapore

Completion
Completion of the sale and purchase of the Properties under the Sale and Purchase Agreements

Completion Date
The date of completion of the sale and purchase of the Properties under the Sale and Purchase Agreements

Consideration Units
352,700,000 Units to be issued to two wholly-owned subsidiaries, FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd., of the Sponsor at the Offering Price on Completion Date in part payment of the purchase price for Causeway Point

Corporations Act
Corporations Act 2001 (cwlth)

Co-operation Agreement
The agreement to be entered into between (i) the Trustee (as trustee of FCT) and (ii) the Northpoint Vendor, in connection with the construction and completion of the works in order that Northpoint Shopping Centre and the New Yishun Building shall be linked to form a connected retail development

COL
The Commissioner of Lands

CPF
Central Provident Fund

CPFIS
CPF Investment Scheme

Current Unit Value
At any time, the net asset value of the Deposited Property divided by the number of Units in issue and deemed to be in issue at that time

DBS Bank
DBS Bank Ltd

Deed of Undertaking
The deed of undertaking dated 5 June 2006 made between (i) the Sponsor and (ii) the Trustee, pursuant to which the Sponsor has undertaken to procure the Property Manager to make available to the Audit Committee of FCT for their review, all leasing information relating to the Yishun Property once every six months, the first of such six-month period to commence on the date of issuance of the temporary occupation permit for the New Yishun Building

Deposited Property
The gross assets of FCT, including the Properties and all the authorised investments of FCT for the time being held or deemed to be held upon the trusts under the Trust Deed

Depository Services Agreement
The depository services agreement dated 22 June 2006 entered into between CDP, the Manager and the Trustee relating to the deposit of the Units in CDP
Extraordinary Resolution
A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed

F&N
Fraser and Neave, Limited

F&N Group
F&N and its related corporations

Facilities
Facilities of S$290.0 million from OCBC Bank and Standard Chartered Bank, comprising a S$260.0 million five-year term loan facility and a S$30.0 million one-year revolving credit facility

FCL Entity
Each of the Sponsor and its subsidiaries

FCL Group
FCL and its subsidiaries

FCL or Sponsor
Frasers Centrepoint Limited, formerly known as Centrepoint Properties Ltd

FCT
Frasers Centrepoint Trust, being a real estate investment trust constituted by the Trust Deed and references to FCT shall be construed as including reference to the Trustee acting as trustee of FCT and the Manager acting as manager of FCT (as appropriate)

First Lock-up Period
The period commencing from (and including) the Listing Date until (and including) the date falling 180 days after the Listing Date

Forecast Period 2006
1 April 2006 to 30 September 2006

Foreign Non-Individual Unitholder
A unitholder who is a non-resident of Singapore for income tax purposes and who does not have a permanent establishment in Singapore or who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units in FCT are not obtained from that operation in Singapore.

FSA
Financial Services Authority

FY
Financial year ended or, as the case may be, ending 30 September

GDP
Gross Domestic Product

Gross Rent
Consists of base rental income (after rent rebates, refunds, credits or discounts and rebates for rent free periods, where applicable, but excluding turnover rent), and service charge payable by tenants

Gross Revenue
Consists of (i) Gross Rent and (ii) Other Revenue

GST
Goods and Services Tax
<table>
<thead>
<tr>
<th><strong>HDB</strong></th>
<th>Housing Development Board</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Support Period</strong></td>
<td>The period commencing from the Listing Date and up to the end of Projection Year 2007</td>
</tr>
<tr>
<td><strong>Independent Accountants</strong></td>
<td>Ernst &amp; Young</td>
</tr>
<tr>
<td><strong>Independent Property Consultant</strong></td>
<td>Knight Frank Pte Ltd</td>
</tr>
<tr>
<td><strong>Independent Tax Adviser</strong></td>
<td>KPMG Tax Services Pte Ltd</td>
</tr>
<tr>
<td><strong>Independent Valuers</strong></td>
<td>Jones Lang LaSalle Property Consultants Pte Ltd (property valuer to the Sponsor) and Knight Frank Pte Ltd (independent valuer to the Trustee), each being an “Independent Valuer”</td>
</tr>
<tr>
<td><strong>interested party</strong></td>
<td>Has the meaning ascribed thereto in the Property Funds Guidelines</td>
</tr>
<tr>
<td><strong>interested party transaction</strong></td>
<td>Has the meaning ascribed thereto in the Property Funds Guidelines</td>
</tr>
<tr>
<td><strong>interested person</strong></td>
<td>Has the meaning ascribed to it in the Listing Manual</td>
</tr>
<tr>
<td><strong>interested person transaction</strong></td>
<td>Has the meaning ascribed to it in the Listing Manual</td>
</tr>
<tr>
<td><strong>Investible Savings</strong></td>
<td>The balance in a CPF Ordinary Account plus the net amounts (if any) withdrawn for education and investment</td>
</tr>
<tr>
<td><strong>IRAS</strong></td>
<td>Inland Revenue Authority of Singapore</td>
</tr>
<tr>
<td><strong>Issue Price</strong></td>
<td>Issue price of each Unit</td>
</tr>
<tr>
<td><strong>Joint Financial Advisors</strong></td>
<td>DBS and OCBC Bank, and each a “Financial Advisor”</td>
</tr>
<tr>
<td><strong>JTC</strong></td>
<td>Jurong Town Corporation, also known as “JTC Corporation”</td>
</tr>
<tr>
<td><strong>Latest Practicable Date</strong></td>
<td>23 May 2006, being the latest practicable date prior to the lodgment of this Prospectus with the MAS</td>
</tr>
<tr>
<td><strong>Lenders</strong></td>
<td>OCBC Bank and Standard Chartered Bank, in their capacity as lenders of the Facilities</td>
</tr>
<tr>
<td><strong>Listing Date</strong></td>
<td>The date of admission of FCT to the Official List of the SGX-ST</td>
</tr>
<tr>
<td><strong>Listing Manual</strong></td>
<td>The Listing Manual of the SGX-ST</td>
</tr>
<tr>
<td><strong>Loan Units</strong></td>
<td>Up to 39,200,000 Units to be issued to FCL Investments Pte. Ltd. (also a Unit Lender) being part of the Consideration Units and which may be lent to the Underwriters to cover the over-allotment of Units (if any)</td>
</tr>
<tr>
<td><strong>Lock-up Units</strong></td>
<td>The 352,700,000 Units to be issued to FCL Trust Holdings Pte. Ltd. and FCL Investments Pte. Ltd. as Consideration Units on the Listing Date, subject to the exercise of any Over-allotment Option</td>
</tr>
</tbody>
</table>
Lot 851 Strata Lots

Certain strata lots in Centrepoint Shopping Centre comprising (i) 101 strata lots which are owned by FCL Property Investments Pte. Ltd. and (ii) 22 strata lots which are owned by FCL Enterprises Pte. Ltd.

Lot 854 Strata Lots

The 63 strata lots in Centrepoint Shopping Centre which are owned by Emerald Hill Developments Pte Ltd.

Management Corporations

The Anchorpoint Management Corporation and the Northpoint Management Corporation collectively

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

Market Price

The volume weighted average traded price for a Unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days preceding the relevant Business Day or, if the Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of a Unit, an amount as determined by the Manager (after consultation with a stock broker approved by the Trustee), as being the market price of a Unit

MRT

Mass Rapid Transit

Net Investment Income

Consists of Net Property Income and any other income of FCT (comprising mainly interest income, if any, but excluding any non-operating income such as gains on disposal or revaluation of properties) less borrowing costs, the Manager’s fees, and trust expenses (comprising recurring operating expenses such as the 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 relating to FCT)

Net Lettable Area or NLA

Area in a building that is to be leased, excluding common areas such as common corridors, lift shafts, fire escape staircases and toilets, and is usually the area in respect of which rent is payable

Net Property Income

Consists of Gross Revenue less Property Expenses

New Yishun Building

The commercial development of approximately 80,000 sq ft of Net Lettable Area proposed to be constructed on the Northpoint Adjacent Land as an extension of Northpoint Shopping Centre

Northpoint

The properties comprised in strata lots U46867C to U46951A all of Mukim 19, being all the 85 strata lots in Northpoint Shopping Centre
Northpoint Adjacent Land
All that piece of land comprised in State Land Lots 2569C-pt and 2348W-pt of Mukim 19 at Yishun Central as more particularly delineated on the plan attached to the Recommendation Letter

Northpoint Call Option Agreement
The agreement dated 5 June 2006 between (i) the Trustee (as trustee of FCT) and (ii) the Northpoint Vendor, pursuant to which the Trustee was granted the right to require the Northpoint Vendor to enter into the Northpoint Sale Agreement

Northpoint Management Corporation
The Management Corporation Strata Title Plan No. 1944, being the management corporation of Northpoint Shopping Centre established under the BMSMA

Northpoint Sale Agreement
The agreement to be entered into between (i) the Northpoint Vendor as vendor and (ii) the Trustee (as trustee of FCT) as purchaser, relating to the sale and purchase of Northpoint

Northpoint Shopping Centre
The strata sub-divided development, on the land comprised in the whole of Lot 1640X Mukim 19, known as 930 Yishun Avenue 2, Northpoint Shopping Centre, Singapore 769098

Northpoint Vendor
Yishun Development Pte Ltd, a subsidiary of the Sponsor

OCBC Bank
Oversea-Chinese Banking Corporation Limited

Offering
The offering of 261,930,000 Units by the Manager for subscription at the Offering Price under the Placement and the Public Offer

Offering Price
The subscription price of each Unit under the Offering of S$1.03

Ordinary Resolution
A resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution by Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed

Other Revenue
Gross Revenue other than Gross Rent and includes revenue from car parking facilities, turnover rent, licence fees, casual leasing such as rental of kiosks, rental of atrium space and other miscellaneous income

Over-allotment Option
An option granted by FCL Investments Pte. Ltd. as Unit Lender to the Underwriters to purchase from FCL Investments Pte. Ltd. up to an aggregate of 39,200,000 Units at the Offering Price, solely to cover the over-allotment of Units (if any)

Participating Banks
DBS Bank (including POSB), Oversea-Chinese Banking Corporation Limited and, United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (the “UOB Group”)
Performance Fee
5.0% of the Net Property Income in the relevant financial year (calculated before accounting for this fee in that financial year)

Placement
The international placement of Units to investors, including institutional and other investors in Singapore, pursuant to the Offering

PRC
The People's Republic of China

Pro Forma Financial Information
FCT’s pro forma statements of total return for FY2003, FY2004 and FY2005 and each of the three months ended 31 December 2004 and 31 December 2005, pro forma cash flow statements for FY2005 and each of the three months ended 31 December 2004 and 31 December 2005 and pro forma balance sheets as at 30 September 2005 and 31 December 2005

Projection Year 2007
1 October 2006 to 30 September 2007

Properties
Causeway Point, Northpoint and Anchorpoint and “Property” means any one of them

Property Expenses
Consists of property tax, property manager’s fees, maintenance expenses, and other property expenses.

Property Funds Guidelines
The guidelines for real estate investment trusts issued by the MAS as Appendix 2 to the CIS Code

Property Management Agreement
The master property management agreement dated 5 June 2006 entered into between the Trustee, the Manager and the Property Manager pursuant to which the Property Manager will provide certain property management services, lease management services, project management services, property tax services and marketing and marketing co-ordination services for the Properties and for all properties located in Singapore hereafter acquired by FCT in respect of which the Trustee has a right of appointment of the property manager thereof

Property Manager
Frasers Centrepoint Retail Concepts Pte. Ltd.

Public Offer
The offering to the public in Singapore

Purchase Price
The aggregate purchase price payable by FCT to the Vendors for the purchase of the Properties, of which, in respect of Causeway Point, will be satisfied partly in cash and partly by the issue of the Consideration Units on the Completion Date
Qualifying Unitholder: A unitholder who is a Singapore-incorporated company which is tax resident in Singapore, a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association) and a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from FCT.

Recognised Stock Exchange: Any stock exchange of repute in any part of the world

Recommendation Letter: The letter dated 28 November 2005 (as varied by a Supplemental Letter dated 23 December 2005) issued by the COL informing the Northpoint Vendor that the Singapore Land Authority is prepared to recommend to the Singapore Government to alienate the Adjacent Property to the Northpoint Vendor.

Regulation S: Regulation S under the Securities Act

related party: Refers to an interested person and/or, as the case may be, an interested party

Related Party Transactions: Refers to an interested person transaction and/or, as the case may be, an interested party transaction

Reserved Units: 8,500,000 Units reserved for subscription by the directors, management and employees of F&N and the Sponsor and their respective subsidiaries

Retained Taxable Income: Taxable income derived in a financial period/year that is not distributed in that financial period/year

S$ or Singapore dollars and cents: Singapore dollars and cents, the lawful currency of the Republic of Singapore

Sale and Purchase Agreements: The Causeway Point Sale Agreement, the Northpoint Sale Agreement and the Anchorpoint Sale Agreement

SARS: Severe acute respiratory syndrome

Second Lock-up Period: The period commencing from (and including) the day immediately following the First Lock-up Period until (and including) the date falling 360 days after the Listing Date

Securities Account: Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP

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

SFA or Securities and Futures Act: Securities and Futures Act, Chapter 289 of Singapore

SGX-ST: Singapore Exchange Securities Trading Limited
Singapore Concept Plan  Singapore’s strategic land use plan that allocates land use and standards and sets the long-term strategy for Singapore’s physical development

sq ft  Square feet
sq m  Square metres
SRS  Supplementary Retirement Scheme
Stabilising Manager  DBS Bank Ltd
STB  Singapore Tourism Board
Substantial Unitholder  Any Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units in issue
Taxable Income  Income chargeable to tax after deduction of the allowable expenses incurred and the tax depreciation claimed on assets used in the generation of income
Tax Ruling  The tax ruling dated 15 March 2006 issued by IRAS on the taxation of FCT and the Unitholders
Temporary Occupation Permit  The temporary occupation permit issued by the Building and Permit Construction Authority under the Building Control Act, Chapter 29 of Singapore
Trust Deed  The trust deed dated 5 June 2006 constituting FCT
Trustee  HSBC Institutional Trust Services (Singapore) Limited
UBS  UBS AG, acting through its business group, UBS Investment Bank
Underwriters  DBS Bank, OCBC Bank and UBS
Underwriting Agreement  The underwriting agreement dated 27 June 2006 entered into between the Sponsor, the Manager, the Underwriters and the Unit Lender
Underwriting, Selling and Management Commissions  The underwriting, selling and management commissions payable to the Underwriters for its services in connection with the Offering
Unit(s)  An undivided interest in FCT as provided for in the Trust Deed
Unit Lender  FCL Investments Pte. Ltd.
Unit Lending Agreement  An agreement dated 27 June 2006 entered into between the Stabilising Manager and the Unit Lender pursuant to which the Stabilising Manager may borrow up to an aggregate of 39,200,000 Units from FCL Investments Pte. Ltd. (also the Unit Lender) for the purpose of facilitating settlement of the over-allotment of Units in connection with the Offering
Unitholder(s) The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units.

UOB Group United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

URA Urban Redevelopment Authority of Singapore

Vendors Anchorpoint Vendor, Causeway Point Vendor and Northpoint Vendor, and each being a “Vendor”

Works Means the works for the construction and completion of the New Yishun Building and the integration of Northpoint Shopping Centre with the New Yishun Building in order that Northpoint Shopping Centre and the New Yishun Building shall be linked together to form a connected retail development.

Yishun Property Means the property comprising the Northpoint Adjacent Land and the New Yishun Building to be constructed and completed thereon.

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

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

Any reference to a time of day in this Prospectus is made by reference to Singapore time unless otherwise stated.
INDEPENDENT ACCOUNTANTS’ REPORT ON
THE PROFIT FORECAST AND PROFIT PROJECTION

27 June 2006

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

HSBC Institutional Trust Services (Singapore) Limited
(as trustee of Frasers Centrepoint Trust)
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

Dear Sirs

Letter from the Reporting Accountants on the Profit Forecast for the Period from 1 April 2006 to 30 September 2006 and the Profit Projection for the Year Ending 30 September 2007

This letter has been prepared for inclusion in the prospectus (the “Prospectus”) of Frasers Centrepoint Trust (“FCT”) dated 27 June 2006 in connection with the offering of 261,930,000 units representing undivided interests in FCT for subscription at the offering price of $1.03 per unit (the “Offering”).

The directors of Frasers Centrepoint Asset Management Ltd. (the “Directors”) are responsible for the preparation and presentation of the Statements of Total Return and Distribution for the period from 1 April 2006 to 30 September 2006 (the “Profit Forecast”) and the year ending 30 September 2007 (the “Profit Projection”) as set out on page 74 of the Prospectus, which have been prepared on the basis of their assumptions as set out on pages 75 to 82 of the Prospectus.

We have examined the Profit Forecast of FCT for the period from 1 April 2006 to 30 September 2006 and the Profit Projection for the year ending 30 September 2007 as set out on page 74 of the Prospectus in accordance with Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast and Profit Projection including the assumptions set out on pages 75 to 82 of the Prospectus on which they are based.

Profit Forecast

Based on our examination of the evidence supporting the 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, is consistent with the accounting policies set out on pages B-20 to B-23 of the Prospectus, and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (but not all the required disclosures), which is the framework to be adopted by FCT in the preparation of its financial statements.
Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As FCT is newly established without any history of activities and because the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which included hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for a profit forecast. The Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion the Profit Projection, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies as set out on pages B-20 to B-23 of the Prospectus, and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (but not all the required disclosures), which is the framework to be 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 and Profit Projection 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 projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn, in particular, to the risk factors set out on pages 35 to 50 of the Prospectus which describe the principal risks associated with the Offering, to which the Profit Forecast and Profit Projection relate and the sensitivity analysis of the Directors’ Profit Forecast and Profit Projection as set out on pages 83 to 84 of the Prospectus.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Christopher Wong
Singapore
INDEPENDENT ACCOUNTANTS’ REPORT ON
THE PRO FORMA FINANCIAL INFORMATION

27 June 2006

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

HSBC Institutional Trust Services (Singapore) Limited
(as trustee of Frasers Centrepoint Trust)
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

Dear Sirs

Frasers Centrepoint Trust

We report on the unaudited pro forma financial information set out on pages B-3 to B-29 of the Prospectus of Frasers Centrepoint Trust ("FCT") dated 27 June 2006, which has been prepared for illustrative purposes only and based on certain assumptions after making certain adjustments:

(A) Unaudited pro forma statements of total return for the years ended 30 September 2003, 2004 and 2005, and the three months ended 31 December 2004 and 31 December 2005, which have been prepared to provide information about how the purchase of the properties comprising Causeway Point, Northpoint and Anchorpoint (collectively, the "Properties") by FCT under the same terms set out in the Prospectus might have affected the statements of total return presented, had it purchased the Properties on 1 October 2002;

(B) Unaudited pro forma cash flow statements for the year ended 30 September 2005, and the three months ended 31 December 2004 and 31 December 2005, which have been prepared to provide information on the cash flows of FCT, had the purchase of the Properties by FCT under the same terms set out in the Prospectus been undertaken on 1 October 2004; and

(C) Unaudited pro forma balance sheets as at 30 September 2005 and 31 December 2005, which have been prepared to provide information on the financial position of FCT, had the purchase of the Properties by FCT under the same terms set out in the Prospectus been undertaken on 30 September 2005 and 31 December 2005, respectively.

The objective of the unaudited pro forma financial information of FCT is to show what the total returns, cash flows and financial positions might have been, had FCT as described above, existed at an earlier date. However, the unaudited pro forma financial information of FCT is not necessarily indicative of the total returns and cash flows of the operations or the financial positions that would have been attained had FCT actually existed earlier. The unaudited pro forma information, because of its nature, may not give a true picture of FCT’s actual total return, cash flows or financial position.

The unaudited pro forma financial information is the responsibility of the directors of Frasers Centrepoint Asset Management Ltd. (the “Directors”). Our responsibility is to express an opinion on the unaudited pro forma financial information based on our work.
We carried out procedures in accordance with Singapore Statement of Auditing Practice 24: “Auditors and Public Offering Documents”. Our work, which involved no independent examination of the underlying financial information, consisted primarily of:

(i) comparing the unaudited pro forma financial information to the audited financial statements of Causeway Point Vendor, Northpoint Vendor and Anchorpoint Vendor (the “Asset Owning Companies”), the companies that owned the Properties prior to their acquisition by FCT, for the years ended 30 September 2003, 2004 and 2005, and to the unaudited management financial statements of the Asset Owning Companies for each of the three months ended 31 December 2004 and 31 December 2005; and

(ii) considering the evidence supporting the pro forma adjustments and discussing the unaudited pro forma financial information with the Directors.

In our opinion:

(A) the unaudited pro forma financial information has been properly prepared from the financial statements of the Asset Owning Companies, which were prepared in accordance with Singapore Statements of Accounting Standards/Financial Reporting Standards, and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore;

(B) the unaudited pro forma financial information has been properly prepared in a manner consistent with both the format of the financial statements and the accounting policies of FCT;

(C) each material adjustment to the information used in the preparation of the unaudited pro forma financial information is appropriate for the purpose of preparing such financial information; and

(D) the unaudited pro forma financial information has been properly prepared on the basis of the assumptions set out on pages B-3 to B-6 after making the adjustments described on pages B-12 to B-15.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Christopher Wong

Singapore
(A) INTRODUCTION

Frasers Centrepoint Trust (“FCT”) is a unit trust constituted pursuant to a trust deed dated 5 June 2006 (“Trust Deed”) entered into between Frasers Centrepoint Asset Management Ltd. (“the Manager”) and HSBC Institutional Trust Services (Singapore) Limited (“the Trustee”). FCT is established with the objective of owning and investing in real estate and real estate related assets, whether directly or indirectly through the ownership of special purpose vehicles whose primary purpose is to hold or own real properties.

FCT proposes to acquire certain properties, comprising Causeway Point, Northpoint and Anchorpoint (collectively, the “Properties”) on the Listing Date (expected to be on 5 July 2006) from their present owners, Causeway Point Vendor, Northpoint Vendor and Anchorpoint Vendor (collectively the “Asset Owning Companies”) respectively. FCT also proposes to appoint Frasers Centrepoint Retail Concepts Pte. Ltd. as the property manager of the Properties (the “Property Manager”) subsequent to its acquisition of the Properties.

FCT is making a total offering of 261,930,000 units (the “Offering”) at an issue price of S$1.03 per unit (the “Offering Price”), payable in full on application. The Offering consists of an international placement to investors, including institutional and other investors in Singapore and an offering to the public in Singapore. Besides the above Offering, the Asset Owning Companies will receive 352,700,000 units (“Consideration Units”) in FCT at the Offering Price, as partial satisfaction of the purchase consideration on the Properties.

(B) BASES OF PREPARATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

No financial statements of FCT have been prepared for the three years ended 30 September 2003, 2004, and 2005 as FCT was constituted on 5 June 2006.

Ernst & Young have been appointed as auditors of FCT since the inception of FCT.

The unaudited pro forma financial information set out in this report, expressed in Singapore dollars, is prepared for illustrative purposes only and is based on certain assumptions after making certain adjustments, and shows the unaudited Pro Forma Statements of Total Return of FCT for each of the three years ended 30 September 2003, 2004, and 2005 and each of the three months ended 31 December 2004 and 31 December 2005, the unaudited Pro Forma Cash Flow Statements of FCT for the year ended 30 September 2005 and each of the three months ended 31 December 2004 and 31 December 2005, and the unaudited Pro Forma Balance Sheets of FCT as at 30 September 2005 and 31 December 2005.

The unaudited pro forma financial information is prepared based on the following:

(a) audited financial statements of the Asset Owning Companies for the years ended 30 September 2003, 2004 and 2005;

(b) for Northpoint Basement 1, financial information prepared by the Manager based on certain assumptions; and

(c) unaudited management financial statements of the Asset Owning Companies for the three months ended 31 December 2005 and 31 December 2004.

The unaudited Pro Forma Statements of Total Return for the years ended 30 September 2003, 2004 and 2005 and each of the three months ended 31 December 2004 and 31 December 2005 reflect the total returns of FCT as if it has purchased the Properties on 1 October 2002, under the same terms set out in the prospectus to be issued in connection with the offering of 261,930,000 units in FCT (the “Prospectus”).
The unaudited Pro Forma Cash Flow Statements show the cash flows for the year ended 30 September 2005, and each of the three months ended 31 December 2004 and 31 December 2005, assuming FCT had purchased the Properties on 1 October 2004 under the same terms set out in the Prospectus.

The unaudited Pro Forma Balance Sheets as at 30 September 2005 and 31 December 2005 reflect the financial positions of FCT as if it had purchased the Properties on 30 September 2005 and 31 December 2005, respectively, under the terms set out in the Prospectus.

The unaudited pro forma financial information has been prepared in accordance with the accounting policies set out in Section G Note (1) and is to be read in conjunction with section H which details the Property Manager’s fee, Manager’s management fees and Trustee’s fee. In addition, the unaudited pro forma financial information has been prepared based on the Offering Price of S$1.03 per unit.

The objective of the unaudited pro forma financial information of FCT is to show what the returns, cash flows and financial positions might have been had FCT existed at an earlier date, as described above. However, the unaudited pro forma financial information of FCT is not necessarily indicative of the total returns and cash flows of the operations or the financial positions that would have been attained had FCT actually existed earlier. The unaudited pro forma financial information, because of its nature, may not give a true picture of FCT’s actual total returns, cash flows or financial positions.

(I) Unaudited Pro Forma Statements of Total Return

The pro forma adjustments made to the audited financial statements of the Asset Owning Companies for the years ended 30 September 2003, 2004 and 2005, and the unaudited management financial statements of the Asset Owning Companies for the three months ended 31 December 2004 and 31 December 2005, are summarised as below:

- Adjustments to align to FCT’s accounting policy for investment properties;
- Adjustments to reverse income and expenses relating to development properties of Anchorpoint Vendor which are not proposed to be acquired by FCT;
- Adjustments to reverse certain other income and expenses previously earned or incurred by the Asset Owning Companies, and replace these with FCT’s Property Manager’s fee, Property Manager’s leasing commission, Manager’s management fees, trust expenses and borrowing costs;
- Adjustments to include income and expenses relating to Northpoint Basement 1 for the period from 1 October 2002 to 30 September 2005 (Northpoint Vendor acquired Northpoint Basement 1 on 25 November 2005); and
- Adjustments to reverse income tax expenses as FCT will not be taxed.

In addition, the following assumptions were made for each of the periods presented:

- 100% of the taxable income available for distribution to unitholders is distributed;
- 80% of Manager’s management fees is paid in the form of units;
- Properties acquired at an estimated aggregate purchase price of S$891.5 million are immediately revalued to S$915.2 million (based on the average of two independent valuations as determined by Knight Frank Pte Ltd and Jones Lang La Salle Property Consultants Pte Ltd as at 31 December 2005);
(B) BASES OF PREPARATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION (cont’d)

(I) Unaudited Pro Forma Statements of Total Return (cont’d)

• The secured term loan and revolving credit facilities for an aggregate amount of S$290 million were in place at the time of acquisition of the Properties; and

• Borrowing costs is based on an effective borrowing rate of 4.0% per annum (inclusive of all margins and amortisation of debt arrangement fees, with annualised upfront fees) and average principal debt balances of S$265.7 million, S$264.3 million and S$264.3 million respectively for the three years ended 30 September 2003, 2004 and 2005.

(II) Unaudited Pro Forma Cash Flow Statements

The unaudited pro forma cash flow statements for the year ended 30 September 2005, and each of the three months ended 31 December 2004 and 31 December 2005 have been prepared assuming FCT had purchased the Properties on 1 October 2004, based on the cash flows directly attributable to the Properties.

In addition, the following assumptions were made:

• The date that FCT’s borrowings were drawn down and units were issued correspond to the timing of the purchase of the Properties on 5 July 2006;

• The total consideration of S$894.5 million, which comprises purchase consideration of S$891.5 million for the Properties and S$3.0 million advance paid for the long term receivable (Section G Note (3)), has been paid to the Asset Owning Companies on acquisition partially in cash and partially in the form of units issued;

• The secured term loan and revolving credit facilities for an aggregate amount of S$290.0 million were in place at the time of acquisition of the Properties;

• Cash balances are equivalent to one-and-half months’ of FCT’s property expenses, one month of cash component of Manager’s management fees and trust expenses. Amounts in excess of the cash balance assumed are used to repay borrowings on the last day of the period presented;

• Manager’s management fees payable in the form of units are paid in arrears on a quarterly basis. Manager’s management fees payable in cash are paid in arrears on a monthly basis;

• Cost on borrowings is paid in arrears on a quarterly basis; and

• 100% of taxable income available for distribution to unitholders is distributed for each of the periods presented. Distributions to unitholders are paid in arrears on a quarterly basis.

(III) Unaudited Pro Forma Balance Sheets

The unaudited pro forma balance sheets have been prepared after incorporating the following:

• Adjustments to state the Properties at a total acquisition costs of S$891.5 million on 30 September 2005 and which were immediately revalued to S$915.2 million based on the average of two independent valuations as determined by Knight Frank Pte Ltd and Jones Lang La Salle Property Consultants Pte Ltd as at 31 December 2005;

• Adjustments to reverse development properties of Anchorpoint Vendor which are not proposed to be acquired by FCT;
(B) BASES OF PREPARATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION (cont’d)

(III) Unaudited Pro Forma Balance Sheets (cont’d)

- Adjustments to reverse certain assets and liabilities of the Asset Owning Companies and replace these with assets and liabilities attributable to the Properties to be transferred to FCT;

- Adjustments to reverse the existing borrowings of the Asset Owning Companies that are not in line with FCT’s structure and replace them with FCT’s borrowings of S$281.3 million and ancillary costs incurred of S$1.5 million in connection with obtaining the borrowings;

- Adjustments to reverse the existing equity structure of the Asset Owning Companies and replace them with FCT’s unit fund structure, which comprises of the issue of 614,630,000 units at the Offering Price of S$1.03 per unit on 30 September 2005;

- Adjustments to include the issue costs relating to the Offering, which are estimated to be S$15.9 million; and

- Adjustments to reverse the tax assets and liabilities since FCT will not be taxed as 100% of its taxable income will be distributed.

In addition, the following assumptions were made:

- The total consideration of S$894.5 million, which comprises purchase consideration of S$891.5 million for the Properties and S$3.0 million advance paid for the long term receivable (Section G Note (3)), has been paid to the Asset Owning Companies on acquisition partially in cash and partially in the form of units issued; and

- The secured term loan and revolving credit facilities for an aggregate amount of S$290.0 million were in place at the time of acquisition of the Properties.
The unaudited Pro Forma Statements of Total Return of FCT for the years ended 30 September 2003, 2004 and 2005, and each of the three months ended 31 December 2004 and 31 December 2005, have been prepared for inclusion in this Prospectus and are presented below. The assumptions used to prepare the unaudited Pro Forma Statements of Total Return are consistent with those described in Bases of Preparation of Unaudited Pro Forma Financial Information.

<table>
<thead>
<tr>
<th>Financial Year ended 30 September 2003</th>
<th>Audited financial statements of Sponsor</th>
<th>Pro Forma Adjustments(1)</th>
<th>Pro Forma Causeway Point North-point Anchor-point Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent $'000</td>
<td>51,992</td>
<td>2,097</td>
<td>54,089</td>
</tr>
<tr>
<td>Service Charge $'000</td>
<td>10,275</td>
<td>465</td>
<td>10,740</td>
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<tr>
<td>Gross rent $'000</td>
<td>62,267</td>
<td>2,562</td>
<td>64,829</td>
</tr>
<tr>
<td>Other Revenue $'000</td>
<td>12,315</td>
<td>(12,315)</td>
<td></td>
</tr>
<tr>
<td>Car Park Income $'000</td>
<td>1,807</td>
<td>1,096</td>
<td>2,903</td>
</tr>
<tr>
<td>Maintenance expenses $'000</td>
<td>(2,651)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing expenses $'000</td>
<td>(1,616)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses $'000</td>
<td>(4,900)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Revenue $'000</td>
<td>78,005</td>
<td>(8,657)</td>
<td>69,348</td>
</tr>
<tr>
<td>Net Property Income $'000</td>
<td>38,844</td>
<td>9,061</td>
<td>47,905</td>
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<tr>
<td>Net Investment Income before Tax and Exceptional Item $'000</td>
<td>27,337</td>
<td>2,292</td>
<td>29,629</td>
</tr>
<tr>
<td>Net Investment Income after Tax $'000</td>
<td>17,523</td>
<td>12,106</td>
<td>29,629</td>
</tr>
<tr>
<td>Surplus on revaluation of investment properties $'000</td>
<td>12,527</td>
<td>40,823</td>
<td>53,350</td>
</tr>
</tbody>
</table>

Notes:
(1) Include adjustments to account for income and expenses relating to Northpoint Basement 1 for the period from 1 October 2002 to 31 December 2005 (Northpoint Vendor acquired Northpoint Basement 1 on 25 November 2005).
(2) Trust expenses include trustee’s fee, annual listing fee, registry fee, 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.
(3) Taxation expense is nil since it has been assumed that 100% of the taxable income available for distribution to unitholders is distributed. The Tax Ruling grants tax transparency to FCT on its taxable income that is distributed to unitholders such that FCT will not be taxed on such taxable income.
(4) It has been assumed that the Properties, which were acquired at a total acquisition cost of S$91,453,828 on 1 October 2002, were immediately revalued to S$91,175,000.
(5) Total return for the year comprises net investment income after tax and surplus/deficit on revaluation of investment properties.
**UNAUDITED PRO FORMA STATEMENTS OF TOTAL RETURN (cont’d)**

Financial Year ended 30 September 2004

<table>
<thead>
<tr>
<th>Audited financial statements of Sponsor S’$’000</th>
<th>Pro Forma Adjustments(1) S’$’000</th>
<th>Pro Forma Causeway Point S’$’000</th>
<th>Northpoint Anchorpoint S’$’000</th>
<th>Total S’$’000</th>
</tr>
</thead>
</table>

**Gross Rent**

<table>
<thead>
<tr>
<th></th>
<th>Rent 51,721</th>
<th>Service Charge 10,081</th>
<th>Gross rent 61,802</th>
<th>Other Revenue</th>
<th>Gross Revenue 72,742</th>
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<tbody>
<tr>
<td>Rent</td>
<td>51,721</td>
<td>2,277</td>
<td>53,998</td>
<td>10,478</td>
<td>53,998</td>
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<tr>
<td>Service Charge</td>
<td>10,081</td>
<td>467</td>
<td>10,548</td>
<td>453</td>
<td>10,548</td>
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<tr>
<td>Gross rent</td>
<td>61,802</td>
<td>2,744</td>
<td>64,546</td>
<td>43,260</td>
<td>64,546</td>
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**Other Revenue**

<table>
<thead>
<tr>
<th>Development Revenue 7,495</th>
<th>Other Income 1,718</th>
<th>Car Park Income 1,727</th>
<th>Gross Revenue 72,742</th>
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<tbody>
<tr>
<td>7,495</td>
<td>(7,495)</td>
<td>—</td>
<td>10,478</td>
</tr>
<tr>
<td>873</td>
<td>2,591</td>
<td>1,727</td>
<td>17,390</td>
</tr>
<tr>
<td>61,802</td>
<td>2,744</td>
<td>10,548</td>
<td>4,318</td>
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</table>

**Operating Expenses**

<table>
<thead>
<tr>
<th>Cost of sales (6,927)</th>
<th>Allowance for foreseeable losses (3,000)</th>
<th>Property tax (4,505)</th>
<th>Property Manager’s Fees (5,203)</th>
<th>Maintenance expenses (7,803)</th>
<th>Marketing expenses (3,073)</th>
<th>Other expenses (1,084)</th>
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<tr>
<td>(6,927)</td>
<td>6,927</td>
<td>(295)</td>
<td>(2,634)</td>
<td>(381)</td>
<td>(197)</td>
<td>(1,236)</td>
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<tr>
<td></td>
<td></td>
<td>(4,800)</td>
<td>(1,837)</td>
<td>(8,184)</td>
<td>(3,270)</td>
<td>(2,320)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1,368)</td>
<td>(671)</td>
<td>(4,792)</td>
<td>(1,876)</td>
<td>(1,610)</td>
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<td></td>
<td></td>
<td>(249)</td>
<td>(126)</td>
<td>(1,362)</td>
<td>(905)</td>
<td>(446)</td>
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<tr>
<td></td>
<td></td>
<td>(4,800)</td>
<td>(2,634)</td>
<td>(8,184)</td>
<td>(3,270)</td>
<td>(2,320)</td>
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<tr>
<td></td>
<td></td>
<td>(21,208)</td>
<td>(13,298)</td>
<td>(5,130)</td>
<td>(2,780)</td>
<td>(5,280)</td>
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**Net Property Income**

<table>
<thead>
<tr>
<th>Net Property Income 41,147</th>
<th>Management Fees —</th>
<th>Trust expenses(2) —</th>
<th>Borrowing Costs (7,919)</th>
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</thead>
<tbody>
<tr>
<td>41,147</td>
<td>—</td>
<td>(2,200)</td>
<td>(2,959)</td>
</tr>
<tr>
<td>6,509</td>
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<td>(10,878)</td>
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<tr>
<td>47,656</td>
<td>—</td>
<td>(2,200)</td>
<td>(10,878)</td>
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<tr>
<td>33,903</td>
<td>—</td>
<td>(2,200)</td>
<td>(10,878)</td>
</tr>
<tr>
<td>12,260</td>
<td>—</td>
<td>(2,200)</td>
<td>(10,878)</td>
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<tr>
<td>1,493</td>
<td>—</td>
<td>(2,200)</td>
<td>(10,878)</td>
</tr>
<tr>
<td>47,656</td>
<td>—</td>
<td>(2,200)</td>
<td>(10,878)</td>
</tr>
</tbody>
</table>

**Net Investment Income before Tax and Exceptional Item**

<table>
<thead>
<tr>
<th>Net Investment Income before Tax and Exceptional Item 33,228</th>
<th>Exceptional Item —</th>
</tr>
</thead>
<tbody>
<tr>
<td>33,228</td>
<td>—</td>
</tr>
</tbody>
</table>

**Net Investment Income before Tax**

<table>
<thead>
<tr>
<th>Net Investment Income before Tax 33,228</th>
<th>Exceptional Item —</th>
</tr>
</thead>
<tbody>
<tr>
<td>33,228</td>
<td>—</td>
</tr>
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</table>

**Net Investment Income after Tax**

<table>
<thead>
<tr>
<th>Net Investment Income after Tax 27,948</th>
<th>Exceptional Item —</th>
</tr>
</thead>
<tbody>
<tr>
<td>27,948</td>
<td>—</td>
</tr>
</tbody>
</table>

**Deficit on revaluation of investment properties(4)**

<table>
<thead>
<tr>
<th>Total return for the year(5) 25,935</th>
<th>Exceptional Item —</th>
</tr>
</thead>
<tbody>
<tr>
<td>25,935</td>
<td>—</td>
</tr>
</tbody>
</table>

**Notes:**

1. Include adjustments to account for income and expenses relating to Northpoint Basement 1 for the period from 1 October 2002 to 31 December 2005 (Northpoint Vendor acquired Northpoint Basement 1 on 25 November 2005).

2. Trust expenses include trustee’s fee, annual listing fee, registry fee, 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.

3. Taxation expense is nil since it has been assumed that 100% of the taxable income available for distribution to unitholders is distributed. The Tax Ruling grants tax transparency to FCT on its taxable income that is distributed to unitholders such that FCT will not be taxed on such taxable income.

4. Audited deficit on revaluation of investment properties reversed to account for the valuation of the Properties under the FCT structure.

5. Total return for the year comprises net investment income after tax and surplus/deficit on revaluation of investment properties.
### Financial Year ended 30 September 2005

#### Audited financial statements of Sponsor

<table>
<thead>
<tr>
<th>Gross Rent</th>
<th>Pro Forma Adjustments&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Pro Forma Causeway Point</th>
<th>Pro Forma Northpoint</th>
<th>Anchor-point</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td>Rent</td>
<td>53,341</td>
<td>2,083</td>
<td>55,424</td>
<td>36,334</td>
<td>15,758</td>
</tr>
<tr>
<td>Service Charge</td>
<td>10,124</td>
<td>464</td>
<td>10,588</td>
<td>7,601</td>
<td>1,786</td>
</tr>
<tr>
<td>Gross rent</td>
<td>63,465</td>
<td>2,547</td>
<td>66,012</td>
<td>43,935</td>
<td>17,544</td>
</tr>
</tbody>
</table>

#### Other Revenue

| Development Revenue | 19,422 | (19,422) | — | — | — | — | — |
| Other Income       | 1,702  | 1,454    | 3,156 | 2,762 | 285 | 109 | 3,156 |
| Car Park Income    | 1,884  | —        | 1,884 | 1,884 | —    | —    | 1,884 |
| Gross Revenue      | 23,008 | (17,968) | 5,040 | 4,646 | 285 | 109 | 5,040 |

#### Operating Expenses

| Cost of sales | (20,115) | 20,115 | — | — | — | — | — |
| Allowance for foreseeable losses | (8,000) | 8,000 | — | — | — | — | — |
| Property tax | (5,308) | (354) | (5,662) | (3,712) | (1,609) | (341) | (5,662) |
| Property Manager’s Fees | (5,359) | 2,643 | (2,716) | (1,889) | (686) | (141) | (2,716) |
| Maintenance expenses | (8,158) | (374) | (8,532) | (5,170) | (1,710) | (1,652) | (8,532) |
| Marketing expenses | (2,678) | (197) | (2,875) | (1,526) | (897) | (452) | (2,875) |
| Other expenses | (1,020) | (1,156) | (2,176) | (1,464) | (427) | (285) | (2,176) |
| (50,638) | 28,677 | (21,961) | (13,761) | (5,329) | (2,871) | (2,161) |

#### Net Property Income

| Management Fees | — | (5,200) | (5,200) | (5,200) |
| Trust expenses<sup>(2)</sup> | — | (2,200) | (2,200) | (2,200) |
| Borrowing Costs | (8,015) | (2,863) | (10,878) | (10,878) |
| (35,835) | 13,256 | 49,091 | 34,820 | 12,500 | 1,771 | 49,091 |

#### Net Investment Income before Tax and Exceptional Item

| Tax and Exceptional Item | 27,820 | 2,993 | 30,813 | 30,813 |
| Exceptional Item | — | — | — | — |
| (27,820) | 2,993 | 30,813 | 30,813 |

#### Net Investment Income before Tax

| Taxation<sup>(3)</sup> | 27,820 | 2,993 | 30,813 | 30,813 |
| — | — | — | — | — |
| (27,820) | 2,993 | 30,813 | 30,813 |

#### Net Investment Income after Tax

| Surplus on revaluation of Investment properties | 21,755 | 9,058 | 30,813 | 30,813 |
| — | — | — | — | — |
| (21,755) | 9,058 | 30,813 | 30,813 |

#### Total return for the year<sup>(4)</sup>

| (4) | 21,755 | 9,058 | 30,813 | 30,813 |

### Notes:

1. Include adjustments to account for income and expenses relating to Northpoint Basement 1 for the period from 1 October 2002 to 31 December 2005 (Northpoint Vendor acquired Northpoint Basement 1 on 25 November 2005).
2. Trust expenses include trustee’s fee, annual listing fee, registry fee, 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.
3. Taxation expense is nil since it has been assumed that 100% of the taxable income available for distribution to unitholders is distributed. The Tax Ruling grants tax transparency to FCT on its taxable income that is distributed to unitholders such that FCT will not be taxed on such taxable income.
4. Total return for the year comprises net investment income after tax and surplus/deficit on revaluation of investment properties.
### Three months ended 31 December 2004

<table>
<thead>
<tr>
<th>Unaudited management accounts of Sponsor</th>
<th>Pro Forma Adjustments(1)</th>
<th>Pro Forma Causeway Northpoint Anchorpoint Total</th>
<th>Represented By</th>
</tr>
</thead>
<tbody>
<tr>
<td>S'$000</td>
<td>S'$000</td>
<td>S'$000</td>
<td>S'$000</td>
</tr>
<tr>
<td><strong>Gross Rent</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>12,758</td>
<td>858</td>
<td>13,616</td>
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<tr>
<td>Service Charge</td>
<td>2,535</td>
<td>116</td>
<td>2,651</td>
</tr>
<tr>
<td><strong>Gross Rent</strong></td>
<td>15,293</td>
<td>974</td>
<td>16,267</td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>606</td>
<td>—</td>
<td>606</td>
</tr>
<tr>
<td>Car Park Income</td>
<td>516</td>
<td>—</td>
<td>516</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>16,415</td>
<td>974</td>
<td>17,389</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Allowance for foreseeable losses</td>
<td></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Property tax</td>
<td>(1,294)</td>
<td>(88)</td>
<td>(1,382)</td>
</tr>
<tr>
<td>Property Manager’s Fees</td>
<td>(1,294)</td>
<td>633</td>
<td>(661)</td>
</tr>
<tr>
<td>Maintenance expenses</td>
<td>(2,018)</td>
<td>(95)</td>
<td>(2,113)</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>(694)</td>
<td>(65)</td>
<td>(759)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(290)</td>
<td>(312)</td>
<td>(602)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>(5,590)</td>
<td>73</td>
<td>(5,517)</td>
</tr>
<tr>
<td>Management Fees</td>
<td></td>
<td>(1,280)</td>
<td>(1,280)</td>
</tr>
<tr>
<td>Trust expenses(2)</td>
<td></td>
<td>(550)</td>
<td>(550)</td>
</tr>
<tr>
<td>Borrowing Costs</td>
<td>(1,772)</td>
<td>(948)</td>
<td>(2,720)</td>
</tr>
<tr>
<td><strong>Net Investment Income before Tax and Exceptional Item</strong></td>
<td>9,053</td>
<td>(1,731)</td>
<td>7,322</td>
</tr>
<tr>
<td>Exceptional Item</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Investment Income before Tax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>9,053</td>
<td>(1,731)</td>
<td>7,322</td>
</tr>
<tr>
<td>Taxation(3)</td>
<td>(1,811)</td>
<td>1,811</td>
<td></td>
</tr>
<tr>
<td><strong>Net Investment Income after Tax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus on revaluation of Investment properties</td>
<td></td>
<td></td>
<td>7,322</td>
</tr>
<tr>
<td><strong>Total return for the year</strong>(4)</td>
<td>7,242</td>
<td>80</td>
<td>7,322</td>
</tr>
</tbody>
</table>

**Notes:**
(1) Include adjustments to account for income and expenses relating to Northpoint Basement 1 for the period from 1 October 2002 to 31 December 2005 (Northpoint Vendor acquired Northpoint Basement 1 on 25 November 2005).
(2) Trust expenses include trustee’s fee, annual listing fee, registry fee, 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.
(3) Taxation expense is nil since it has been assumed that 100% of the taxable income available for distribution to unitholders is distributed. The Tax Ruling grants tax transparency to FCT on its taxable income that is distributed to unitholders such that FCT will not be taxed on such taxable income.
(4) Total return for the year comprises net investment income after tax and surplus/deficit on revaluation of investment properties.
<table>
<thead>
<tr>
<th></th>
<th>Three months ended 31 December 2005</th>
<th>Represented By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unaudited</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>accounts of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsor</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td>Pro Forma Adjustments(1)</td>
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<td>S$’000</td>
</tr>
<tr>
<td>Pro Forma</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td>North-point Anchor-point</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td>Total</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td><strong>Gross Rent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>13,504</td>
<td>532</td>
</tr>
<tr>
<td>Service Charge</td>
<td>2,497</td>
<td>70</td>
</tr>
<tr>
<td><strong>Gross rent</strong></td>
<td>16,001</td>
<td>602</td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>673</td>
<td>—</td>
</tr>
<tr>
<td>Car Park Income</td>
<td>505</td>
<td>—</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>1,178</td>
<td>—</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>17,179</td>
<td>602</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Allowance for foreseeable losses</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Property tax</td>
<td>(1,372)</td>
<td>(54)</td>
</tr>
<tr>
<td>Property Manager’s Fees</td>
<td>(1,374)</td>
<td>693</td>
</tr>
<tr>
<td>Maintenance expenses</td>
<td>(1,944)</td>
<td>(43)</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>(687)</td>
<td>(66)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(280)</td>
<td>(309)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>(5,657)</td>
<td>221</td>
</tr>
<tr>
<td>Management Fees</td>
<td>—</td>
<td>(1,304)</td>
</tr>
<tr>
<td>Trust expenses(2)</td>
<td>—</td>
<td>(550)</td>
</tr>
<tr>
<td>Borrowing Costs</td>
<td>(2,066)</td>
<td>(654)</td>
</tr>
<tr>
<td><strong>Net Investment Income before Tax and Exceptional Item</strong></td>
<td>9,456</td>
<td>(1,685)</td>
</tr>
<tr>
<td>Exceptional Item</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net Investment Income before Tax</strong></td>
<td>9,456</td>
<td>(1,685)</td>
</tr>
<tr>
<td>Taxation(3)</td>
<td>—</td>
<td>(1,890)</td>
</tr>
<tr>
<td><strong>Net Investment Income after Tax</strong></td>
<td>7,566</td>
<td>205</td>
</tr>
<tr>
<td>Surplus on revaluation of Investment properties</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total return for the year(4)</strong></td>
<td>7,566</td>
<td>205</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Include adjustments to account for income and expenses relating to Northpoint Basement 1 for the period from 1 October 2002 to 31 December 2005 (Northpoint Vendor acquired Northpoint Basement 1 on 25 November 2005).

(2) Trust expenses include trustee’s fee, annual listing fee, registry fee, 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.

(3) Taxation expense is nil since it has been assumed that 100% of the taxable income available for distribution to unitholders is distributed. The Tax Ruling grants tax transparency to FCT on its taxable income that is distributed to unitholders such that FCT will not be taxed on such taxable income.

(4) Total return for the year comprises net investment income after tax and surplus/deficit on revaluation of investment properties.
**PRO FORMA ADJUSTMENTS**

<table>
<thead>
<tr>
<th></th>
<th>Year ended 30/9/2003 S$'000</th>
<th>Year ended 30/9/2004 S$'000</th>
<th>Year ended 30/9/2005 S$'000</th>
<th>Three months ended 31/12/2004 S$'000</th>
<th>Three months ended 31/12/2005 S$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross revenue</strong></td>
<td>78,005</td>
<td>72,742</td>
<td>86,473</td>
<td>16,415</td>
<td>17,179</td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse development revenue for development properties not acquired by FCT</td>
<td>(12,315)</td>
<td>(7,495)</td>
<td>(19,422)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse other income relating to development properties not acquired by FCT</td>
<td>(5)</td>
<td>(128)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incorporate gross revenue of Northpoint Basement 1</td>
<td>3,663</td>
<td>3,745</td>
<td>4,001</td>
<td>974</td>
<td>602</td>
</tr>
<tr>
<td></td>
<td>(8,657)</td>
<td>(3,878)</td>
<td>(15,421)</td>
<td>974</td>
<td>602</td>
</tr>
<tr>
<td><strong>Gross revenue as stated in the unaudited Pro Forma Statements of Total Return</strong></td>
<td>69,348</td>
<td>68,864</td>
<td>71,052</td>
<td>17,389</td>
<td>17,781</td>
</tr>
</tbody>
</table>

| **Cost of sales**    | (11,951)                    | (6,927)                     | (20,115)                   |                                     |                                     |
| **Adjustments**      |                             |                             |                            |                                     |                                     |
| Reverse cost of sales for development properties not acquired by FCT | 11,951                      | 6,927                       | 20,115                      |                                     |                                     |
| **Cost of sales as stated in the unaudited Pro Forma Statements of Total Return** |                            |                             |                            |                                     |                                     |

| **Allowance for foreseeable losses** | (4,900) | (3,000) | (8,000) |                                     |                                     |
| **Adjustments**      |                             |                             |                            |                                     |                                     |
| Reverse allowance for foreseeable losses for development properties not acquired by FCT | 4,900 | 3,000 | 8,000 |                                     |                                     |
| **Allowance for foreseeable losses as stated in the unaudited Pro Forma Statements of Total Return** |                              |                             |                            |                                     |                                     |
### PRO FORMA ADJUSTMENTS (cont’d)

<table>
<thead>
<tr>
<th></th>
<th>Year ended 30/9/2003</th>
<th>Year ended 30/9/2004</th>
<th>Year ended 30/9/2005</th>
<th>Three months ended 31/12/2004</th>
<th>Three months ended 31/12/2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property tax</strong></td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incorporate property tax of Northpoint Basement 1</td>
<td>(140)</td>
<td>(295)</td>
<td>(354)</td>
<td>(88)</td>
<td>(54)</td>
</tr>
<tr>
<td><strong>Property tax as stated in the unaudited Pro Forma Statements of Total Return</strong></td>
<td>(4,538)</td>
<td>(4,800)</td>
<td>(5,662)</td>
<td>(1,382)</td>
<td>(1,426)</td>
</tr>
<tr>
<td><strong>Property Manager’s fees</strong></td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse Property Manager’s fees previously charged by a related company</td>
<td>5,255</td>
<td>5,203</td>
<td>5,359</td>
<td>1,294</td>
<td>1,374</td>
</tr>
<tr>
<td>Incorporate FCT’s Property Manager’s fees</td>
<td>(2,651)</td>
<td>(2,634)</td>
<td>(2,716)</td>
<td>(661)</td>
<td>(681)</td>
</tr>
<tr>
<td><strong>Property Manager’s fees as stated in the unaudited Pro Forma Statements of Total Return</strong></td>
<td>(2,604)</td>
<td>2,569</td>
<td>2,643</td>
<td>633</td>
<td>693</td>
</tr>
<tr>
<td><strong>Maintenance expenses</strong></td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incorporate maintenance expenses of Northpoint Basement 1</td>
<td>(453)</td>
<td>(381)</td>
<td>(374)</td>
<td>(95)</td>
<td>(43)</td>
</tr>
<tr>
<td>Maintenance expenses as stated in the unaudited Pro Forma Statements of Total Return</td>
<td>(8,713)</td>
<td>(8,184)</td>
<td>(8,532)</td>
<td>(2,113)</td>
<td>(1,987)</td>
</tr>
<tr>
<td><strong>Marketing expenses</strong></td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incorporate marketing expenses of Northpoint Basement 1</td>
<td>(196)</td>
<td>(197)</td>
<td>(197)</td>
<td>(65)</td>
<td>(66)</td>
</tr>
<tr>
<td>Marketing expenses as stated in the unaudited Pro Forma Statements of Total Return</td>
<td>(3,453)</td>
<td>(3,270)</td>
<td>(2,875)</td>
<td>(759)</td>
<td>(753)</td>
</tr>
</tbody>
</table>
## UNAUDITED PRO FORMA STATEMENTS OF TOTAL RETURN (cont’d)

### PRO FORMA ADJUSTMENTS (cont’d)

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Year ended</th>
<th>Year ended</th>
<th>Three months</th>
<th>Three months</th>
</tr>
</thead>
<tbody>
<tr>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
</tbody>
</table>

**Other expenses**

<table>
<thead>
<tr>
<th>Adjustments:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reverse other expenses for development properties not acquired by FCT</td>
<td>293</td>
<td>6</td>
<td>89</td>
<td>—</td>
</tr>
<tr>
<td>Incorporate direct centre management expenses recharged by a related company</td>
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<td>(1,221)</td>
<td>(1,221)</td>
<td>(305)</td>
</tr>
<tr>
<td>Incorporate other expenses of Northpoint Basement 1</td>
<td>(20)</td>
<td>(21)</td>
<td>(24)</td>
<td>(7)</td>
</tr>
<tr>
<td></td>
<td>(948)</td>
<td>(1,236)</td>
<td>(1,156)</td>
<td>(312)</td>
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</tbody>
</table>

**Other expenses as stated in the unaudited Pro Forma Statements of Total Return**

| | | | | |
| (2,088) | (2,320) | (2,176) | (602) | (589) |

**Management fees**

<table>
<thead>
<tr>
<th>Adjustments:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporate FCT’s Management fees</td>
<td>(5,141)</td>
<td>(5,129)</td>
<td>(5,200)</td>
<td>(1,280)</td>
</tr>
</tbody>
</table>

**Management fees as stated in the unaudited Pro Forma Statements of Total Return**

| | | | | |
| (5,141) | (5,129) | (5,200) | (1,280) | (1,304) |

**Trust expenses**

<table>
<thead>
<tr>
<th>Adjustments:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporate FCT’s trust expenses</td>
<td>(2,200)</td>
<td>(2,200)</td>
<td>(2,200)</td>
<td>(550)</td>
</tr>
</tbody>
</table>

**Trust expenses as stated in the unaudited Pro Forma Statements of Total Return**

| | | | | |
| (2,200) | (2,200) | (2,200) | (550) | (550) |

**Borrowing costs**

<table>
<thead>
<tr>
<th>Adjustments:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reverse borrowing costs incurred by Asset Owning Companies</td>
<td>11,507</td>
<td>7,919</td>
<td>8,015</td>
<td>1,772</td>
</tr>
<tr>
<td>Incorporate FCT’s borrowing costs</td>
<td>(10,935)</td>
<td>(10,878)</td>
<td>(10,878)</td>
<td>(2,720)</td>
</tr>
<tr>
<td></td>
<td>572</td>
<td>(2,959)</td>
<td>(2,863)</td>
<td>(948)</td>
</tr>
</tbody>
</table>

**Borrowing costs as stated in the unaudited Pro Forma Statements of Total Return**

| | | | | |
| (10,935) | (10,878) | (10,878) | (2,720) | (2,720) |

**Note:**

1. Borrowing costs include interest expense and amortisation of debt arrangement fee incurred in connection with obtaining the bank facilities. An interest rate of 4.0% per annum is used for the purpose of the unaudited Pro Forma Statements of Total Return for each of the years ended 30 September 2003, 2004 and 2005, and each of the three months ended 31 December 2004 and 31 December 2005.
## PRO FORMA ADJUSTMENTS (cont’d)

<table>
<thead>
<tr>
<th></th>
<th>Year ended 30/9/2003 S$’000</th>
<th>Year ended 30/9/2004 S$’000</th>
<th>Year ended 30/9/2005 S$’000</th>
<th>Three months ended 31/12/2004 S$’000</th>
<th>Three months ended 31/12/2005 S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exceptional Item</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse exceptional item for properties not acquired by FCT</td>
<td>9,814</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>Exceptional item as stated in the unaudited Pro Forma Statements of Total Return</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse taxation incurred by Asset Owning Companies</td>
<td>4,996</td>
<td>5,280</td>
<td>6,065</td>
<td>1,811</td>
<td>1,890</td>
</tr>
<tr>
<td><strong>Taxation as stated in the unaudited Pro Forma Statements of Total Return</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>(Deficit)/surplus on revaluation of Investment Properties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse deficit on previous revaluation of investment properties</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Incorporate FCT’s surplus on revaluation of investment properties</td>
<td>23,721</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>Surplus on revaluation of investment properties as stated in the unaudited Pro Forma Statements of Total Return</strong></td>
<td>23,721</td>
<td>2,013</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>
(D) **UNAUDITED PRO FORMA MOVEMENTS IN UNITHOLDERS’ FUNDS**

The movements in unitholders’ funds, which have been prepared based on the assumptions described in the Bases of Preparation of Unaudited Pro Forma Financial Information applicable to the unaudited Pro Forma Statements of Total Return, for the year ended 30 September 2005 and each of the three months ended 31 December 2004 and 31 December 2005, are set out below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 30/9/2005 $’000</th>
<th>Three months ended 31/12/2004 $’000</th>
<th>Three months ended 31/12/2005 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment income after tax</td>
<td>30,813</td>
<td>7,322</td>
<td>7,771</td>
</tr>
<tr>
<td>Increase in net assets resulting from operations</td>
<td>30,813</td>
<td>7,322</td>
<td>7,771</td>
</tr>
<tr>
<td><strong>Unitholders’ transactions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creation of units</td>
<td>4,160</td>
<td>1,024</td>
<td>1,043</td>
</tr>
<tr>
<td>— manager’s management fees paid in units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution to unitholders</td>
<td>(35,111)</td>
<td>(8,511)</td>
<td>(8,867)</td>
</tr>
<tr>
<td>Net decrease in net assets resulting from unitholders’ transactions</td>
<td>(30,951)</td>
<td>(7,487)</td>
<td>(7,824)</td>
</tr>
<tr>
<td><strong>Decrease in net assets during the year/period</strong></td>
<td>(138)</td>
<td>(165)</td>
<td>(53)</td>
</tr>
</tbody>
</table>
The unaudited Pro Forma Cash Flow Statements for the year ended 30 September 2005 and each of the three months ended 31 December 2004 and 31 December 2005, have been prepared for inclusion in this Prospectus and are presented below. The assumptions used to prepare the unaudited Pro Forma Cash Flow Statements are consistent with those described in Bases of Preparation of Unaudited Pro Forma Financial Information.

**Year ended 30 September 2005**

<table>
<thead>
<tr>
<th>Operating activities</th>
<th>Year ended 30 September 2005</th>
<th>Three months ended 31 December 2004</th>
<th>Three months ended 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment Income before tax</td>
<td>30,813</td>
<td>7,322</td>
<td>7,771</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>10,878</td>
<td>2,720</td>
<td>2,720</td>
</tr>
<tr>
<td>Manager’s management fees paid in Units</td>
<td>4,160</td>
<td>1,024</td>
<td>1,043</td>
</tr>
<tr>
<td>Operating profit before working capital changes</td>
<td>45,851</td>
<td>11,066</td>
<td>11,534</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>3,015</td>
<td>3,026</td>
<td>16</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>48,866</td>
<td>14,092</td>
<td>11,550</td>
</tr>
</tbody>
</table>

**Investing activity**

| Acquisition of assets and liabilities from the Asset Owning Companies | (514,127) | (514,127) | — |
| Cash flows from investing activity | (514,127) | (514,127) | — |

**Financing activities**

| Proceeds from borrowings | 281,310 | 281,310 | — |
| Proceeds from issue of new Units (net of issue costs) | 253,896 | 253,896 | — |
| Repayment of borrowings | (17,046) | (17,046) | — |
| Borrowing costs paid | (9,458) | (1,529) | (2,643) |
| Distribution to Unitholders | (26,600) | — | (8,867) |
| Cash flows from financing activities | 482,102 | 516,631 | (11,510) |

**Net increase in cash and cash equivalents**

| Year | 16,841 | 16,596 | 40 |

**Cash and cash equivalents at beginning of the year/period**

| Year | 16,841 | 16,596 | 16,841 |

**Cash and cash equivalents at end of the year/period**

| Year | 16,841 | 16,596 | 16,881 |
Notes to the unaudited pro forma cash flow statements

The effect of acquisition of assets and liabilities from the Asset Owning Companies on FCT’s pro forma cash flows for the year ended 30 September 2005 and the three months ended 31 December 2004 is set out as below:

<table>
<thead>
<tr>
<th></th>
<th>S$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment properties</td>
<td>891,454</td>
</tr>
<tr>
<td>Long-term receivable</td>
<td>3,000</td>
</tr>
<tr>
<td>Cash</td>
<td>(17,046)</td>
</tr>
<tr>
<td>Security deposits</td>
<td>17,046</td>
</tr>
<tr>
<td>Net assets acquired</td>
<td>894,454</td>
</tr>
<tr>
<td>Purchase consideration</td>
<td>894,454</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Consideration units issued to the Asset Owning Companies</td>
<td>(363,281)</td>
</tr>
<tr>
<td>Cash acquired</td>
<td>(17,046)</td>
</tr>
<tr>
<td>Net cash outflow</td>
<td>514,127</td>
</tr>
</tbody>
</table>

Significant Non-Cash Transactions

Year ended 30 September 2005

During the year, there were the following non-cash transactions:

- FCT issued 352,700,000 units at S$1.03 per unit, amounting to S$363,281,000, as partial satisfaction of the purchase consideration on the Properties acquired; and

- FCT issued 4,038,913 units at S$1.03 per unit, amounting to S$4,160,080, as payment for the portion of the Manager’s management fees which is payable in the form of units (see Section H Note (b)).

Three months ended 31 December 2004

During the period, FCT issued 994,143 units at S$1.03 per unit, amounting to S$1,023,967, as payment for the portion of the Manager’s management fees which is payable in the form of units (see section H Note (b)).

Three months ended 31 December 2005

During the period, FCT issued 1,012,507 units at S$1.03 per unit, amounting to S$1,042,882, as payment for the portion of the Manager’s management fees which is payable in the form of units (see section H Note (b)).
### UNAUDITED PRO FORMA BALANCE SHEETS

The unaudited Pro Forma Balance Sheets as at 30 September 2005 and 31 December 2005 have been prepared for inclusion in this Prospectus and are presented below. The assumptions used to prepare the unaudited Pro Forma Balance Sheets are consistent with those described in Bases of Preparation of Unaudited Pro Forma Financial Information.

<table>
<thead>
<tr>
<th>Note</th>
<th>As at 30 September 2005</th>
<th>As at 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S'$000</td>
<td>S'$000</td>
</tr>
<tr>
<td><strong>Current asset</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>19,550</td>
<td>19,593</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>2</td>
<td>915,175</td>
</tr>
<tr>
<td>Long-term receivable</td>
<td>3</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>918,175</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>937,725</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>4</td>
<td>(17,046)</td>
</tr>
<tr>
<td>Borrowings, current</td>
<td>5</td>
<td>(21,199)</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>(38,245)</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>5</td>
<td>(258,582)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>(296,827)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>640,898</td>
</tr>
<tr>
<td><strong>Unitholders’ funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units in issue</td>
<td>6</td>
<td>633,069</td>
</tr>
<tr>
<td>Unit issue costs</td>
<td>7</td>
<td>(15,892)</td>
</tr>
<tr>
<td>Surplus on revaluation of investment properties</td>
<td>2</td>
<td>23,721</td>
</tr>
<tr>
<td><strong>Total Unitholders’ funds</strong></td>
<td></td>
<td>640,898</td>
</tr>
<tr>
<td>Number of Units in issue (’000)</td>
<td></td>
<td>614,630</td>
</tr>
<tr>
<td>Net asset value per Unit</td>
<td></td>
<td>S$1.04</td>
</tr>
</tbody>
</table>
1. Significant Accounting Policies of FCT

The significant accounting policies of FCT, which have been consistently applied in preparing the unaudited pro forma financial information set out in this report, are as follows:

(a) **Basis of Preparation of Unaudited Pro Forma Financial Information**

The unaudited pro forma financial information, expressed in Singapore dollars and rounded to the nearest thousand, are prepared in accordance with the bases set in Section B and applied to financial information prepared in accordance with Singapore Statements of Accounting Standards/Financial Reporting Standards. The unaudited pro forma financial information is presented in accordance with the relevant presentation principles of Recommended Accounting Practice ("RAP") 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed.

The measurement currency of FCT is Singapore dollars. All revenue, expenses, receipts and payments are denominated in Singapore dollars.

(b) **Investment Properties**

Investment properties are held for their income and long-term investment potential. Investment properties are accounted for as non-current assets and are stated at valuation. Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the Code on Collective Investment Schemes issued by the MAS.

Any increase or decrease on revaluation is credited or charged directly to the Statement of Total Return as a net appreciation or depreciation in the value of the investment properties.

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

(c) **Depreciation**

Investment properties are not depreciated. The properties are subject to continuing maintenance and are regularly revalued on the basis set out in Note 1(b).

(d) **Trade and Other Payables**

Liabilities for trade and other payables are carried at cost, which is the fair consideration to be paid in the future for goods and services received, whether or not billed to FCT.

(e) **Impairment**

The carrying amounts of FCT’s assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in the Statement of Total Return whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the Statement of Total Return.
1. Significant Accounting Policies of FCT (cont’d)

(f) Interest-Bearing Loans and Borrowings
All loans and borrowings are initially recognised at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Total Return over the period of the borrowings on an effective interest basis.

(g) Unit Issue Costs
Unit issue costs represent expenses incurred in connection with the initial public offering of FCT on the SGX-ST. All such expenses are deducted directly against unitholders’ funds.

(h) Revenue Recognition
(i) Rental income from operating leases
Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised on a straight-line basis over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis.

(ii) Interest income
Interest income is recognised on an accrual basis.

(i) Expenses
(i) Property expenses
Property expenses are recognised on an accrual basis. Included in property expenses is Property Manager’s fee which is based on the applicable formula stipulated in Section H Note (a).

(ii) Manager’s management fees
Manager’s management fees are recognised on an accrual basis based on the applicable formula stipulated in Section H Note (b).

(iii) Trust expenses
Trust expenses are recognised on an accrual basis. Included in trust expenses is Trustee’s fee which is based on the applicable formula stipulated in Section H Note (c).

(iv) Borrowing costs
Interest expense and similar charges are recognised in the period in which they are incurred.

(j) Taxation
The Inland Revenue Authority of Singapore (“IRAS”) has issued a tax ruling on the taxation of FCT for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of FCT, the Trustee will not be assessed to tax on the taxable income of FCT. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate (currently at 20%) from the distributions made to unitholders that are made out of the taxable income of FCT, except:
1. Significant Accounting Policies of FCT (cont’d)

(j) Taxation (cont’d)

(i) where the beneficial owners are individuals or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such unitholders without deducting any income tax; and

(ii) where the beneficial owners are foreign non-individual investors or where the units are held by nominee unitholders who can demonstrate that the units are held for beneficial owners who are foreign non-individual investors, the Trustee and the Manager will deduct/withhold tax at the reduced rate of 10% from the distribution.

A Qualifying Unitholder is a unitholder who is:

(a) A tax resident Singapore-incorporated company;

(b) A non-corporate Singapore constituted or registered entities (e.g. town council, statutory board, charitable organisation, management corporations, clubs and trade and industry associations constituted, incorporated, registered or organised in Singapore);

(c) A Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from FCT;

(d) An agent bank or a Supplementary Retirement Scheme (“SRS”) operator acting as nominee for individuals who have purchased units in FCT within the Central Provident Fund Investment Scheme (“CPFIS”) or the SRS respectively; or

(e) A nominee who can demonstrate that the units are held for beneficial owners who are individuals or who fall within the classes of unitholders listed in (a) to (c) above.

The above tax transparency ruling does not apply to gains from the sale of real properties. Such gains which are considered as trading gains are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the capital gains without tax being deducted at source.

(k) Derivative financial instruments and hedging activities

FCT uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to the Statement of Total Return for the year.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.
1. Significant Accounting Policies of FCT (cont’d)

(k) Derivative financial instruments and hedging activities (cont’d)

At the inception of the interest rate swap, FCT formally designates and documents the hedge relationship to be a cash flow hedge which FCT wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument’s effectiveness in offsetting the exposure to changes in the hedged item’s cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For cash flow hedges which meet the strict criteria for hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while the ineffective portion is recognised in the Statement of Total Return.

Amounts taken to hedging reserve are transferred to the Statement of Total Return when the hedged transaction affects total return, such as when hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the Statement of Total Return. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in unitholders’ funds until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the Statement of Total Return.

2. Investment Properties

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2005</th>
<th>As at 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SS’000</td>
<td>SS’000</td>
</tr>
<tr>
<td>Cost of investment properties</td>
<td>891,454</td>
<td>891,454</td>
</tr>
<tr>
<td>Revaluation surplus</td>
<td>23,721</td>
<td>23,721</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>915,175</td>
<td>915,175</td>
</tr>
</tbody>
</table>

The investment properties are mortgaged as security for the bank facilities granted by financial institutions (Note 5).
### 2. Investment Properties (cont’d)

<table>
<thead>
<tr>
<th>Description of Property</th>
<th>Title</th>
<th>Term of Lease (years)</th>
<th>Remaining Term (years)</th>
<th>Location</th>
<th>Existing Use</th>
<th>At Valuation</th>
<th>Percentage of Total Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30/9/05 S$’000</td>
<td>31/12/05 S$’000</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>Leasehold</td>
<td>2094</td>
<td>89</td>
<td>1 Woodlands Square Singapore 738099</td>
<td>Commercial</td>
<td>622,300</td>
<td>622,300</td>
</tr>
<tr>
<td>Northpoint</td>
<td>Leasehold</td>
<td>2089</td>
<td>84</td>
<td>930 Yishun Avenue 2 Singapore 769098</td>
<td>Commercial</td>
<td>255,900</td>
<td>255,900</td>
</tr>
<tr>
<td>Anchorpoint</td>
<td>Freehold</td>
<td>N.A.</td>
<td>N.A.</td>
<td>368 &amp; 370 Alexandra Road Singapore 159952/3</td>
<td>Commercial</td>
<td>36,975</td>
<td>36,975</td>
</tr>
<tr>
<td><strong>Investment properties, at valuation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>915,175</td>
<td>915,175</td>
</tr>
<tr>
<td><strong>Net liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(274,277)</td>
<td>(274,277)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>640,898</td>
<td>640,898</td>
</tr>
</tbody>
</table>

The carrying amounts of the investment properties at 30 September 2005 and 31 December 2005 are based on the average of the independent valuations undertaken by Knight Frank Pte Ltd and Jones Lang La Salle Property Consultants Pte Ltd as at 31 December 2005. The valuations were based on the capitalisation of income and discounted cash flow methods.

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee.
3. **Long-Term Receivable**

Long-term receivable relates to amounts paid in advance for the estimated net cash balance of Northpoint Management Corporation recoverable upon the liquidation of the Management Corporation which is expected to complete after more than 12 months as at the balance sheet date.

4. **Trade and Other Payables**

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2005</th>
<th>As at 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S$'000</td>
<td>S$'000</td>
</tr>
<tr>
<td>Security deposits</td>
<td>17,046</td>
<td>17,089</td>
</tr>
</tbody>
</table>

5. **Borrowings**

This note provides information about the contractual terms of FCT’s interest-bearing loan and borrowings.

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2005</th>
<th>As at 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S$'000</td>
<td>S$'000</td>
</tr>
<tr>
<td>Revolving loan</td>
<td>21,310</td>
<td>21,310</td>
</tr>
<tr>
<td>Less: Loan arrangement fee</td>
<td>(111)</td>
<td>(111)</td>
</tr>
<tr>
<td>Borrowings, current</td>
<td>21,199</td>
<td>21,199</td>
</tr>
<tr>
<td>Term loan maturing after 1 year but within 5 years</td>
<td>260,000</td>
<td>260,000</td>
</tr>
<tr>
<td>Less: Loan arrangement fee</td>
<td>(1,418)</td>
<td>(1,418)</td>
</tr>
<tr>
<td>Borrowings, non-current</td>
<td>258,582</td>
<td>258,582</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>279,781</td>
<td>279,781</td>
</tr>
</tbody>
</table>

FCT has in place bank facilities of S$290.0 million, comprising a S$260.0 million five-year term loan facility (the “Term Loan Facility”) and a S$30.0 million one-year revolving credit facility (the “Facilities”).

The Facilities bear interest at the relevant Singapore dollar swap offer rate plus a margin of 0.25% per annum throughout the five years. The interest rate for the term loan facility has been fixed using interest rate swaps of varying tenures which may result in not less than 50% of the drawn facility being on a fixed interest rate basis.

The effective borrowing rate of the loans as at the respective balance sheet dates is assumed to be fixed at 4.0% per annum based on prevailing interest rates.

The Term Loan Facility is secured by, among others, the following:

- legal mortgage over the Properties;
- assignment of all rights, titles, interest and benefits of FCT in respect of all lease agreements relating to the Properties;
- assignment of all rights, titles, interest and benefits of FCT in and to all insurances over the Properties;
- assignment of all rights, titles, interest and benefits of FCT in and to all management agreements entered with the Manager/Property Manager in connection with the Properties; and
- a fixed and floating charge over all assets of FCT in relation to the Properties.
5. Borrowings (cont’d)

Under the terms of the agreement for the Facilities, FCT undertakes to maintain a debt service coverage of at least 2.2 times, and an aggregate leverage to property valuation ratio not exceeding 60%. In addition, no sale of any or all of the Properties is permitted throughout the tenure of the Facilities.

6. Units in issue

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2005</th>
<th>As at 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td>Creation of new units arising from the Offer</td>
<td>633,069</td>
<td>633,069</td>
</tr>
</tbody>
</table>

Each unit in FCT represents an undivided interest in the trust. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of FCT by receiving a share of all net cash proceeds derived from the realisation of the assets of FCT less any liabilities, in accordance with their proportionate interests in FCT. However, a unitholder does not have the right to require that any assets (or part thereof) of FCT be transferred to him; and
- Attend all unitholders’ meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 unitholders representing not less than one-tenth of the issued units of FCT) at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a unitholder include the following:

- A unitholder’s right is limited to the right to require due administration of FCT in accordance with the provisions of the Trust Deed; and
- A unitholder has no right to request to redeem his units while the units are listed on SGX-ST.

A unitholder’s liability is limited to the amount paid or payable for any units in FCT. The provisions of the Trust Deed provide that no unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of FCT exceed its assets.

7. Units Issue Costs

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2005</th>
<th>As at 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S$’000</td>
<td>S$’000</td>
</tr>
<tr>
<td>Professional and other fees&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>2,280</td>
<td>2,280</td>
</tr>
<tr>
<td>Underwriting commission&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>11,272</td>
<td>11,272</td>
</tr>
<tr>
<td>Other issue expenses&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>2,340</td>
<td>2,340</td>
</tr>
<tr>
<td></td>
<td>15,892</td>
<td>15,892</td>
</tr>
</tbody>
</table>

Notes:

<sup>(1)</sup> Includes financial advisory fee, solicitors’ fees, fees for the reporting accountants, the tax consultant and the independent property valuers and other professional fees.

<sup>(2)</sup> Underwriting commission represents approximately 4.2% of the total amount of the Offering (plus 5% GST) and does not include the Consideration Units paid to the Sponsor as part of the purchase consideration for the Properties.

<sup>(3)</sup> Includes cost of prospectus production and certain other expenses incurred or to be incurred in connection with the Offering.
8. Number of Employees

FCT does not have any employees.

9. Financial instruments

Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arises in the normal course of FCT’s business. FCT has written policies and guidelines, which set out its overall business strategies and its general risk management philosophy.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to FCT, as and when they fall due.

The Manager has established credit limits for customers and monitors their balances on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with customers. Credit risk is also mitigated by the rental deposits held for each of the customers. Cash are placed with financial institutions which are regulated.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet. There was no significant concentration of credit risk at the balance sheet date.

Interest rate risk

FCT’s exposure to changes in interest rates relate primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of fixing the interest rates for a portion of its outstanding borrowings via financial derivatives or other suitable financial products.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance FCT’s operations. In addition, the Manager also monitors and observes the Property Funds Guidelines issued by the Monetary Authority of Singapore concerning limits on total borrowings.

Fair values

The Manager believes that the fair values of financial assets and liabilities approximate their carrying values at the balance sheet date.
10. Commitments

FCT leases out its investment properties. Non-cancellable operating lease rentals receivable are as follows:

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September 2005 S$’000</th>
<th>As at 31 December 2005 S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Within 1 year</td>
<td>62,630</td>
<td>61,464</td>
</tr>
<tr>
<td>— After 1 year but within 5 years</td>
<td>87,800</td>
<td>76,657</td>
</tr>
<tr>
<td>— After 5 years</td>
<td>3,524</td>
<td>2,851</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>153,954</td>
<td>140,972</td>
</tr>
</tbody>
</table>

11. Segment Reporting

Segment information is presented in respect of FCT’s business segments. This primary format is based on FCT’s management and internal reporting structure.

Segment results are set out in the unaudited Pro Forma Statements of Total Return.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing borrowings and expenses, and trust assets and expenses.

Segment capital expenditure is the total costs incurred on 30 September 2005 to acquire segment assets that are expected to be used for more than one year.

### Business segments

<table>
<thead>
<tr>
<th></th>
<th>Causeway Point S$’000</th>
<th>Northpoint S$’000</th>
<th>Anchorpoint S$’000</th>
<th>Total S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30 September 2005</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment assets</td>
<td>622,300</td>
<td>255,900</td>
<td>36,975</td>
<td>915,175</td>
</tr>
<tr>
<td>Unallocated assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Cash</td>
<td></td>
<td>19,550</td>
<td></td>
<td>19,550</td>
</tr>
<tr>
<td>— Long-term receivable</td>
<td></td>
<td>3,000</td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td>Total assets</td>
<td>641,850</td>
<td>265,900</td>
<td>39,975</td>
<td>947,725</td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>11,293</td>
<td>4,607</td>
<td>1,146</td>
<td>17,046</td>
</tr>
<tr>
<td>Unallocated liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Borrowings</td>
<td></td>
<td>279,781</td>
<td></td>
<td>279,781</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>296,827</td>
<td></td>
<td>296,827</td>
</tr>
<tr>
<td><strong>Segment capital expenditure</strong></td>
<td></td>
<td>606,170</td>
<td>249,267</td>
<td>336,017</td>
</tr>
</tbody>
</table>
(H) PROPERTY MANAGER’S, MANAGER’S MANAGEMENT AND TRUSTEE’S FEES

(a) Property Manager’s Fee

The Property Manager is entitled to receive the following remuneration for the provision of property management, lease management as well as marketing and marketing co-ordination services:

- 2.0% per annum of the gross revenue;
- 2.0% per annum of the net property income before property manager’s fee; and
- 0.5% per annum of the net property income before property manager’s fee, in lieu of leasing commission.

The Property Manager’s fee is to be paid on a monthly basis in arrears.

The aforementioned basis has been used to compute the Property Manager’s fee for the purpose of the unaudited Pro Forma Statements of Total Return.

(b) Manager’s Management Fees

Based on the current agreement between the Manager and the Trustee, the Manager is entitled to 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 Net Property Income.

For the Forecast Period 2006 and Projection Year 2007, 80% of the Base and Performance Fees payable to the Manager will be paid in the form of units issued at the market price (as defined in the Trust Deed) prevailing at the date of issue and 20% of the management fees will be in the form of cash. The portion of the management fees payable in the form of units will be made on a quarterly basis, in arrears. The portion of the management fees payable in cash will be made on a monthly basis, in arrears.

The aforementioned basis has been used to compute the Manager’s management fees for the purpose of the unaudited Pro Forma Statements of Total Return. The number of units issued to the Manager for the portion of the fee payable in the form of units have been computed based on Offering Price of S$1.03 for the purpose of the unaudited Pro Forma Cash Flow Statements.

(c) Trustee’s Fee

Under the Trust Deed, the Trustee’s fee shall not exceed 0.1% per annum of the value of the Deposited Property (subject to a minimum of S$9,000 per month). The Trustee’s fee is payable out of the Deposited Property of FCT on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current agreement between the Manager and the Trustee, the Trustee’s fee is charged on a scaled basis of up to 0.03% per annum of the value of the Deposited Property (subject to a minimum of S$9,000 per month).

The aforementioned basis has been used to compute the Trustee’s fee for the purpose of the unaudited Pro Forma Statements of Total Return.
31 December 2005

HSBC Institutional Trust Services (Singapore) Limited (as Trustee)
21 Collyer Quay #14-01
HSBC Building
Singapore 049320

Dear Sirs

RE: VALUATION OF
(A) 1 WOODLANDS SQUARE
"CAUSEWAY POINT"
(B) 930 YISHUN AVENUE 2
"NORTHPOINT SHOPPING CENTRE"
(C) 368 & 370 ALEXANDRA ROAD
BASEMENT 1 AND 1ST STOREY
"ANCHORPOINT SHOPPING CENTRE"
SINGAPORE

1 Instructions

We thank you for your instructions for a formal valuation to be carried out in respect of the abovementioned properties (the “Properties” and each, a “Property”). We have specifically been instructed to provide our opinion of the Market Values of the Properties, prepared as at 31 December 2005, subject to the existing and proposed leases and occupancy arrangements.

We have, in accordance with your instructions, prepared formal comprehensive valuation reports (individually a “Report” and collectively the “Reports”). Our valuation is our opinion of the Open Market Value, which we would define as intended to mean:

“the best price at which the sale of an interest in property might reasonably be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming:-

(a) a willing, but not anxious, buyer and seller;
(b) that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market), for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
(c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation; and
(d) that no account is taken of any additional bid by a purchaser with a ‘special interest.”

Our valuation has been made on the assumption that the Properties are sold in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to alter the value of the Properties.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Properties or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect value.
In preparing this valuation, we have relied on information provided by Frasers Centrepoint Asset Management Ltd (the “Manager”), particularly in respect of such matters as site and floor areas, tenancy information, other revenues, annual values, etc. Dimensions, measurements and areas are only approximations.

We have provided our opinion of market value as at 31 December 2005 based on the existing usage and tenancies.

We have prepared and provided this Summary of the Reports outlining key factors that have been considered in arriving at our opinions of value for inclusion in the Prospectus to be issued in connection with the Initial Public Offer of units in Frasers Centrepoint Trust. The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuations in respect to the Properties, market conditions and available data.

2 Reliance on This Letter

This letter alone does not contain all the necessary data and support information included in our Reports. For further information to that contained herein, reference should be made to the Reports, copies of which are available for inspection during normal business hours at the registered office of the Manager at 438 Alexandra Road #02-02 Alexandra Point, Singapore 119958, for a period of three months commencing from the date of the Prospectus.

Knight Frank Pte Ltd has provided the Trustee with a comprehensive valuation report for each of the Properties. The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

(a) Each Report is several pages in length and the conclusion as to the estimated value is based upon the factual information set forth in that Report. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by the Manager (primarily copies of rent roll and other information with respect to the Properties) or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every investor and every recipient of the Prospectus, before making an investment in Frasers Centrepoint Trust, should review the Reports to understand the complexity of the methodology and the many variables involved.

(b) The methodologies used by Knight Frank Pte Ltd in valuing the Properties – the Investment Method and Discounted Cash Flow Analysis – are based upon estimates of future results and are not predictions. These valuation methodologies are summarised in Section 7 of this letter. Each methodology is based on a set of assumptions as to income and expenses of the relevant Property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions.

(c) The Reports were undertaken based upon information available as at 30 November 2005. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.
Summary of Causeway Point

Brief Description

Causeway Point is a 7-storey shopping-cum-entertainment complex with 3 basement levels. It offers a wide range of shopping, dining and leisure activities. The building accommodates some 934 car park lots on Basements 2 and 3 and 2nd to 6th storeys, a supermarket, 2 department stores, retail units, restaurants, food outlets, food court, home furnishing store, book store and amusement center from Basement 1 to 5th storeys and a Cineplex on the 7th storey.


Tenancy Details

As at 30 November 2005, the total lettable area in Causeway Point is fully tenanted. Retail tenancies generated a gross monthly rental income of $3,727,147/- including stores. Major tenants occupied a total of 66.5% while the remaining 33.5% of the area was fully occupied and tenanted to specialty retailers including 8 stores.

As at 30 November 2005, Metro (Pte) Ltd was the largest tenant. It occupied 17.5% of the total lettable area. It has a lease term of 5 years with an option to renew for a period of 3 years. Most of the tenancies for the retail units are for a period of three years in the first instance, with options to renew for a further three years.

Our lease ageing analysis indicates that 4.5%, 47.4% and 43.1% of the total retail specialty area will expire in 2006, 2007 and 2008 respectively.

In terms of gross monthly rental income distributions, it represents 3.6%, 52.0% and 38.2% in 2006, 2007 and 2008 respectively.
Summary of Northpoint Shopping Centre

Brief Description

Northpoint Shopping Centre is a 4-storey shopping complex with 3 basement levels and a 2-storey annex building. The main building accommodates some 194 car park lots at Basements 1, 2 and 3, a supermarket, a department store, retail units, restaurants, food outlets, food court, home furnishing store and book store from Basement 2 to 3rd storeys and an amusement centre and family lounge/management office on the 4th storey. The annex building accommodates food outlets and a retail unit.

The main building is fully tenanted whilst 2 units at the annex building is currently vacant. Some of the major retail tenants include Cold Storage Singapore (1983) Pte Ltd, Food Link Services Pte Ltd, Popular Book Co (Pte) Ltd and John Little Pte Ltd. The building contains a total lettable area of 13,865.1 sm, which comprises major retail tenant space of 8,557.9 sm and specialty tenant space of 5,307.2 sm.

Tenancy Details

As at 30 November 2005, Northpoint Shopping Centre was 98.1% occupied and the tenancies from the retail space generated a gross monthly rental income of $1,561,243/-. Major tenants occupied a total of 61.7% of the total lettable area while the remaining 38.3% of the area was 94.9% occupied and tenanted to specialty retailers excluding ATM areas. There were 2 vacant units with a total of 270.0 sm or 1.9% of total lettable area.

The Cold Storage Singapore (1983) Pte Ltd is the largest tenant of the building. As at 30 November 2005, it occupied 14.0% of the total lettable area. It has a long lease term of 6 years with option to renew for another 3 years.

Tenancies for the majority of the specialty retail units are for periods of 2 to 3 years, with options to renew for further terms of 2 to 3 years.

Our lease ageing analysis indicates that 16.2%, 43.2%, 35.5% and 2.2% of the total specialty lettable area will expire in 2006, 2007, 2008 and 2009 respectively. In terms of gross monthly rental income contribution, it represents 18.9%, 47.7%, 33.4% and 2.4% in 2006, 2007, 2008 and 2009 respectively.
Summary of Anchorpoint Shopping Centre

Brief Description

Anchorpoint Shopping Centre comprises 2 levels of shops located on the 1st storey and Basement 1 of a 5-storey commercial-cum-residential block with a basement car park whilst The Copperdome is a 2-storey free-standing restaurant building. The subject property is part of a condominium development known as "The Anchorage."

The subject property contains a total lettable area of 6,596.1 sm and accommodates a supermarket, retail units, bank premises, restaurants, food court, food outlets, home furnishing units and dance school.

Tenancy Details

As at 30 November 2005, 94.5% of Anchorpoint Shopping Centre's total lettable area was occupied. Retail tenancies generated a gross monthly rental income of $376,215-.

Cold Storage Supermarket tenanted by Cold Storage Singapore (1983) Pte Ltd is the largest major tenant of the building. As at 30 November 2005, it occupied 15.6% of the total retail lettable area. It has a lease term of 3 years with an option to renew for a period of 3 years. Most of the remaining tenancies are for a period of 1 to 3 years in the first instance, with options to renew for a further 1 to 3 years.

Our lease ageing analysis indicates that the percentages of leases expiring each year from 2006 to 2009 are 73.1%, 17.3%, 6.4% and 2.0% of the total lettable area respectively. In terms of gross monthly rental income, their contributions amounted to 75.1%, 17.6%, 7.3% and 0.4% respectively.

Summary of Property Details

The following table summarises other key property details for each of the Properties:

<table>
<thead>
<tr>
<th>Property</th>
<th>Land Area (sm)</th>
<th>Total Lettable Area (sm)</th>
<th>Tenure</th>
<th>Master Plan 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Causeway Point</td>
<td>15,860.6</td>
<td>39,508.7</td>
<td>Leasehold 99 years wef 30 October 1995</td>
<td>Commercial Zone</td>
</tr>
<tr>
<td>2 Northpoint Shopping Centre</td>
<td>6,796.0</td>
<td>13,865.1</td>
<td>Leasehold 99 years wef 1 April 1990</td>
<td>Commercial &amp; Residential Zone</td>
</tr>
<tr>
<td>3 Anchorpoint Shopping Centre</td>
<td>-</td>
<td>6,596.1</td>
<td>Estate in Fee Simple</td>
<td>Residential Zone</td>
</tr>
</tbody>
</table>
7 Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the retail market. We have utilised the Investment Method and Discounted Cash Flow Analysis in undertaking our assessment for each of the Properties.

Investment Method

In the Investment Method, the estimated gross revenue has been adjusted to reflect anticipated operating expenses, an ongoing vacancy and bad debts allowance, property tax, property management fees and owner’s non-recoverable expenditure, producing a net income.

The net income of the property is capitalized for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment, based on analysis of yields reflected in the sales of comparable property types. Capital adjustments such as letting up allowance, leasing commissions, capital expenditure and capitalized rental reversions are then made to derive the capital value of the subject property.

Gross revenue comprises rental from existing tenancies, potential future income from existing vacant units (if any) and turnover and other income of the property. Other income is in respect of sundry (e.g. licence fees, rentals of atrium/kiosks, etc.) and car park income.

Discounted Cash Flow Analysis

A valuation using the Discounted Cash Flow (DCF) model is carried out over a period of ten years from 31 December 2005 (the material date) to 31 December 2015 for the Properties.

The Properties are hypothetically assumed to be sold after the end of the tenth year. The cash outflows (comprising operating expenses) are deducted from the cash inflows of the relevant Properties (comprising rental income and other revenue) to obtain the net cash flows. The stream of net cash flows is discounted at an estimated required rate of return applicable to that class of property to obtain the Net Present Value.

The Discounted Cash Flow method is used, as the subject properties are income producing properties. This form of analysis reflects investors’ decision-making process and values the property in such a manner as to attain the desired level of investment return commensurate with the risk of that asset class. This method is also more precise as it takes into account the timing of receipts and payments. In undertaking this analysis, we have also used a wide range of assumptions including rental growth during holding period, other income revenue growth, vacancy allowances, inflation rate and other related expenses.

One key component of the DCF model is the estimation of two rates. One is the hurdle rate at which investors will discount the income stream over the assumed 10-year investment horizon. The second is the terminal yield for the asset, which is used to capitalize the income from year 11 onwards, to derive the terminal value of the asset after providing disposal cost and related expenses. The terminal value took into account the remaining tenure of the lease, where applicable.
Based on the above, the following table outlines the salient valuation assumptions adopted in undertaking our assessment:

<table>
<thead>
<tr>
<th>Property</th>
<th>Capitalisation Rate</th>
<th>Target Discount Rate (10 years)</th>
<th>Terminal Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway Point</td>
<td>5.50%</td>
<td>8.00%</td>
<td>5.75%</td>
</tr>
<tr>
<td>Northpoint Shopping Centre</td>
<td>5.50%</td>
<td>8.00%</td>
<td>5.75%</td>
</tr>
<tr>
<td>Anchorpoint Shopping Centre</td>
<td>5.25%</td>
<td>8.00%</td>
<td>5.50%</td>
</tr>
</tbody>
</table>

8 Summary of Values

We are of the opinion that the Market Values of the unencumbered interest in the Properties, as at 31 December 2005, subject to all existing and proposed tenancies and occupancy arrangements, are:

1 Woodlands Square, “Causeway Point”, Singapore
S$614,600,000 (Singapore Dollars: Six Hundred Fourteen Million And Six Hundred Thousand Only)

930 Yishun Avenue 2, “Northpoint Shopping Centre”, Singapore
S$251,800,000 (Singapore Dollars: Two Hundred Fifty-One Million And Eight Hundred Thousand Only)

368 & 370 Alexandra Road Basement 1 and 1st Storey, “Anchorpoint Shopping Centre”, Singapore
S$36,250,000 (Singapore Dollars: Thirty-Six Million Two Hundred And Fifty Thousand Only)

9 DISCLAIMER

We have prepared this valuation summary for inclusion in the Prospectus and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Prospectus, other than in respect of the information provided within the aforementioned Reports and this valuation summary. We do not make any warranty or representation as to the accuracy of the information in any other part of the Prospectus other than as expressly made or given by Knight Frank Pte Ltd in this valuation summary or in the Reports.

Knight Frank Pte Ltd has relied upon property data supplied by the Manager which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by the Manager and subsequent conclusions related to such data.
The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party/parties involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that our valuers undertaking the valuation are authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully
Knight Frank Pte Ltd

Lydia Sng
B.Sc. (Estate Management) Hons., MSISV
Executive Director
Valuation
C-9

Your Ref : -
Our Ref : TKC:ycl:051343, 051344 & 051345

Frasers Centrepoint Limited
438 Alexandra Road, #21-00
Alexandra Point
Singapore 119958

21 March 2006

Dear Sirs,

OPEN MARKET VALUATION OF THE FOLLOWING PROPERTIES :-

1) 368 ALEXANDRA ROAD SINGAPORE 159952 AND
   370 ALEXANDRA ROAD BASEMENT 1 AND 1ST STOREY ANCHORPOINT
   SINGAPORE 159953 ("ANCHORPOINT")
2) 930 YISHUN AVENUE 2 NORTHPOINT SHOPPING CENTRE SINGAPORE
   769098 ("NORTHPOINT")
3) 1 WOODLANDS SQUARE CAUSEWAY POINT SINGAPORE 738099
   ("CAUSEWAY POINT")

We have been instructed by Frasers Centrepoint Limited (FCL) to determine the Open
Market Values as at December 31, 2005, of the Anchorpoint, Northpoint and Causeway
Point, (collectively, the “Properties”) subject to the existing leases and occupancy
arrangements.

We have prepared a comprehensive formal valuation report in accordance with the
instructions of the manager for the specific purpose of its inclusion in the prospectus to be
issued in connection with the Initial Public Offer of units in FCT.

Our basis of value is Open Market Value, which is defined as follows:

"An opinion of the best price at which the sale of an interest in property would have
been completed unconditionally for cash consideration on the date of valuation,
assuming:

• a willing seller;

• that, prior to the date of valuation, there had been a reasonable period (having regard
to the nature of the property and the state of the market) for the proper marketing of
the interest, for the agreement of the price and terms and for the completion of the sale;

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Frasers Centrepoint Limited
- Open Market Valuation Of:
  1) 368 Alexandra Road Singapore 159952 and
     370 Alexandra Road Basement 1 and 1st Storey Anchorpoint
     Singapore 159953 ("Anchorpoint")
  2) 930 Yishun Avenue 2 Northpoint Shopping Centre
     Singapore 769098 ("Northpoint")
  3) 1 Woodlands Square Causeway Point
     Singapore 738099 ("Causewaypoint")

21 March 2006

• that the state of the market, level of values and other circumstances were, on any
  earlier assumed date of exchange of contracts, the same as on the date of valuation;

• that no account is taken of any additional bid by a prospective purchaser with a
  special interest; and

• that both parties to the transaction had acted prudently and without compulsion."

Included within this valuation are building fixtures and fittings but exclude all movable
equipment, furniture, furnishings and plant and machinery.

RELIANCE ON THIS LETTER

This letter is a summary of the comprehensive valuation reports that we, Jones Lang LaSalle
Property Consultants Pte Ltd, have carried out and it does not contain all the necessary
information and assumptions which are included in the valuation reports. Further reference
may be made to these valuation reports which are available during normal office hours at the
registered office of the manager at 438 Alexandra Road #21-00 Alexandra Point Singapore
119958, for a period of six months from the date of the Prospectus.

The opinion of value contained in the valuation reports are not guarantees or predictions but
are based on the information obtained from reliable and reputable agencies and sources, the
manager and other related parties. Whilst Jones Lang LaSalle has endeavoured to obtain
accurate information, it has not independently verified all the information provided by the
manager or other reliable and reputable agencies.

The methodologies used in valuing the Properties namely, the Capitalization Approach and
Discounted Cashflow Approach, are based on our professional opinion and estimates of the
future results and are not guarantees or predictions. The valuation methodologies are
summarized in this letter. Each methodology is based on a set of assumptions as to the
income and expenses taking into considerations the changes in economic conditions and
other relevant factors affecting the Properties.

The resultant market value is, in our opinion, the best estimate but it is not to be construed as
a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions
made. Every investor who intends to make an investment in FCT should review the
valuation reports to understand the assumptions and methodologies made in the valuation
reports to appreciate the context in which the values are arrived at and also carry out their
assessment with regard to the risk of the investment on their own.
Frasers Centrepoint Limited

- Open Market Valuation Of:
  1) 368 Alexandra Road Singapore 159952 and
     370 Alexandra Road Basement 1 and 1st Storey Anchorpoint
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We have not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

SUMMARY OF THE PROPERTIES

Anchorpoint

Brief Description

Anchorpoint comprises shops located on the 1st and 2nd storeys of a 2-storey detached building and 2 levels of shops located on the basement 1 and 1st storey of a 5-storey commercial-cum-residential block with 3 basement levels known as Anchorpoint. The Temporary Occupation Permit was issued on January 15, 1997.

Anchorpoint consists of 2 strata lots, representing about 17.78% of the total share value (100,000 shares) of the strata lots comprised in the whole development comprising The Anchorage and Anchorpoint. Anchor Developments Pte Ltd is the registered proprietor of the 2 strata lots comprising a total strata floor area of 10,254 sq.m, excluding total accessory lots of 32 sq.m.

There are 25 shops on the basement 1 of Anchorpoint which comprise mainly household furniture and furnishings products with Cold Storage Supermarket as the anchor tenant.

There are 26 shops on the 1st storey of Anchorpoint which comprise mainly fashion wear, accessories shops, restaurants and food court.

Summary of Property Details

<table>
<thead>
<tr>
<th>Property</th>
<th>Approximate Lettable Floor Area (sq m)</th>
<th>Share Value</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>368 Alexandra Road</td>
<td>437</td>
<td>1,000</td>
<td>Freehold</td>
</tr>
<tr>
<td>370 Alexandra Road Basement 1</td>
<td>3775</td>
<td>16,777</td>
<td>Freehold</td>
</tr>
<tr>
<td></td>
<td>1st Storey</td>
<td>2384</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,596</strong></td>
<td><strong>17,777</strong></td>
<td></td>
</tr>
</tbody>
</table>
The Northpoint

Brief Description

Northpoint Shopping Centre comprises a 4-storey building with 3 basement levels. The subject development was the first privately-owned suburban mall developed on Government Land Sales and was completed in 1992. The development is directly linked to Yishun MRT Station and Yishun Central Bus Interchange. In 2001, the subject mall was refurbished and in 2002, a new 2-storey extension housing food outlets and specialty shop were erected.

Yishun Development Pte Ltd wholly owns all the strata units within Northpoint Shopping Centre after the acquisition of the Basement 1 Level from Dairy Farm Group on November 25, 2005. We have been informed by the client that they are in the process of dissolving the Management Corporation Strata Title Plan No. 1944 by the end of 2006.

There are altogether 85 strata units and 2 accessory lots with 10,000 share value allotted to the development according to the information provided.

The shopping centre comprises 6 levels of departmental store, retail outlets, specialty shops and restaurants. The F&B outlets are located on Basement 2 where there is a newly renovated food court which is operated by The Food Mall. In addition, there are fast food and family-styled restaurants such as MacDonald, Kentucky Fried Chicken, DeliFrance and Swensen on the 1st Level. A new extension, accommodating established F&B outlets and specialty shops, was added along the sidewalk towards the Yishun Bus Interchange.

A mixture of fashion and life-styled shops are situated from 1st Level to 3rd Level. There is an entertainment centre, Management Office and a family lounge area on the 4th Level.

Vertical movement within is via a pair of escalators on each level from Basement 3 to 4th Level, together with passengers/cargo lifts. The male and female toilets are found on every level.
Frasers Centrepoint Limited
- Open Market Valuation Of:
  1) 368 Alexandra Road Singapore 159952 and
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  3) 1 Woodlands Square Causeway Point
      Singapore 738099 (“Causewaypoint”)
      21 March 2006

Summary of Property Details

<table>
<thead>
<tr>
<th>Property</th>
<th>Approximate Lettable Floor Area (sq m)</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yishun Development Pte Ltd</td>
<td>10,389.07</td>
<td>99 years from April 1, 1990</td>
</tr>
<tr>
<td>MCST Plan No. 1944</td>
<td>466.00</td>
<td>99 years from April 1, 1990</td>
</tr>
<tr>
<td>Yishun Development Pte Ltd</td>
<td>3,010.03</td>
<td>99 years from April 1, 1990</td>
</tr>
<tr>
<td>(acquired Basement 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,865.10</strong></td>
<td></td>
</tr>
</tbody>
</table>

The gross floor area for the subject property is approximately 21,518.41 sq.m.

The Causeway Point

Brief Description

Causeway Point Shopping Centre comprises an 7-storey shopping / entertainment complex
with 3 basement levels. Basement 1 and 2 comprise carparking space. The Temporary
Occupation Permit was issued on October 8, 1998.

The registered proprietor is Woodlands Complex Pte Ltd. The Property is located within
Lot 3098T Mukim 13.

The building is currently occupied by 157 tenants.

There are 32 shops on the basement 1 level comprising of health/beauty, food and beverages
and an anchor tenant Cold Storage Supermarket.

The 1st storey is linked to the Woodlands MRT station. The 36 shops on the 1st storey
accommodates fashion shops, food and beverages and two anchor tenants Metro
Departmental Store and John Little.

The 33 shops on 2nd storey accommodate mainly fashion shops with 3 food and beverage
outlets. Metro and John Little are also occupying space on this level.

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Frasers Centrepoint Limited
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The 3rd storey has a mix of fashion, food and beverages, home furnishing/electronics, books/gifts/crafts, services and Metro occupying 31 shops.

The 4th storey comprise fashion, books/gifts/crafts, food and beverages, furnishing/electronics, salon/spa and services. There are altogether 32 shops on this level.

The 5th storey has 10 tenants and it is dedicated to services, entertainment, schools, food and beverages.

There is an entertainment joint, food court and restaurant on the 7th storey.

Summary of Property Details

<table>
<thead>
<tr>
<th>Property</th>
<th>Approximate Lettable Floor Area (sq m) “Pre-reconfiguration”</th>
<th>Approximate Lettable Floor Area (sq m) “Post-reconfiguration”</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>39,417*</td>
<td>37,956**</td>
<td>99 years from October 30, 1995</td>
</tr>
<tr>
<td>Store</td>
<td>92</td>
<td>92</td>
<td>99 years from October 30, 1995</td>
</tr>
<tr>
<td>Total</td>
<td>39,509</td>
<td>38,048</td>
<td></td>
</tr>
</tbody>
</table>

* excludes property management office

** excludes property management office. We have taken into consideration proposals by FCL pertaining to the possibility of carrying out reconfiguration works to the spaces that could potentially be vacated by certain anchor tenants upon the expiry of the leases from October 2007 onwards.

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Frasers Centrepoint Limited
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      Singapore 738099 (“Causewaypoint”)  21 March 2006

VALUATION RATIONALE

Overview

In arriving at our opinion of market value, we have adopted the discounted cash flow (DCF) and capitalization of net income approaches by making the necessary research on the respective property market, the economic condition and all information necessary to enable us to arrive at our values of the Properties.

Discounted Cash Flow Approach

We have adopted the discounted cash flow approach to value the Properties taking into consideration the existing leases including the reconfiguration of the retail space for Causeway Point.

For the discounted cash flow approach, the net operating income is discounted at an appropriate discount rate to arrive at the Open Market Value. The net income is derived by deducting from the gross income after allowing for vacancies, the operating expenses incurred in the marketing/leasing cost, advertising and promotion, maintenance and service charge, management of the property, property tax and other related expenses.

The discounted cash flow analysis is carried out over a 10-year period with the appropriate growth rates and inflation rates. The projected net income is discounted at an appropriate market derived rate to arrive at the present value of the net income for the term. The terminal value of the property is derived by capitalizing the 10th year net income after providing for disposal cost and related expenses and it is discounted to give the present value. The 10 years discounted cash flow and present value of the terminal value together will give rise to the capital value of the subject property. The terminal values took into account the remaining lease tenure of the Northpoint Property and Causeway Point Property.

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Frasers Centrepoint Limited
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Capitalization Approach

The capitalization approach involves the addition of gross income less vacancy and a
deduction of all outgoings such as marketing/leasing cost, advertising and promotion,
property management fee, maintenance and services charges, property tax and other related
expenses to determine the net income of the property. The net income is assumed to be a
level of annuity based on the term of the lease and is capitalized using an appropriate
capitalization rate derived from the analysis of relevant sales evidence.

Further adjustments for capital expenditure, rental shortfalls and overages and other
expenses are made to arrive at the capital value.

Based on the above, the following table outlines the salient valuation assumptions adopted in
undertaking our assessment:

<table>
<thead>
<tr>
<th>Property</th>
<th>Capitalisation Rate</th>
<th>Target Discount Rate (10 years)</th>
<th>Terminal Yield</th>
<th>Assessed Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorpoint Property</td>
<td>6.25%</td>
<td>8.0%</td>
<td>6.5%</td>
<td>S$37,700,000/-</td>
</tr>
<tr>
<td>Northpoint Property</td>
<td>5.75%</td>
<td>8.0%</td>
<td>6.0%</td>
<td>S$200,000,000/-</td>
</tr>
<tr>
<td>Causeway Point Property</td>
<td>5.75%</td>
<td>8.0%</td>
<td>6.0%</td>
<td>S$630,000,000/-</td>
</tr>
</tbody>
</table>

DISCLAIMER

We have prepared this valuation summary which appears in the Prospectus and specifically
disclaim liability to any person in the event of any omission from or false or misleading
statement included in the Prospectus, other than in respect of the information provided
within the valuation reports and summary. We do not make any warranty or representation
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Frasers Centrepoint Limited

- Open Market Valuation Of:
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21 March 2006

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The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the subject properties and are not a related corporation of nor do we have a relationship with the manager, adviser or other party/parties whom the property trust is contracting with. The valuers’ compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that our valuers undertaking these valuations are authorized to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully,

JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD

Tan Keng Chiam
B. Sc. (Est. Mgt.) MSISV
Licence No : AD041-2004796D
National Director
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<td>4.8 An Examination of Key Retail Market Trends</td>
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<td>4.8.2 Emergence of “Warehouse Retailing”</td>
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<td>4.8.3 Suburban Vs City Retailing</td>
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<td>5.2</td>
<td>Retail Market Projections for Suburban Area and Fringe Area</td>
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<td>5.3</td>
<td>Potential Supply of Shop Space in Suburban and Fringe Area</td>
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<td>5.4</td>
<td>Micro Market Review of the Retail Property Sector-North Region &amp; Fringe Area</td>
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<td>Stock and Future Supply</td>
<td></td>
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<td>5.4.2</td>
<td>Demand and Occupancy</td>
<td></td>
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<td>5.4.3</td>
<td>Rental Levels</td>
<td></td>
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<td>Capital Values of Retail Space in Woodlands, Yishun And Alexandra Areas</td>
<td></td>
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- 8.1.2 Demographic Profile
- 8.1.3 Working Population Income Within Trade Area-Causeway Point
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Dear Sirs,

INDEPENDENT REPORT ON RETAIL PROPERTY MARKET IN SINGAPORE

1. Introduction

Frasers Centrepoint Asset Management Ltd. as manager of Frasers Centrepoint Trust (FCT), commissioned Knight Frank Pte Ltd to conduct a study to provide a Retail Market Overview for the purpose of inclusion in the prospectus to be issued in connection with the initial public offering of the units in FCT and the listing of FCT on Singapore Exchange Securities Trading Limited. The real estate indicators of the retail property sector were reviewed to offer an overview of the existing market conditions. In addition, overviews of the economy, emerging trends and prospects going forward were provided to offer foreseeable market conditions. As part of the overview, Knight Frank Pte Ltd also provided an independent review of the properties to be injected into FCT, namely, Causeway Point, Northpoint Shopping Centre¹ and the Anchorpoint Shopping Centre² by benchmarking occupancy rates and rental trends against the respective micro-markets.

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Knight Frank Pte Ltd does not warrant or represent that the assumptions on which this report is based are accurate or correct.

¹ FCT will only be acquiring the 85 strata lots comprised in Northpoint Shopping Centre.
² FCT will be acquiring the two strata lots known as “Anchorpoint Shopping Centre”.

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2. General Economic Commentary

2.1 Macroeconomic Outlook

The economy rebounded strongly from 1.4% growth in SARS-afflicted 2003 to 8.4% growth in 2004. This growth turned out to be one of the strongest for Singapore since the sharp rebound of 2000, and the expansion phases of the early to mid-1990s. In the first half of 2005, the growth of the Singapore economy was more muted after the strong showing in 2004, with a first half growth of 4.0% year-on-year due to a slower pace of growth across most sectors. Although the Singapore economy went through some hiccups in the first half of 2005, with global interest rates on an uptrend, higher energy and commodity prices, it remains healthy. Due to the better than expected performance of the electronics and pharmaceutical manufacturing sectors, the Singapore economy posted a higher 7.0% gain in 3Q 2005 up from 5.4% in 2Q 2005. It continued to record robust growth in 4Q 2005. Advanced estimates issued by the Ministry of Trade and Industry (MTI) show that the economy expanded at a healthy rate with GDP growth of 7.7% quarter-on-quarter compared to same period in 2004. The GDP growth was 5.7% in 2005. Inflation remains a medium term concern given that the domestic economy is close to its potential output level and the upside risks to external inflation. The Monetary Authority of Singapore (MAS) has forecast inflation to average between 1.0% to 1.5% in 2006, with anticipated rise in oil-related price pressures and modest pick-up in domestic costs.

Strong performances were recorded across the manufacturing (in particular the biomedical sector) and services clusters, as the upturn in the global economy lifted export performance and activity in hub-related industries. 2005 was a year of improved performance by all the economic sectors. The economy is expected to continue to expand in 2006. Leading indicators points to an improved business sentiment albeit a moderate increase in interest rate in 2006. Among the emerging risk factors are a global IT downturn, a worsening of the oil situation, a slowdown in China and the risk of a pandemic caused by the Avian-flu. Although oil prices could remain high, the impact on the real economy is likely to be contained. Nevertheless, the governments’ view is that barring unforeseen negative shocks, the Singapore economy could still expand at a moderate GDP growth of 3.0% to 5.0% in 2006.

In the medium to long term, as Singapore’s economic restructuring and the remaking of its economy presses on, and in the light of rising competitive pressures from neighbouring countries and other parts of the world, its performance will be marked by greater volatility. At the same time, the need for diversification into new industries could provide additional support to the Singapore economy over the medium term.
2.2 Government Measures

In the 2005 Budget, the Singapore Government took steps to make the economy more resilient and dynamic to aid private enterprise to flourish. The performance of the property market could well be boosted by new demand coming from MNCs who are considering moving certain regional functions into Singapore. The 2005 Government Budget, announced in February this year, included a reduction of corporate tax rate from 22.0% to 20.0%. To attract more Real Estate Investment Trusts (Reits) to list on the Singapore Stock Exchange, stamp duty on instruments of transfer will be waived for five years from 18 February 2005 for transfer of Singapore properties into such listed or soon to be listed trusts. Foreign companies investing in Reits here will pay lower taxes on the income distributed to them. The tax collected upstream from their units’ income will be lowered from 20.0% to 10.0% for five years. This will boost the business and financial sectors further.

Other pro-business measures were delivered in the 2004 Budget and included the reduction in the corporate tax rate from 22.0% to 20.0% for Year of Assessment (YA) 2005, an extension of the period for preferential tax treatment for regional headquarters and pioneer companies in Singapore; and tax exemption for local business start-ups. To promote private wealth management activities, all foreign-sourced income remitted by resident individuals will be exempted from tax. In addition, the exemption from tax for YA 2005 will be extended to Singapore-sourced investment income derived by individuals from financial instruments. The maximum period for the pioneer incentive will be increased from 10 to 15 years, while the regional HQ incentive will extend from 3 to 5 years to attract and root new activities in Singapore.

The tax savings will provide more disposable income and is good for the retail industry as a whole. The Singapore Tourism Board has also been given the “green light” for a S$40.0 million “glamour grant” to upgrade and revitalize Orchard Road and this will keep the prime-shopping street ahead of competition. To encourage diversification in Singapore’s retail and tourism offerings, the 2005 budget provides for higher tax allowances for investments by companies who set up flagship concept stores in retail, food and beverage and entertainment sectors. Companies that bring in world-class events and activities will also be granted a concessionary tax rate of 10.0% for such events compared with the current 20.0%. Both these measures took effect on 1 April 2005 and will last for five years.

Against this overall economic backdrop, the retail sector of the property market for Frasers Centrepoint Trust will now be reviewed.

3. Retail Sector Performance Review

3.1 Retail Sales Performance

The retail industry is very susceptible to changing market conditions. The retail sales index is strongly correlated to Gross Domestic Product (GDP). As real GDP increases, demand for goods and services increases, which in turn boost retail sales. The economic outlook thus has a strong bearing on retail sales and the performance of the retail property market sector.
The retail sales (excluding sales of motor vehicles) index at constant prices rose gradually during the boom years of 1986 through to 1996. Chart 3.1 illustrates that retail sales (excluding sales of motor vehicles) index trend from 2001 to 2004. With the onslaught of the Asian Financial Crisis in 1998, the retail sector suffered a double blow with a slump in external demand as well as domestic belt-tightening as a result of economic uncertainty. Weaker regional currencies also lured away businesses from local retailers. Excluding sales of motor vehicles, retail sales in real terms contracted by 8.6% on a year-on-year basis in 1998. After the Asian Financial Crisis, retail sales rose by 7.8% and 7.3% on a year-on-year basis in 1999 and 2000 respectively. Retail sales growth slowed to 0.5% year-on-year the following year, in the aftermath of the terrorist attacks on US on 11 September 2001. But it rose by 2.6% in 2002 due to a slight improvement in the economy. The retail sector recorded a decline of 2.9% in 2003 reflecting the impact of SARS. Nonetheless, since 3Q 2003, growth in the retail sector has been consistent. In November 2005, the sector notched a year-on-year growth of 4.1% over November 2004.

3.2 Performance of the Various Segments in the Retail Sector

Generally, all segments (except supermarkets) shown in Table 3.1 were hit by the crisis in 2003. The retail sector in 2005 has been supported by the strong expansion of various segments, including food and beverage, recreational goods, telecommunications apparatus and computers, optical goods and books, restaurants, fast food outlets, medical goods and toiletries. Many of these segments registered double-digit year-on-year growths in November 2005 except for fast food outlets and medical and toiletries.

When GST was first implemented in 1994, according to research by the Department of Statistics, sales fell by 4.0% to 9.0% from April to June 1994 and the impact lasted for a brief 3-month period. The subsequent hike in GST in 2003 to 4.0% and 2005 to 5.0%, expectedly had some impact on the retail sales volume in the first few months after the increase but the decline was less significant Retail sales fell by 1.7% (excluding sales of motor vehicles) in January 2004, less severe than when GST was first implemented. On the other hand, the impact of the GST hike in early 2005 was less severe.
### Table 3.1: Retail Sales Index at constant prices

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>Nov 05 to Nov 04</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total (excluding Motor Vehicles)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>105.2</td>
<td>107.9</td>
<td>104.8</td>
<td>110.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-0.5%)</td>
<td>(2.6%)</td>
<td>(-2.9%)</td>
<td>(0.1%)</td>
<td>(4.1%)</td>
</tr>
<tr>
<td><strong>Department Stores</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>100.8</td>
<td>101.4</td>
<td>99.3</td>
<td>105.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-0.04%)</td>
<td>(0.6%)</td>
<td>(-2.1%)</td>
<td>(0.1%)</td>
<td>(3.5%)</td>
</tr>
<tr>
<td><strong>Supermarkets</strong></td>
<td></td>
<td>134.6</td>
<td>144.2</td>
<td>151.8</td>
<td>138.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(11.5%)</td>
<td>(7.1%)</td>
<td>(5.3%)</td>
<td>(0.1%)</td>
<td>(2.9%)</td>
</tr>
<tr>
<td><strong>Food &amp; Beverages</strong></td>
<td></td>
<td>86.5</td>
<td>93.2</td>
<td>90.5</td>
<td>89.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.6%)</td>
<td>(7.7%)</td>
<td>(-2.9%)</td>
<td>(0.1%)</td>
<td>(19.8%)</td>
</tr>
<tr>
<td><strong>Medical Goods and Toiletries</strong></td>
<td></td>
<td>111.5</td>
<td>114.3</td>
<td>119.6</td>
<td>128.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0%)</td>
<td>(2.5%)</td>
<td>(4.6%)</td>
<td>(7.0%)</td>
<td>(6.4%)</td>
</tr>
<tr>
<td><strong>Wearing Apparel &amp; Footwear</strong></td>
<td></td>
<td>112.4</td>
<td>110.8</td>
<td>101.4</td>
<td>109.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-0.4%)</td>
<td>(-1.4%)</td>
<td>(-9.0%)</td>
<td>(8.3%)</td>
<td>(1.3%)</td>
</tr>
<tr>
<td><strong>Furniture &amp; household Equipment</strong></td>
<td></td>
<td>111.6</td>
<td>118.9</td>
<td>112.4</td>
<td>123.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-5.7%)</td>
<td>(6.5%)</td>
<td>(-5.5%)</td>
<td>(9.9%)</td>
<td>(2.4%)</td>
</tr>
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<td><strong>Recreational Goods</strong></td>
<td></td>
<td>100.3</td>
<td>95.9</td>
<td>94.4</td>
<td>102.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-4.4%)</td>
<td>(-4.4%)</td>
<td>(-1.3%)</td>
<td>(1.6%)</td>
<td>(15.7%)</td>
</tr>
<tr>
<td><strong>Watches &amp; Jewellery</strong></td>
<td></td>
<td>84.4</td>
<td>82.2</td>
<td>79.7</td>
<td>84.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-0.1%)</td>
<td>(-2.6%)</td>
<td>(-3.0%)</td>
<td>(5.5%)</td>
<td>(4.90%)</td>
</tr>
<tr>
<td><strong>Telecommunications &amp; Computers</strong></td>
<td></td>
<td>130.4</td>
<td>122.0</td>
<td>129.5</td>
<td>137.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2.6%)</td>
<td>(-6.4%)</td>
<td>(6.1%)</td>
<td>(5.8%)</td>
<td>(14.1%)</td>
</tr>
<tr>
<td><strong>Optical Goods &amp; Books</strong></td>
<td></td>
<td>107.4</td>
<td>112.2</td>
<td>113.5</td>
<td>109.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-0.2%)</td>
<td>(4.5%)</td>
<td>(1.2%)</td>
<td>(-3.5%)</td>
<td>(12.8%)</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td>111.0</td>
<td>124.7</td>
<td>110.6</td>
<td>127.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6.8%)</td>
<td>(12.3%)</td>
<td>(-11.3%)</td>
<td>(15.3%)</td>
<td>(-4.6%)</td>
</tr>
<tr>
<td><strong>Restaurants</strong></td>
<td></td>
<td>92.9</td>
<td>87.8</td>
<td>80.3</td>
<td>84.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-4.3%)</td>
<td>(-5.5%)</td>
<td>(-9.2%)</td>
<td>(5.2%)</td>
<td>(10.3%)</td>
</tr>
<tr>
<td><strong>Fast Food Outlets</strong></td>
<td></td>
<td>103.7</td>
<td>97.0</td>
<td>94.9</td>
<td>94.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-3.6%)</td>
<td>(-6.5%)</td>
<td>(-2.2%)</td>
<td>(-0.3%)</td>
<td>(8.40%)</td>
</tr>
<tr>
<td><strong>Other Eating Places</strong></td>
<td></td>
<td>94.6</td>
<td>88.9</td>
<td>79.9</td>
<td>82.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.3%)</td>
<td>(-6.0%)</td>
<td>(-10.1%)</td>
<td>(3.4%)</td>
<td>(-1.8%)</td>
</tr>
</tbody>
</table>

Source: Department of Statistics

### 3.3 Rental as a proportion of Operating Receipts

Table 3.2 shows the proportion of rentals in relation to operating receipts\(^3\) for the various trade segments of the retail market extracted from Economic Survey Series for Retail and catering Trades for 2003. The rental per dollar of operating receipts indicates the rental commitment of retailers on their business operations.

---

\(^3\) Operating Receipts refers to services rendered, commission charges, sales of goods, rental of premises, machinery and equipment and head office remittance for current expenses.
Table 3.2: Ratio of Rent to Operating Receipts of Retail Category

<table>
<thead>
<tr>
<th>Retail Activity</th>
<th>Ratio of Rent to Operating Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast Food outlets</td>
<td>23.9%</td>
</tr>
<tr>
<td>Other Food &amp; Beverage</td>
<td>19.9%</td>
</tr>
<tr>
<td>Restaurants</td>
<td>13.1%</td>
</tr>
<tr>
<td>Personal Goods</td>
<td>10.8%</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>6.6%</td>
</tr>
<tr>
<td>Household Equipment</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Source: Economic Survey Series Retail & Catering Trades 2003

Amongst the segments listed in Table 3.2, fast food outlets and other food and beverage outlets have the highest ratio of rent to operating receipts, followed by restaurants and personal goods segments. For each dollar of gross receipts made, 23.9 cents went to rental payment. On the other hand, household equipment retailers enjoyed the lowest rental to operating receipts ratio followed closely by general merchandise retailers. This is because the rented space for the general merchandise and household equipment generally also includes office and warehouse facilities and therefore rent is lower.

3.4 Examination of Key Drivers and Indicators

3.4.1 Overview of Singapore’s Demographic Trends

The latest data from the Department of Statistics, the statistics of the population (Mid-Year Estimates) for 2005 showed that the total resident population in Singapore comprising citizens and permanent residents was around 3.5535 million in 2005 as compared to 3.4869 million in 2004. The resident population grew at an average annual rate of 1.9% between 2004 and 2005 and at an average annual rate of about 1.7% from 1995 to 2005.

Non-resident population in mid 2005 was 797,900 as compared to 753,400 in mid 2004 (or an increase of about 5.9%). Chart 3.3 shows that the total resident population in Singapore based on the latest available figures from the Department of Statistics for mid 2005.

The total population of Singapore comprising residents and foreigners residing for a minimum of 1 year here increased at an average annual rate of 5.4% from 1995 to 2005. In 2005, the total population of Singapore was 4.3514 million compared with 4.2403 million in 2004, a 2.6% increase. The influx of working expatriates is another factor that has an impact on retail consumption. According to the Ministry of Manpower, there are approximately 80,000 expatriates holding employment passes in Singapore as at October 2004. This number is expected to increase as a result of the increasing number of multinational corporations (MNCs) relocating their regional operational headquarters (OHQ) to Singapore to gain access to the fast growing Asia markets. This will have a favorable impact on the retail industry.
3.4.2 Per Capita Income

The per capita GDP grew from $33,142.00 in 1995 to $42,567.00 in 2004 (see Chart 3.4). It grew an average of 2.5% per annum from 1995 to 2004. It has been observed that as people become more affluent, shopping trends have also changed with more people now patronizing shopping centres rather than HDB shops or high street stalls.

Source: Year Book of Statistics 2005
3.4.3 Consumer Segmentation

Based on the data from the Department of Statistics (refer to Chart 3.5), the population in the age group of 40 to 59 years increased from 23.0% to 30.5% of the population over the period of 1994-2004. There was a large decline in the young adults group from 20 to 29 years from 17.3% in 1994 to 13.5% in 2004, and the population of the age group 30 to 39 years fell from 20.6% in 1994 to 17.6% in 2004. The children group also declined from 15.9% to 12.6%. On the other hand, the population of senior citizens aged 50 years and above increased from 17.9% to 24.0% in 2004. The breakdown of the population by age profile is shown in Chart 3.6. The combined age group, of between 30 to 59 years old constitutes about 1.678 million or (48.1%) of the resident population, and are likely to be working adults who have purchasing power. However, they also happen to be the ones who are committed to owning a property.

The largest debt that one has in his entire life would probably be the home loan, and a house would usually be one's largest asset. Hence, even if consumers have purchasing power, it is likely that they will be careful spenders and not spend it on unnecessary and low-priority items.

Chart 3.5: Demographic Population Trend between 1994 and 2004

<table>
<thead>
<tr>
<th>Age Group</th>
<th>% of the population in 1994</th>
<th>% of the population in 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9 (children)</td>
<td>15.9%</td>
<td>12.6%</td>
</tr>
<tr>
<td>10-19 (teenage &amp; youth)</td>
<td>13.8%</td>
<td>14.1%</td>
</tr>
<tr>
<td>20-29 (young adults)</td>
<td>17.3%</td>
<td>13.5%</td>
</tr>
<tr>
<td>30-39 (matured adults)</td>
<td>20.6%</td>
<td>17.6%</td>
</tr>
<tr>
<td>40-49 (middle aged)</td>
<td>14.7%</td>
<td>18.2%</td>
</tr>
<tr>
<td>50-59 (seniors)</td>
<td>8.3%</td>
<td>12.3%</td>
</tr>
<tr>
<td>60-69 (seniors)</td>
<td>5.6%</td>
<td>6.5%</td>
</tr>
<tr>
<td>70+ (retirees)</td>
<td>4.0%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

Source: Department of Statistics
The demographics also indicate that the resident population is ageing. This will have an impact on the retail scene in Singapore as the profile of shoppers’ changes. Priorities will also be different. People who are more than 30 years will likely to be more concerned about lifestyle and general well being. Those with families will likely put more emphasis on the needs of the family. The ageing population will mainly be made up of the post war baby boomers who would work till retirement and therefore have purchasing powers till an older age. This is also one target group that cannot be overlooked especially for suburban malls that are located in the residential heartlands where the majority of the population lives.

In recent years, foreign talent has been a key source of regenerating the decreasing number of younger population in Singapore. Government policies and projects such as “one-north” has so far been relatively successful in attracting these foreign residents and expatriates into the country.

Chart 3.6: Breakdown of population for 2004 by age group

3.4.4 Household Size

According to the Year Book of Statistics 2005, the number of registered marriages declined from 20,243 in 1994 to 18,091 in 2004. The number of persons per household has shrunk over the past few years from 4.2 to 3.6. Smaller families and rising affluence will likely lead to demand for better retail facilities.

3.4.5 Age Structure of Working Population

As shown in Chart 3.7, 37.1% of the working population including the self-employed are between the age of 20 to 40 years old, 27.1% are between 40 to 50 years old, 32.2% are 50 years old and above, in 2004. While in 1994, 54.1% were between 20 to 40 years old, 21.8% were between 40 to 50 years old and 18.7% were at least 50 years old. The working population is ageing and their needs and lifestyles will be different. Thus it is not surprising that in recent years the retail sales index for health care product has risen.

The suburban malls will be able to tap on the growing pool of the more affluent post war baby boomers who live in the heartlands.
3.4.6 Income Structure of the Population

Individual Incomes

Chart 3.8 shows that based on available data in 2004, 44.5% of the total resident working population (or 589,300 residents) excluding the self-employed, earned less than S$2,000.00 per month, followed by 35.3% (or 466,900 residents) who earned S$2,000.00 to S$3,999.00 per month, while 9.4% and 10.8% of the population earned S$4,000.00 to S$5,499.00, and S$5,500.00 or more respectively. Any retail outlet will need to take into consideration the income of the population as this indicates their purchasing power. There is likely to be a growing trend for value-for-money purchases as the majority of the resident population falls under the income bracket of less than S$2,000.00 to less than S$4,000.00 per month. Compared to a decade ago, when about 66.0% of the working population fell within the wage level of below S$2,000.00 a month, wages have since improved. This has led to a better standard of living.
There were 1,693,600 self-employed working populations in 2004 as compared to 1,382,900 in 1994, an increase of 22.5% while the wage earners only increased by 16.3% in the same period. This could be due to people becoming more enterprising during the last economic downturn in 2003 when getting a job became difficult and thus they turned to doing their own businesses. The government’s pro business initiative by Spring Singapore to support entrepreneurship also helps to create a friendly environment for small and medium enterprises to flourish.

Chart 3.8: Monthly Average Individual Incomes of Total Residents Working Population (excluding the self-employed) Aged 15 years and above in 1994 and 2004

3.4.7 Occupation Profile
Economic restructuring and improvement in the educational level in the past decade have led to occupational shifts in the employment structure of the resident workforce. A higher proportion of the resident workforce at 42.6% was employed in the more highly skilled occupational group comprising professionals, managerial executives and technicians in 2004, compared to 32.4% in 1994, as shown in Chart 3.10. In contrast, the proportion of workforce employed in clerical, sales and service, production and transport operators, cleaners and labourers occupational groups have shrunk over the same period.
Based on data from the Central Provident Fund Board, the average monthly nominal wage per employee increased from S$2,086.00 per month in 1994 to S$3,329.00 per month in 2004. The average annual wage growth is about 4.8% over this period. From 2002 to 2004, the annual wage growth increased at a slower pace, as the economy suffered a setback as a result of the Asian Financial Crisis, the September 11 terrorist attack in the US and the outbreak of SARS.

The unemployment rate dipped to 3.3% in September 2005 from 3.4% in June 2005. This will bode well for retailers. There are signs that the retail scene for 2006 will do better than 2005 if the economic climate remains buoyant.

### 3.4.8 Summary of Demographic Profile

The current demographic profile shows that the population in Singapore tends to skew towards the middle-income earners and also has a higher proportion of highly skilled, professional, managerial and executive occupational groups. We note that more than 40.0% of the population fall within the economically active age group of between 25 years and 45 years. In this regard, the retail spending capacity of the population is healthy and with potential for stronger support to the retail business for Singapore, particularly for large and popular malls like Causeway Point and Northpoint Shopping Centre.
3.5 Visitor Arrivals and Changing Tourist Profile

In recent years, the profile of the average visitor to Singapore has changed considerably from high-spending Western and Japanese visitors to more budget conscious Asians. Singapore welcomed more than 6.0 million visitors from Asia in 2004. Visitors from China, Indonesia and India in particular, increased tremendously in the last few years. Tourist arrivals hit 9.0 million in 2005 and Singapore aims to increase visitor arrivals to 17 million by 2015. This bodes well for the prime-shopping precincts that serve the tourist market in particular the Orchard Road and the Marina Square and City Hall area.

An increasing number of budget Chinese tourists are also shopping in suburban malls. This may create opportunities for some suburban malls to tap this segment of the tourist market. The larger malls that are near tourist attractions can position themselves to tap the tourist market.

3.6 Retail Sales Turnover & Retail Sales Turnover Per Square Foot

The annual retail sales turnover peaked at S$28.6 billion in 2000. However, on a retail sales turnover per square foot basis, it peaked in 1992 at S$1,144.00 per square foot per annum of retail occupied space as compared to S$930.00 per square foot per annum for 2000. This was due to the substantial increase in retail occupied space from 1.58 million sq m in 1992 to 2.89 million sq m in 2000. Over the years, retail sales turnover per square foot of occupied retail space declined as the market became more competitive, as more and more malls sprung up. In 1998, the total retail sales turnover was S$21.6 billion; a substantial drop of 14.4% during the Asian Financial Crisis that resulted in widespread curbs in spending and significant falls in visitor arrivals. Total retail sales turnover took a dip of 11.6% in 2002 as compared to 2001, as the domestic economy turned for the worse.
Islandwide retail sales turnover per square foot of occupied retail space per annum (excluding vehicle sales) according to the Department of Statistics fell from a high of S$1,144.00 in 1992 to a low of S$710.00 in 1998 but increased to S$930.00 in 2000 before falling again to $851.00 in 2002. Based on our estimates, retail sales have since improved to S$879.00 in 2004. The November 2005 retail sales expanded by 4.1% year-on-year less robust than the 11.5% for October year on year reflecting lower consumer spending after a strong growth supported by an improving economy and better job market. Between October and November 2005, high growth in turnovers of 18.4% were reported for shops selling optical goods and books, 11.1% for shops selling recreational goods and 4.8% for shops selling telecommunications apparatus and computers. Going forward, with the economic outlook improving and bolstered by rising employment, retail sales turnover should remain fairly robust. Due to the large oncoming supply of retail space from VivoCity in 2006, we expect to see steady retail sales turnover per square foot.

Chart 3.11: Trends of Retail Sales Turnover and Retail Sales Turnover per square foot of Occupied Shop Space per annum

Source: Department of Statistics and URA

4.0 Macro Market Overview of the Retail Property Market

4.1 Islandwide Retail Stock

Generally, there was no major increase in the stock of retail space over the past 3 years. The quarter-on-quarter change in stock has been hovering at about 0.8% to 1.0% since it last registered an increase of 1.7% in 4Q 1998. According to URA estimates, total stock of retail space (the aggregate of private sector and public sector stocks in terms of Net Lettable Area) in Singapore was about 3.144 million sq m as at the end of 3Q 2005. The total stock of retail space has decreased steadily by 21,000 sq m since end 2003. About 63.7% of these retail properties are in private ownership, while the rest are owned by public organizations. The retail space outside the Central Region* (i.e. is suburban areas) accounts for about 31.7% of the total stock of retail space while Orchard Planning Area** accounts for about 31.7% of the total stock of retail space while Orchard Planning Area** accounts for about 11.6%, Rest of Central Area about 16.4% and Downtown Core Area about 9.6%. The occupancy level of total retail floor space as at 3Q 2005 for the whole island is about 92.0%. (See Chart 4.1).

Note:
* As defined by URA, Central Region Central Area and Fringe Area. The Central Area includes the following planning areas: Downtown Core, Orchard, Outram, Museum, Newton, River Valley, Singapore River, Marina East, Straits View and Rochor. (Map of Central Region is found in Annex A). All areas not covered in the Central Region are considered as "outside the Central Region" or suburban as commonly referred to.

** As defined by URA, Orchard Planning Area is bounded by Claymore Road and Scotts Road to the north, Central Expressway and Oxley Road to the east, Eber Road and Orchard Boulevard to the south and Grange Road and Tanglin Road to the west. (Map of Central Area in Annex).
Of the 2.002 million sq m of private sector retail space in Singapore, an estimated 81.9% are found in the Central Region while the balance 18.1% (or 363,000 sq m) is found in the suburban area. Within the Central Region, the distribution is as follows: Orchard Planning Area comprises 22.1%, Downtown Core comprises 15.9%, the Rest of Central Area comprises 26.9%, and the Fringe Area comprises 35.1%. (Please refer to Annex A, Map of Central Region for the boundary of these planning areas, namely, Downtown Core, Orchard Area, Rest of Central Area and Fringe Area).

Although private retail stock increased by 11.9% over the last ten years, the per capita retail space has declined marginally from 0.51 sq m in 1995 to 0.46 sq m currently; but overall it was fairly stable throughout the 10 year period (see Chart 4.2). This is largely due to a corresponding increase in total population, which grew by about 23.4% over the last 10 years, from about 3.53 million to 4.35 million. Generally, there was no major increase in the stock of private retail space over the past 3 years. In fact there was a marginal decrease of about 4,000 sq m in the suburban area. The quarter-on-quarter change in stock has been hovering at about -0.7% to 1.9% since it last registered an increase of 2.9% in 4Q 1998. The well-regulated release of land for commercial uses by the Government has ensured a well-balanced retail space supply to support an increasing population base.
4.2 Islandwide Demand, Supply and Occupancy Rate of Private Retail Space

The occupancy rate of private retail space fell by 0.86 percentage points between 1Q 1998 and 1Q 1999, when the Asian Financial Crisis hit Singapore. As illustrated in Chart 4.3, the occupancy rates of private retail space were also hit by the terrorist attacks on the US on 11 September 2001, the Bali bombing, the Iraq War and the SARS outbreak. Apart from the temporary declines coinciding with these events, the occupancy rate of private retail space has been otherwise healthy at above 85.0% all these years. The islandwide occupancy rate of private retail space for 3Q 2005 improved by 0.5 percentage points over that in the previous quarter while that for suburban area declined by 0.2 percentage points during the same period. Suburban malls have enjoyed a high occupancy rate of more than 90.0% all these years since the last low of 87.2% in 2Q 2000. The occupancy rate for private retail space in suburban areas in 3Q 2005 stood at 95.9%.

The forecast supply of private retail space is illustrated in Chart 4.3 and some of the major developments in the pipeline are shown in Table 4.1.

---

4 Total Retail Space per Capita - Calculated based on the total retail space divided by the total population of Singapore.
Total Retail Space per Resident - Calculated based on the total retail space divided by the total number of Singapore Residents.
Total Private Retail Space per Capita - Calculated based on the total private retail space divided by the total population of Singapore.
4.3 Potential Retail Supply Islandwide

According to URA estimates, there will be an additional supply of 545,000 sq m of retail space within the next 5 years, comprising 468,000 sq m of private retail space and 77,000 sq m of public retail space (see Chart 4.4). The additional private retail space supply of 468,000 sq m contributes 19.9% (inclusive of existing stock) of the total potential stock of private retail space.

In 5 years' time, there are at least 16 retail projects scheduled for completion. Among these, only three are located outside the Central Region, two in the Orchard Area (including one small retail project, the extension of Centrepoint Shopping Centre), four in the rest of the Central Area, three other projects including one mega retail project on the Fringe Area of the Central Region and the remaining three in the Downtown area which are ancillary retail space.

About 131,000 sq m and 22,000 sq m of private space currently under construction are expected to add to the existing islandwide stock in 2006 and 2007 respectively. About 24,500 sq m of this is located in the Central Area comprising mainly about 14,900 sq m and 7,920 sq m in 2006 when the redevelopment of Cathay Building and the extension of Centrepoint Shopping Centre are completed and another 1,680 sq m of ancillary retail space in 2006 when One Raffles Quay, 3 Church Street and Vision Crest are completed. The biggest contributor will come from VivoCity, which is located at the Fringe Area of the Central Region (away from two of the subject properties, Causeway Point and Northpoint Shopping Centre) and is expected to generate 97,860 sq m of gross floor area (GFA) when fully completed in 2006 (see Table 4.1). VivoCity is likely to be the most ambitious retail concept to date with a strong family and lifestyle entertainment theme. It will be a destination centre with the whole population islandwide and tourists as its catchment.
There is only one retail project, a shopping development at Ang Mo Kio Central, in the suburban area that is along the same North-South MRT line as Northpoint Shopping Centre and Causeway Point that is currently under construction. It has a GFA of about 23,860 sq m and is slated for completion by 2007. This will not be a major threat to Northpoint Shopping Centre and Causeway Point as they are fairly established and have captive catchments from the immediate housing estates in the neighbourhood. This project of 23,860 sq m will contribute only 5.6% of the total potential stock of suburban retail space.

Another potential development will be from the Urban Entertainment Centre (UEC) site at Victoria Street. This is located near Bugis Junction within the Bras Basah Bugis District that is planned as an Art, Culture, Learning and Entertainment hub in the city centre. It was sold to Jack Investment Pte Ltd for S$46.0 million (or S$1,719.00 psm of GFA) with a 60-year leasehold in July 2005. The 0.89 ha site can yield 26,758.0 sq m of GFA. The proposed development could comprise a 16-storey development with entertainment establishments located on the higher floors, open and public arena with event spaces, amphitheatres and public art spaces on the ground level, thematic restaurants, cabaret theatres, discotheques, comedy and jazz clubs, video/TV studios, an art gallery, retail stores and food and beverage outlets. The developer intends to position the UEC as an attraction for those interested in homegrown entertainment productions and performances and the local art scene.

Recently, URA announced its confirmed list and reserve list of Government Land Sales (GLS) for the first half of 2006. Only one site in Collyer Quay with a potential GFA of 10,000 sq m for lifestyle and retail use is in the confirmed list. There are 12 residential sites, 2 commercial cum residential sites, 4 commercial sites, 2 “white” sites and 3 hotel sites in the reserve list for the first half of 2006. Under the government’s reserve list system, the government will release a reserve-list site for tender only if there is at least one party undertaking to bid for the plot at a minimum price acceptable to the state. This is unlike the confirmed list where the government releases a slate of sites according to a pre-stated schedule. Singapore Tourism Board (STB) will also offer on short-term lease of between 10 to 30 years one parcel of land next to Faber House and another next to Orchard Building for multi-concept lifestyle establishments to add retail vibrancy to Orchard Road.

*Chart 4.4: Islandwide Retail Supply in the Pipeline*

![Graph showing retail supply in pipeline](chart.png)

*Source: URA*
**Table 4.1: Major Projects With Retail Space Scheduled for Completion from December 2005 to 2009**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Street Name</th>
<th>Location by Planning Areas</th>
<th>Total Shop Space (sq m gross)</th>
<th>Expected Year of Completion</th>
<th>Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Church Street</td>
<td>Church Street</td>
<td>Downtown Core</td>
<td>530</td>
<td>2005</td>
<td>China Square Holdings Pte Ltd/ Chinese Chamber Realty Pte Ltd/ Church Street Properties Pte Ltd</td>
</tr>
<tr>
<td>One Raffles Quay</td>
<td>Raffles Quay</td>
<td>Downtown Core</td>
<td>300</td>
<td>2006</td>
<td>One Raffles Quay Pte Ltd</td>
</tr>
<tr>
<td>Additions and alterations to existing basements and new erection of office block as extensions to Ocean Tower</td>
<td>Collyer Quay</td>
<td>Downtown Core</td>
<td>170</td>
<td>&gt;2009</td>
<td>Ocean Properties Pte Ltd</td>
</tr>
<tr>
<td><strong>Subtotal-Downtown</strong></td>
<td></td>
<td></td>
<td><strong>1,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension to existing Centrepoint Shopping Centre at Orchard Road</td>
<td>Orchard Road</td>
<td>Orchard</td>
<td>7,920</td>
<td>2006</td>
<td>The MCST Plan No. 1298</td>
</tr>
<tr>
<td>Shopping Development</td>
<td>Scotts Road</td>
<td>Orchard</td>
<td>9,780</td>
<td>2009</td>
<td>Wheelock Properties (Singapore) Pte Ltd</td>
</tr>
<tr>
<td><strong>Subtotal-Orchard</strong></td>
<td></td>
<td></td>
<td><strong>17,700</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cathay Building at Handy Road</td>
<td>Handy Road</td>
<td>Rest of Central Area</td>
<td>14,900</td>
<td>2006</td>
<td>Cathay Building 2002 Pte Ltd</td>
</tr>
<tr>
<td>Vision Crest Office/ residential development (234 units)</td>
<td>Clemenceau Avenue/Oxley Rise/Penang Road</td>
<td>Rest of Central Area</td>
<td>850</td>
<td>2006</td>
<td>Winpeak Investment Pte Ltd</td>
</tr>
<tr>
<td>Hotel/Office/Shopping Development</td>
<td>Selegie Road</td>
<td>Rest of Central Area</td>
<td>5,410</td>
<td>2008</td>
<td>Capitaland Selegie Pte Ltd</td>
</tr>
<tr>
<td>The Central</td>
<td>Eu Tong Sen Street</td>
<td>Rest of Central Area</td>
<td>21,510</td>
<td>2007</td>
<td>Riverhub Pte Ltd</td>
</tr>
<tr>
<td><strong>Subtotal-Rest of Central Area</strong></td>
<td></td>
<td></td>
<td><strong>42,670</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VivoCity</td>
<td>Telok Blangah Road</td>
<td>Central Region Fringe</td>
<td>94,100</td>
<td>2006</td>
<td>HarbourFront Seven Pte Ltd</td>
</tr>
<tr>
<td>Redevelopment of Kallang Leisure Park</td>
<td>Stadium Walk</td>
<td>Central Region Fringe</td>
<td>15,620</td>
<td>2008</td>
<td>Jack Investment Pte Ltd</td>
</tr>
<tr>
<td>City Square (with 744 units of apartments)</td>
<td>Kitchener Road</td>
<td>Central Region Fringe</td>
<td>65,850</td>
<td>2008</td>
<td>City developments Ltd</td>
</tr>
<tr>
<td>Square 2</td>
<td>Sinaran Drive</td>
<td>Central Region Fringe</td>
<td>12,650</td>
<td>2008</td>
<td>Novena Point Pte ltd</td>
</tr>
<tr>
<td><strong>Subtotal-Central Region Fringe</strong></td>
<td></td>
<td></td>
<td><strong>188,220</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Name</td>
<td>Street Name</td>
<td>Location by Planning Areas</td>
<td>Total Shop Space (sq m gross)</td>
<td>Expected Year of Completion</td>
<td>Developer</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------------------------</td>
<td>----------------------------</td>
<td>-------------------------------</td>
<td>-----------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Shopping Development at Ang Mo Kio</td>
<td>Ang Mo Kio Ave 3/8</td>
<td>Outside Central Region</td>
<td>23,860</td>
<td>2007</td>
<td>SLF AMK Pte Ltd/NTUC Income Co-operative Ltd/NTUC Fairprice Co-operative Ltd/Land Transport Authority</td>
</tr>
<tr>
<td>Passenger Terminal Building 3</td>
<td>Airport Boulevard</td>
<td>Outside Central Region</td>
<td>17,040</td>
<td>2008</td>
<td>Civil Aviation Authority Of Singapore</td>
</tr>
<tr>
<td>Fusionpolis</td>
<td>Ayer Rajah Avenue</td>
<td>Outside Central Region</td>
<td>19,680</td>
<td>N.A</td>
<td>JTC Corporation</td>
</tr>
<tr>
<td><strong>Subtotal-Outside Central Region (Suburban)</strong></td>
<td></td>
<td></td>
<td><strong>60,580</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total for the Whole Island</strong></td>
<td></td>
<td></td>
<td><strong>310,170</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: URA and Knight Frank Consultancy & Research

Over the next three to five years there will be at least two new suburban malls coming up from the GLS awarded between June and October 2005. The new developments on Jurong West land parcel P3 located at Jurong West Central 3/Jurong west Street 64 could yield a potential GFA of about 46,933 sq m of retail space is to be developed by Prime Point realty Development Pte Ltd, and on Choa Chu Kang P2 located at Yew Tee Close/Choa Chu Kang North 6 could yield a potential GFA of about 10,880 sq m is to be develop by Choice Homes Alpha Pte Ltd.

In the medium to long term, there will be less than a handful of sites for retail development in the suburban area. However, suburban malls at the MRT or LRT nodes and in town centres will continue to dominate as shopping venues for residents living in major housing estates in the heartlands. The captive residential population and accessibility via convenient public transport are its clear advantages. The GLS programme will continue to supply land adjacent to MRT or LRT sites for future commercial developments. These sites are mainly in the suburbs, example Serangoon Central, Toa Payoh, Punggol Drive and Seletar.

In the Central Area, the three sites in Orchard Area namely the Orchard Turn Site sold in December 2005, and the two sites at Somerset that could be sold in the next few months could yield a total of another 139,200 sq m of retail space. This new supply to Orchard Area will only come in 2008, the earliest, from these sites.

The developer for the Business Financial Centre site at Marina Boulevard has announced that the mega commercial project that comprises mainly office space will have about 9,000 sq m of retail space. This will add to the existing stock in the Downtown Area.

There is limited oncoming supply of retail space in the northern region of the suburban area over the next two years. Most of the large supply of suburban retail space arises from several new developments in the fringe and western and eastern suburban areas.
4.4 Price Trend of Retail Property

Singapore's retail property market has experienced two major property cycles of booms and busts since the mid-1990s. With buoyant economic growth, the overall retail sector performed well for most months during 1992 and 1993. From 1Q 1993, the price index started to bottom out and began to head north. The overall price index increased by 52.0% before peaking in 3Q 1996. As a result of the Asian Financial Crisis, mirroring the broader property market, the overall retail property prices fell by almost 41.0% from 3Q 1996 to hit a trough in 3Q 1999 (see Chart 4.5). They recovered by about 19.0% between 3Q 1999 and 1Q 2001. However from the beginning of 2001, when the economic downturn took its toll, prices of retail space fell again and declined further after the September 11 2001 attack on US. Up till 4Q 2002, retail space prices dropped by about 13.8% from the last peak in 1Q 2001 after the Bali bomb attack in October 2002.

Over three years starting in the second quarter of 2001, average retail property prices on average contracted 18.5% before climbing out of the abyss in 2Q 2004. Since then, the growth in capital values of retail real estate has been gathering strengths. In 3Q 2005, retail property prices grew by about 5.6% from the previous quarter and by 4.4% on a year-on-year basis.

The average retail property rental trend generally corresponds to the retail property price trend. It experienced two troughs in the last 10 years. It contracted by 18.9% between the peak in 4Q 2000 to the trough in 1Q 2004. After bottoming in 1Q 2004, it recovered by 7.3% in 3Q 2005. It increased by 3.7% year-on-year in 3Q 2005.

In light of the economic recovery, the average price of retail space is expected to pick up in 2006. The retail property price index trend is illustrated in Chart 4.5. In 2006, we can expect a marginal growth of 2.0% to 3.0%. There is not much difference between the retail property price index trends for the different retail areas in Singapore (see Chart 4.5).

Chart 4.5: Islandwide, Central Area and Fringe Area
Retail Property Price Index In Singapore

Source: URA and Knight Frank Consultancy & Research
4.5 Rental Trend of Retail Property

On the whole, the retail rental index of the Central Area follows closely the islandwide index (see Chart 4.6). Generally, the retail rental index of the Central Area is slightly above the overall retail rental index. Although private retail space accounts for only 63.5% of overall retail space in Singapore, about 76.2% of the retail space in the Central Region belongs to the private sector.

It should be noted however, that the retail sector is very varied in its complexion, and rents highly sensitive to location, both geographically and within a building. Prime retail outlets, close to MRT stations, including out-of-town locations, will be highly sought after regardless of the state of the economy.

![Chart 4.6: Islandwide, Central Area and Fringe Area Retail Rental Index of Retail Space In Singapore](image)

Source: URA and Knight Frank Consultancy & Research

Riding on the improving economic conditions, and as business sentiments continue to firm up against limited supply in the short term, retail rents of prime space will remain on the uptrend for the rest of 2006. However, retailers are also selective of locations and mindful of operational costs to stay competitive and this may result in a steady increase in rents rather than a steep rise.

4.6 Retail Real Estate Market Outlook

The outlook for the retail industry appears to be positive on the back of improving regional and local economies, the return of consumer confidence, rising employment rates and the increase in tourist arrivals. The general view is that the worst is over for the Singapore economy and prospects are turning for the better, notwithstanding concerns about oil prices, interest rates, inflationary pressure and geopolitical uncertainties. This optimism has already been reflected in a buoyant stock market and could translate into improved retail spending from 2006 onwards. Market confidence in the retail property market was evident in the land price of S$1.38 billion or S$10,976 per sq m per plot ratio paid for the Orchard Turn Site under the URA tender in December 2005. This site will generate 125,726 sq m of GFA of which 70.0% to 75.0% will be for retail use. Targeted for completion by end 2008, it will revitalise the Orchard Road retail scene. Two other sites located at Somerset will also be offered. One of these two sites was recently launched and the tender will close on 18 January 2006. Both sites can yield a total potential retail GFA of about 44,900 sq m if sold. This forthcoming supply is mainly located in the Orchard Area where the
The Ministry of National Development has announced the reserve list for the first half of 2006 under GLS Program. There is only one confirmed site at Collyer Quay, which could yield 10,000 sq m of commercial space. There are 12 residential sites, 2 commercial cum residential sites, 4 commercial sites, 3 hotel sites and 2 “white” sites on the Reserve List. These sites can potentially yield about 4,320 private residential units, 125,500 sq m of commercial space and 1,305 hotel rooms. None of these sites are located in the Yishun, Woodlands or Alexandra areas where Northpoint, Causeway Point and Anchorpoint respectively are located except for one residential site at Woodlands Avenue 2/Rosewood Avenue in Woodlands that could yield 195 residential units. This will provide potential shopper catchment for Causeway Point in 2 to 3 years time if the site is sold in 2006. This is likely to translate into continuing support for retail rentals in Causeway Point's micro market areas.

The outlook for the job market is also expected to continue to improve. The 2005 Budget announcement to cut the personal income tax rate by 2.0% over two years for the top earners as well as a smaller percentage for the majority of tax payers can bring about more disposable income and this can be expected to have a positive effect on the retail market.

Singapore's level of tourist arrivals improved significantly in 2005, hitting a record of 9.0 million visitors in 2005. With intensified efforts by STB and industry players to recapture the tourism market, the retail industry is expected to benefit from more tourists spending. The high-end and wide variety of shops in Orchard Road and major malls patronised by the tourists will benefit from the increase in tourist arrivals, targeted by STB to hit 17.0 million by 2015. Additionally, budget air travel will encourage more visitors from the region to visit Singapore, boding well for shopping centres particularly the large ones.

The rejuvenation of retail malls in the past two years has kept the retail market energized despite tough times when the SARS affected 2003 as malls compete for shoppers. Many malls have undergone facelifts, ranging from a change in tenant mix to an extensive overhaul. These refurbished shopping malls have attracted interest from retailers who are constantly on the lookout for good quality shopping environment. These revamped malls have little difficulty in leasing their new or vacated space.

The proposed development of the two Integrated Resorts is expected to benefit the retail and hospitality sectors by stimulating spending. With the completion of the two resorts, the STB aims to double the number of tourist arrivals in Singapore to 16 million per year. The duration of the foreign visitors’ stay in Singapore is also expected to lengthen. The two resorts are expected to result in incremental GDP growth of at least S$1.5 billion per annum, in terms of increased contribution from the tourism and services sectors. Furthermore, up to 35,000 new jobs could be created as a result of the two resorts.

Barring any unexpected negative events, the economy is expected to be much more stable in 2006 and consumer confidence more upbeat. Indeed we are witnessing continued leasing activities as well as a surge in enquiries for retail space. With the supply of good quality space being limited and occupancy remaining healthy, rents and prices are expected to rise in 2006 and 2007. New entrants will come into the retail industry and demand for retail space will rise. The retail market should remain healthy in year 2006, as there is only one concentrated large supply, namely the completion of VivoCity at the fringe of the Central Region. It could put pressure on retail rentals although the effects could be localized and may not have any impact on other suburban locations away from the area. Rents on the whole could rise by 1.0% to 4.0% in 2006 and 2007. We foresee that rentals, in general, will hold steady or even exhibit a slight increase of 2.0% to 3.0% if economic conditions remain firm in 2006. Overall retail property net yields are likely to remain stable at around 5.0% to 6.0%.
Over the medium (3 to 5 years) and longer terms (5 to 10 years), the retail market can be expected to mirror the broader economy. It is important to reiterate that supply conditions have been and will likely remain positive because the government regulates pipeline supply fairly closely. The relatively better outlook for suburban retail market is therefore partly due to the spreading out of supply of land for such development in the different planning regions of the island. Suburban malls tend to enjoy some monopoly with the regulated supply. Hence, despite a general slowdown in the retail trade, demand for suburban shop space remains good.

On a competitive level, retail rental rates which underpin retail capital values, should exhibit a similar pattern to the islandwide retail industry trends, Retail rents in the Yishun and Woodlands areas may even outperform average trends because of an increasing number of housing units, especially from new residential developments currently under construction around the Yishun, Sembawang and Woodlands vicinity such as Shaughnessy, Springleaf, several yet to be named cluster housing developments in Springleaf, Watercove Ville, Springhill, La Casa EC. The seven projects alone will contribute a total of 1,150 residential units over the next couple of years. The planned addition of residential units provides a growing resident population base that is localized. From the demand viewpoint, strong and repeat patronage by customers in the trade area is ensured.

It should be noted however, that the retail sector is very varied in its complexion, and rents are highly sensitive to location, both geographically and within a building. Prime retail outlets, close to MRT stations, including out-of-town locations, will be highly sought after regardless of the state of the economy. Causeway Point and Northpoint Shopping Centre are strategically located next to Woodlands and Yishun MRT stations respectively and are therefore more resilient to downward rental pressure during any economic downturn.

### 4.7 Retail Investment Market

As an income-generating asset, shopping centres remain sought after as an investment medium, which offer relatively higher yields in comparison to commercial and residential properties.

There have been a total of 42 major retail investment transactions since 1995. The investment sales market rebounded strongly in 2004 on the back of continued land purchases by developers and the conclusion of more acquisitions by property funds. This trend continued into 2005. The total investment sales as in 2005 stood at S$13.31 billion, about 57.7% higher than the S$8.44 billion achieved in 2004. Commercial properties took up S$5.52 billion or 41.5% of total investment sales in 2002. Listed commercial property REITs alone acquired S$2.53 billion worth of properties, representing 45.9% of total commercial investment sales in 2005.

The Singapore retail REIT market has grown significantly since the first REIT, CapitaMall Trust (CMT, a retail property REIT set up by CapitaLand) was launched in 2002. Today, there are seven listed REITs in Singapore. Out of these, 4 own retail properties in their portfolio. In 2005 alone, two listed REITs, CapitaMall Trust and Suntec REIT, acquired a total of six shopping and entertainment properties worth a total value of S$1.124 billion.

In terms of sector performance, the commercial sector came up tops, accounting for S$5.52 billion or some 41.5% of total investment sales. The investment sales in 2005 were dominated by retail and mixed retail cum office transactions that included six shopping centre properties as direct sales or REIT purchases.

The recent investment sales in 2005 were driven mainly by asset securitisation and acquisitions by REITs. Prime REIT listed in September 2005 with an asset value of S$1.303 billion for a portfolio of retail and office space. Based on the portfolio’s annualised forecast net property income for 2006, the property yield works out to be 5.1%.
The second largest deal was made by CMT in July 2005 purchasing Parco Bugis Junction for S$580.8 million.

Other major deals include Suntec REIT’s purchase of Park Mall in May 2005 for S$230.0 million and Chijmes in September 2005 for S$128.0 million; CMT’s purchase of Sembawang Shopping Centre in May 2005 for S$78.0 million, Jurong Entertainment Centre in July 2005 for S$68.0 million and Hougang Mall (96.7% of the total share value thereof) in April/June 2005 for S$43.8 million; and Yishun Development Pte Ltd’s purchase of most of the units in Basement 1 of Northpoint Shopping Centre in November 2005 for S$44.42 million.

In today’s increasingly yield-driven investment market, investors are attracted by the good retail net yield of 5.0% to 6.0%. However, the ability of a mall to achieve a good yield is highly dependent on the mall’s location, tenant mix, accessibility and asset management. Our observation from Table 4.2 shows that most of the commercial investment sales concluded were malls in the Central Region, though Year 2005 saw three malls and one large strata space transactions in the suburban areas, namely, Sembawang Shopping Centre, Hougang Mall (96.7% of the total share value of Hougang Mall) and Jurong Entertainment Centre and most of the units in Basement 1 of Northpoint Shopping Centre. For the past 5 years, there were 13 suburban mall investment transactions. In comparison, there were only 8 investment transactions of shopping centres in the Orchard Area. Generally, owners are less willing to give up their stakes in properties with good locations in Orchard Road. Thus, investment opportunities in prime locations like Orchard Road are rare and such retail space highly sought after. On the other hand, with an active investment sales market suburban mall owners who do not specialise in retail property may take this opportunity to divest their retail property to real estate investment funds if they do not have the competitive edge that owners of large retail property portfolio have.

Table 4.2: Retail Investment Sales

<table>
<thead>
<tr>
<th>Development</th>
<th>Date of Transaction</th>
<th>Net Lettable Area (sm)</th>
<th>Price ($)</th>
<th>$psm</th>
<th>Tenure</th>
<th>Purchaser</th>
</tr>
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<tbody>
<tr>
<td><strong>Suburban</strong></td>
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<tr>
<td><strong>North-East Region</strong></td>
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<td></td>
<td></td>
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<tr>
<td>5-storey retail complex at Hougang Ave 10</td>
<td>May-95</td>
<td>20,000</td>
<td>108,000,000</td>
<td>5,400</td>
<td>LH till 2092</td>
<td>NTUC Income</td>
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<tr>
<td>Kovan Centre</td>
<td>Aug-99</td>
<td>3,806</td>
<td>18,800,000</td>
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<td>Ho Bee</td>
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<td>Compass Point</td>
<td>Nov-02</td>
<td>25,041</td>
<td>335,000,000</td>
<td>13,378</td>
<td>LH till 2099</td>
<td>Centrepoint/ Prudential UK</td>
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<tr>
<td>Rivervale Mall</td>
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<td>7,574</td>
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<td>7,432</td>
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<tr>
<td>Hougang Mall</td>
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<td>14,493</td>
<td>188,000,000</td>
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<td>LH till 2093</td>
<td>Asian Retail Mall Fund</td>
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<tr>
<td>Hougang Plaza (92.4% &amp; 4.3% of strata area)</td>
<td>Apr-05 &amp; Jun-05</td>
<td>6,300</td>
<td>43,800,000</td>
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<td>LH till 2090</td>
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<td><strong>North Region</strong></td>
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<tr>
<td>Sembawang Shopping Centre</td>
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<td>9,023</td>
<td>78,000,000</td>
<td>8,645</td>
<td>LH 999 years</td>
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<td>Basement 1 Northpoint Shopping Centre</td>
<td>Nov-05</td>
<td>2,936</td>
<td>44,419,756</td>
<td>15,129</td>
<td>LH till 2089</td>
<td>Yishun Development Pte Ltd</td>
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<table>
<thead>
<tr>
<th>Development</th>
<th>Date of Transaction</th>
<th>Net Lettable Area (sm)</th>
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<th>Tenure</th>
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<td>East Point Mall</td>
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<td>Parkway Parade</td>
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<td>14,087</td>
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<td>Whitesands</td>
<td>Sep-04</td>
<td>12,451</td>
<td>160,890,000</td>
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<td>West Region</td>
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<tr>
<td>50% of Lot 1</td>
<td>Jun-99</td>
<td>19,231</td>
<td>63,000,000</td>
<td>3,276</td>
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<td>GRA</td>
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<td>IMM</td>
<td>May-03</td>
<td>132,527</td>
<td>264,500,000</td>
<td>1,996</td>
<td>LH till 2119</td>
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<td>Lot One Shoppers’ Mall</td>
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<td>19,234</td>
<td>243,800,000</td>
<td>12,675</td>
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<td>Bukit Panjang Plaza</td>
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<td>13,935</td>
<td>161,300,000</td>
<td>11,575</td>
<td>LH till 2096</td>
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<tr>
<td>Jurong Entertainment Centre</td>
<td>Jul-05</td>
<td>10,220</td>
<td>68,000,000</td>
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<td>Orchard Road Corridor</td>
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<tr>
<td>Paragon</td>
<td>Nov-96</td>
<td>68,161</td>
<td>682,300,000</td>
<td>10,010</td>
<td>FH</td>
<td>SPH &amp; Lum Chang</td>
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<td>The Forum</td>
<td>Jul-97</td>
<td>16,630</td>
<td>359,000,000</td>
<td>21,587</td>
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<td>HPL, Ayala, Grosvenor Estate &amp; SC Global</td>
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<td>Peranakan Place</td>
<td>Aug-99</td>
<td>1,009</td>
<td>27,200,000</td>
<td>26,960</td>
<td>LH till 2085</td>
<td>Peranakan Place Complex</td>
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<td>Orchard Point</td>
<td>Mar-01</td>
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<td>91,000,000</td>
<td>1,088</td>
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<td>OG</td>
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<td>Wisma Atria (76% stake in Wisma)</td>
<td>Mar-02</td>
<td>20,447</td>
<td>451,000,000</td>
<td>22,057</td>
<td>LH till 31 Mar 2061</td>
<td>Aspinden Holdings Ltd</td>
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<td>Ngee Ann City (Metro’s 27% Stake in NAC)</td>
<td>Aug-03</td>
<td>36,877</td>
<td>560,250,000</td>
<td>15,192</td>
<td>LH till 31 Mar 2072</td>
<td>Orchard Square Properties Pte Ltd</td>
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<td>Plaza Singapura</td>
<td>May-04</td>
<td>45,161</td>
<td>710,000,000</td>
<td>15,721</td>
<td>FH</td>
<td>CapitaMall Trust</td>
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<td>Scotts Shopping Centre &amp; The Ascott Singapore</td>
<td>Jun-04</td>
<td>22,986</td>
<td>345,000,000</td>
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<td>Wheelock Properties</td>
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<td>Park Mall</td>
<td>May-05</td>
<td>26,663</td>
<td>230,000,000</td>
<td>8,626</td>
<td>LH till 2068</td>
<td>ARA Suntec Reit</td>
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<td>Pacific Plaza</td>
<td>May-05</td>
<td>7,648</td>
<td>111,000,000</td>
<td>14,514</td>
<td>FH</td>
<td>Orchard Park Suites Pte Ltd</td>
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<tr>
<td>Wisma Atria (74.23% share value) &amp; Ngee Ann City (27.23% of share value)</td>
<td>Sep-05</td>
<td>60,300</td>
<td>1,303,000,000</td>
<td>21,609</td>
<td>LH till 2061 &amp; 2101 respectively</td>
<td>Prime REIT</td>
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<tr>
<td>Development</td>
<td>Date of Transaction</td>
<td>Net Lettable Area (sm)</td>
<td>Price ($)</td>
<td>$psm</td>
<td>Tenure</td>
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<td>Marina / Bras Basah Corridor</td>
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<td>Paradiz Centre</td>
<td>Oct-96</td>
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<td>Lum Chang and Singapore Pools</td>
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<td>Chijmes Entertainment Centre</td>
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<td>128,000,000</td>
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<td>Rest of Central</td>
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<tr>
<td>Funan the IT Mall</td>
<td>Mar-04</td>
<td>23,083</td>
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<td>8,274</td>
<td>LH till 2078</td>
<td>Capital Mall Trust</td>
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<tr>
<td>Parco Bugis Junction Mall</td>
<td>Jul-05</td>
<td>39,978</td>
<td>580,800,000</td>
<td>14,528</td>
<td>LH till 2089</td>
<td>CapitaMall Trust</td>
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<tr>
<td>Part of Parco Bugis Junction Mall (Balance Master lease for 20 years)</td>
<td>Oct-05</td>
<td>6,903</td>
<td>25,000,000</td>
<td>3,622</td>
<td>LH till 2015</td>
<td>CapitaMall Trust</td>
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<td>Fringe</td>
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<tr>
<td>154 units on the 5th and 6th floor of Sim Lim Square</td>
<td>Jun-95</td>
<td>6,883</td>
<td>60,000,000</td>
<td>8,717</td>
<td>LH till 2082</td>
<td>Auric Pacific Group</td>
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<tr>
<td>Part of 1st and 2nd floor of Thomson Plaza</td>
<td>Jan-99</td>
<td>11,241</td>
<td>55,600,000</td>
<td>4,946</td>
<td>LH till 2078</td>
<td>NTUC Co-op, &amp; NTUC Fairprice</td>
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<td>Albert Complex</td>
<td>May-99</td>
<td>14,864</td>
<td>83,500,000</td>
<td>5,618</td>
<td>LH till</td>
<td>OG</td>
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<td>154 units on the 5th and 6th floor of Sim Lim Square</td>
<td>Apr-00</td>
<td>6,883</td>
<td>70,500,000</td>
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<td>LH till 2082</td>
<td>GRA</td>
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<td>Junction 8</td>
<td>Dec-01</td>
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<td>LH till 2090</td>
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<td>Tioung Bahru Plaza</td>
<td>Jan-02</td>
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<td>192,000,000</td>
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<td>LH till 2091</td>
<td>GRA</td>
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<td>Bugis Village</td>
<td>Mar-04</td>
<td>10,729</td>
<td>56,500,000</td>
<td>5,266</td>
<td>LH till 2088</td>
<td>Capital Mall Trust</td>
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</table>

Source: Singapore Institute of Surveyors & Valuers and Knight Frank Consultancy & Research

Notes:
1. The gross lettable area include both retail and office space unless specified.
2. Price does not include expenses incurred in the acquisition.
3. Total investment value includes stamp duty and other transaction costs.
4. The net lettable area excludes approximately 2,620 sq m from 48 units of apartments.
5. Yishun Development Pte Ltd acquired most of the units in Basement 1 of Northpoint Shopping Centre.

4.8 An examination of key retail market trends

The trends in the types of retail accommodation reflect a retail landscape that is becoming more varied, as consumers are more sophisticated, discerning and well travelled these days.

In Singapore most of the retail businesses are located in shopping centres. This will continue to be the main form of accommodation for retailers. However, consumers’ growing expectations for new concepts also means that shopping centre owners will need to continue to upgrade the centres regularly. In 2004 and 2005, many malls revamped their tenant mix and/or underwent or planned refurbishment works to keep up with competition. Amongst them were Novena Square,
Wisma Atria, Marina Square, Millenia Walk, Cathay Cineleisure Orchard, Clarke Quay and Liang Court. Some such as Centrepoint Shopping Centre have commenced building an extension to their existing malls to cater to an increase in demand for shop space. Centre owners will face the challenge to draw more shoppers and maintain their regular patrons as their tastes and needs evolve.

Suburban malls serving the heartland population will also see constant upgrading and improvements in their mix. Examples are Tampines Mall, Junction 8, Century Square, Tiong Bahru Plaza, Jurong Point, Sembawang Shopping Centre and IMM Building. At the same time, bigger and possibly better, suburban malls will be built in the future, next to the MRT stations.

A new retail segment will likely emerge from the latest government initiative to welcome warehouse and big box retailing. Another recent trend is the popularity of village hubs and street level shops, in particular for food and beverage business. The various forms of the retail accommodation are discussed in the following sections.

4.8.1 Shopping Malls

Major top quality shopping malls are typically under a single ownership with a planned tenant mix and good facilities management. They are better known in the market and often supported by strong marketing and promotional activities.

Among the major shopping malls, the largest is Suntec City with an area of 77,631 sq m, located in Marina Centre. The next two largest malls with more than 65,000 sq m are Marina Square and Ngee Ann City. Other large malls of more than 32,500 sq m include Jurong Point, Causeway Point, Compass Point, Paragon, Centrepoint Shopping Centre, Plaza Singapura, Parco Bugis Junction and Great World City. Mid size malls are 14,000 sq m to 32,500 sq m and they include Northpoint Shopping Centre, Junction 8, Raffles City and Millenia Walk. Smaller centres are below 14,000 sq m, such as Sembawang Shopping Centre, Thomson Plaza, Wheelock Place, Park Mall and The Heeren Shops. There are also some very small shopping centres that have less than 5,600 sq m of retail space.

These major shopping malls in the city and suburban areas have sought to create unique positioning with their tenant mix and marketing strategies. The mid size to larger ones draw heavy shopper traffic with their large anchor tenants and a large variety of quality retailers. There are also those that cater to the particular niche markets. They range from the smaller ones to the mid-sized ones. Some shopping centres that target the niche markets are Forum the Shopping Mall — children’s market, The Heeren Shops - for youth market (but is currently in the process of repositioning some areas to target the young urban professionals), Cathay Cineleisure Orchard - for entertainment and related trades for the youth market, Park Mall - focus on lifestyle, furnishings and furniture concepts. Large malls have also carved out sections within the mall to serve the niche market, for example Level One at Far East and The Edge at Parco Bugis Junction are aimed at the young and trendy. These came about from the success of The Annex at The Heeren Shops.

4.8.2 Emergence of “Warehouse Retailing”

Commonly known as “Big-Box retail centres”, the warehouse retail concept generally occupy a space of 8,300 sq m to 18,600 sq m or more, located in the suburban areas next to main roads and highways, designed with substantial parking lots, that are intended for shoppers who drive, and are not pedestrian or bicycle friendly. Store design is uniformly used (stand alone, large single or double storey, warehouse style with no windows). They offer car-borne shoppers the option to make “value for money” purchases in large quantities.
The concept is gaining popularity in South East Asian countries such as Malaysia, Thailand and Indonesia but has not quite taken off in Singapore as space and ample car parks are the key requirements of “Big-Box” operators.

Big box retailers like Giant and Carrefour currently house their operations in shopping malls, as there is lack of Big-Box type of developments and no special area zoned for this kind of development. IKEA, perceived as a discount store (low price and variety) and a leader in the furniture category, is presently housed in a warehouse zoned area, likewise Barang Barang is located in an industrial area though it has retail outlets in the shopping malls. There are generally hypermarkets or category killers like furniture or toy stores here, unlike in other countries such as USA, where there are Discount Department Stores like Wal-Mart, Target, T.J Maxx, Pace Warehouse, K-Mart and Tesco and factory outlets (sportswear, clothing).

**Warehouse Retail Scheme**

The Economic Development Board (EDB) launched a pilot scheme in April 2004 to allow industrial and warehouse space to be used for retail, hence enabling such retail form to be implemented in Singapore. The permitted locations are in outlying areas and include industrial areas such as Jurong, Tuas, Sungei Kadut, Yew Tee, Kranji, Woodlands East, Senoko, Loyang Changi North and part of Bukit Batok. IKEA, NTUC FairPrice and Mustafa Centre have expressed interest in the scheme. However, it is unlikely that there will be a flood of such warehouse-retail establishments as the conditions governing the scheme may not be easily met by the many operators. Only 40.0% of the property may be used for retail and the rest for industrial /warehouse purposes. The proposed operation must have an annual turnover of S$100.0 million, employment of 250 staff, and business spending of S$20.0 million or investment of S$50.0 million, by the fifth year of operation.

In November 2005, three major retailers IKEA, Courts and the Dairy Farm Group got together to become the pioneer batch of retailers under the Warehouse Retail Scheme (WRS) that was launched by Economic Development Board (EDB) in April 2004. We understand that the three operators have leased the sites from JTC Corporation on an initial five-year lease, with an option to renew for a further 25 years EDB WRS. The site is zoned commercial with a gross plot ratio of 1.0, has a 30-year lease but nestled in a largely light industrial and business park zone near the Singapore Expo. This is a first of its kind released by the Government in land scarce Singapore.

This S$200.0 million pilot project located at the south-eastern corner of Tampines Avenue 10 and Tampines Expressway with a sizeable land area of 93,000 sq m will see these three companies locating retail outlets within an integrated development that will house their respective regional headquarters, as well as management, training and logistics, warehousing and procurement facilities. The retail component therein is capped at 40.0% and the three companies are not allowed to sublet to other operators. The remaining areas will be reserved for non-retail activities such as warehousing, staff training and logistics operations. Its purpose is to create an iconic retail concept that is innovative and multi-faceted to draw not only local shoppers and regional shoppers but also international visitors and buyers.

IKEA, Courts and Dairy Farm are committed to WRS. The Dairy Farm Group’s building will have a land area of 40,000 sq m and it will the largest building for the Dairy Farm Group. It will house 8,800 sq m of Giant Hypermarket. IKEA's building's site area will be 32,500 sq m, featuring 5,900 sq m of showroom and some 9,100 sq m of retail space. Courts floor area will be 9,300 sq m, twice the size of its current outlet in Bukit Timah. The buildings will serve as regional headquarters and operation centres for each of the three companies. To ease local shopkeepers fears, the 3 companies have committed to a joint plan to conduct at least two training workshops a year for neighbourhood retailers. They
will organise joint promotions with shops in the area and provide floor space rent-free for at least 4 weeks a year to selected local retailers. The warehouse retail building is expected to open between November 2006 and March 2007.

The main objective of the WRS is to provide flexibility for large companies to co-locate their integrated business models with regional headquarters, retail, warehousing and industrial activities. This will provide better synergy and improve operational and cost efficiencies for the companies. The majority of operations within the WRS facility will remain industrial or warehousing in nature. The WRS projects can promote new and innovative retail concepts that are different from those offered by the shopping malls and neighbourhood shops; it can add more variety and vibrancy to consumers’ shopping experience and Singapore’s retail industry.

Singapore has the third largest per capita GDP in Asia with a highly mobile population where around 11.2% of her population own cars. It has an excellent road network and public transport infrastructure, making malls easily accessible to the masses. In recent years, retailers have flourished in the suburban malls by being closer to the consumers. By 3Q2005, suburban shopping malls comprise 18.1% of the total stock of 2.002 million sq m of private retail space in Singapore as compared with 12.4%, about nine years ago. Based on our observations, most malls in Singapore are almost similar in their offerings. Retailers and shoppers alike are yearning for new concepts and experience in the local retail scene.

As suburban locations are filled and fewer of them become available, “Big Box” retailers may have to scout for non-traditional sites in city locations, and slightly smaller space at the expense of higher rentals, and turn to the urban shoppers. Carrefour, which took up some 8,640 sq m of space for its second outlet at the revamped Plaza Singapura, is an example, though it has a store in Suntec City that is only a short drive away.

Going forward, this pioneer WRS may set the stage for “Big Box” retailing to take off here and create a buzz to attract not only local consumers but regional consumers and retailers and traders thereby promoting Singapore’s position in the international retail scene.

“Big Box” retailing may not offer specialty shopping nor complete shopping experience for people who enjoy window-shopping, ambience and varieties, but to the car-borne, fuss-free shoppers looking for “value for money” buys, it is a welcome option. For retailers, “Big Box” retailers will make the market more competitive than it already is. But in this highly evolved retailing ecosystem, “Big Box” retailers and small shops can live symbiotically, each targeting at different market segments and lifestyles bringing a refreshing change to the retail landscape in Singapore.

4.8.3 Suburban Vs City Retailing

Since Northpoint Shopping Centre, one of the first suburban shopping malls, commenced business in 1992, and as a result of the government’s decentralisation policy, the majority of retail growth has occurred in the new satellite towns. The retail space in these areas can be classified as Regional Centres (Jurong East, Tampines and Woodlands) or suburban centres. The difference between the two is the scale, the larger retail complexes are found in the Regional Centres, while many new towns have a suburban centre as their focus. At present Tampines and Jurong East are the most developed and will eventually contain a total of approximately 5.5 million square feet of retail, leisure and food and beverage space. The impact on downtown shopping malls is anticipated to increase as the other regional centres are further developed.
These centres are generally very successful as they provide a more convenient retail option for many daily purchases. Our market observations indicate that the suburban malls are preferred locations for convenience shopping and are well patronised by the local population catchment that live around the perimeter of the malls. Major benefits of suburban malls include the lack of congestion, ease of car parking, freedom from constraints of the traffic restricted zone, a ready supply of labour and overall lower cost of occupation for retailers.

However, Orchard Road remains the choice “flagship store” location with retailers, in particular, the department stores, offering a broader range and better selection than their suburban stores. Retailers that do not move into the suburbs are the designer brands and foreign retailers who feel that having one or two stores in the city will maintain the exclusivity of their brand. Suburban malls also serve an entertainment function with cinemas and food courts. Though it is convenient to shop in the suburban malls, the middle and up market consumer will still prefer to do their shopping in Orchard Road if they need branded goods, products and services. The MRT lines also enhance the accessibility of people living in the suburban areas making it convenient to shop in Orchard Road.

Established department stores and supermarkets attracted to these suburban shopping centres include Seiyu, John Little, Metro, Toys “R” Us, Isetan, NTUC FairPrice and Cold Storage. These and other stores provide a wide range of merchandise and prices that cater to most shoppers. Accordingly the attraction of Orchard Road retailers to the local shoppers has been reduced, causing many of them to re-focus their merchandise toward higher value and more sophisticated products and niche markets.

Thus, suburban malls may have found a place in the heartlanders’ and budget tourists’ hearts and pockets, but ultimately, they are not the place to be in for certain brands and retailers. Quality malls such as Wisma Atria, Ngee Ann City, Paragon and Centrepoint Shopping Centre are few and demand for them from international brands and foreign retailers does not seem to be waning. Undoubtedly, Orchard Road will always be a magnet for these retailers to make their presence felt, and these retailers will always have a following from the affluent segment of the population as well as a draw to tourists especially the high end ones from the region.

Shopping habits in Singapore over the years were influenced by the rapid development of malls in the suburban areas and the changes in lifestyle. Shopping is no longer just a merchandise-driven activity. It has become part of an exercise that includes leisure, entertainment and education. Shopping has also become an alternative venue of family and social gatherings among the locals. Many suburban malls offer similar mass-market staples and lack the niche products to cater to the more sophisticated shoppers.

The larger scale and perhaps the “glamour” factor with high-end retailers are what differentiate city shopping malls from those in the suburbs.

In recent years, many of the popular retailers and food and beverage outlets that were once commonly found in downtown malls have also set up shop in the suburban malls. Examples are Body Shop, Crabtree & Evelyn, Esprit, Din Tai Fung restaurant, Cold Storage and Harvey Norman.

Many owners of suburban malls have also tried to create more buzz in the malls by holding events and performances to continue attracting repeat visits from shoppers. They are also trying to get away from the “cookie cutter” image of suburban malls where there is little differentiation in trade mix and tenants of these malls.
4.8.4 Village Hubs and Street Level Shopping

Village hubs and street level shopping clusters have become increasingly popular. This trend also appears to be tied to the growing preference for alfresco and outdoor dining. Many of these hubs evolve from the rejuvenation of the old areas or an establishment of retail/food and beverage clusters in non-commercial areas such as residential estates. Most of these have evolved through time, independently without government planning, for example, Holland Village, Chip Bee Gardens, the upmarket food and beverage cluster at Greenwood Avenue, Chun Tin Road/Upper Bukit Timah Road strip, Serangoon Garden Village and Dempsey Road. Many of these areas also feature street-level shops, some having a traditional shophouse form. When Singapore underwent major urban redevelopment, air-conditioned malls overtook many of the then street level retailing as the preferred facility. In recent times, there has been a revival as shophouse areas have been gradually occupied by lifestyle shops and food and beverage, example, Club Street, Purvis Street, Mohammed Sultan Road.

Many commercial developments and malls have adopted this street-level/alfresco concept, especially for food and beverage outlets to capitalise on the views (for example One Fullerton and Esplanade Mall with the waterfront) and to draw crowds in by engaging the building and the street (for example Wisma Atria).

This trend is likely to persist as URA’s Identity Plan has selected 15 areas that are unique in character and provide a sense of identity for Singaporeans. They are found in various parts of the island and include Thomson Village, Gillman Village, Joo Chiat and Changi Village. The development of the Marina Bay waterfront may also create more alfresco food and beverage areas and street level retail areas.

5. Micro Market and Benchmarking Analysis

5.1 Micro Market Overview of the Retail Property Sector-Suburban Area

This section will review the Woodlands, Yishun and Alexandra micro market areas where the subject properties are located. It will look at the supply, demand, occupancy rates in these areas and benchmark rental and occupancy rates for Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre.

5.1.1 Supply in Suburban Area And Fringe Area

The suburban area covers those areas outside the Central region as defined by URA. According to URA data, as at 3Q 2005, the existing stock of private retail space outside Central Region stood at 363,000 sq m or 18.1% of the total private stock of retail space in Singapore. URA data also indicate some new supply in the next two to three years, including from Ang Mo Kio Town Centre (23,860 sq m), and from two sites sold in 2004 in Jurong West (estimated GFA 46,933 sq m) and Yew Tee (estimated 10,880 sq m) which together could yield a total GFA of 81,673 sq m (see Chart 5.1).

According to URA data, as at 3Q 2005, the existing stock of private retail space in the Fringe Area stood at 574,000 sq m or 28.7% of the total private stock of retail space in Singapore. URA data also indicate some new supply in the next one to three years, from VivoCity (94,100 sq m) in 2006, City Square (65,850 sq m) and Kallang Leisure Park (15,620 sq m) in 2008 (see Chart 5.2).
5.1.2 Demand and Occupancy in Suburban Area and Fringe Area

Based on URA figures, total suburban private sector retail space occupied as at 3Q 2005 was 348,000 sq m. In 3Q 2005, there was marginal change in demand from the previous quarter. The net demand of minus 1,000 sq m recorded for 3Q 2005 suggest that some space had been given up. At the end of 3Q 2005, the occupancy for Outside Central Region was 95.9%, higher than the islandwide occupancy rate of 90.8%. Most major prime suburban malls enjoy significantly higher occupancy rate than the market average and some of them are even almost 100.0% occupied. This reflects the combined effects of limited supply and healthy demand in the suburban area. Occupancy for Fringe Area was 87.6% as at 3Q 2005 lower than the islandwide level (see Chart 5.3).
Chart 5.3: The Occupancy Rate of Private Retail Space Outside Central Region, Orchard Area, Fringe Area and Other Regions in Singapore

Notably, the occupancy rates of private retail space in both Outside Central Region and the Orchard Area have consistently been above the Islandwide and Central Region figures. With the emergence of suburban malls, the occupancy rate of private retail space in Orchard Area has remained slightly below that of private retail space outside the Central Region. However, the active repositioning of shopping centres in Orchard Road over the last two years has increased the occupancy rate for Orchard Area. In the light of the Government plans to make the place more vibrant and the destination choice for shoppers in Singapore, the occupancy rate of private retail space in Orchard Road is likely to take the lead for the next 5 years.

The supply of retail space in the suburban areas are regulated and spread out over many public housing estates in Singapore. Any new supply may not create a major impact to Causeway Point or Northpoint Shopping Centre unless they are located in the relevant micro-market areas.
5.1.3 Rental Levels in Suburban Area And Fringe Area

Chart 5.4: Rental Index of Retail Space in the Central Region, Fringe & Islandwide

Source: URA

Note: There is no official URA data on rental index for areas outside Central Region, i.e suburban areas

Chart 5.5: Rental Trend of Prime Retail Space in Suburban Vs Orchard Road

Note: Based on a pre-defined portfolio of properties; refers to average rentals for prime shop space (400-800 sq ft) typically on ground floor (or main link way) with good frontage
Source: Knight Frank Consultancy & Research
URA data indicates the rental trend for the Fringe Area generally lags those in the Central Area and islandwide (see Chart 5.4). Our records show that the retail rents in suburban areas are generally lower than those in Orchard Road Area but suburban rents are more resilient to sharp corrections as shown in Chart 5.5. The rents of retail space in the suburban area hit a peak in 3Q 2002, by some 51.4% faster than the Orchard Area ones that edged up 42.6% from Q1 2000 to Q3 2000.

Rentals in the suburban areas are generally less susceptible to fluctuation. This could be due to its fairly controlled supply and more typical homogeneous trade mix of retailers in many of the suburban malls that set its own standard for rentals. Being more dependent on the locals and heartlanders in their primary market area to generate demand, rentals for retail space in the suburban areas, while subject to the influence of the usual demand and supply conditions in the local economy, are less susceptible to changes in external economic conditions.

Rentals have been flat for suburban retail space from Q3 2000 to Q3 2001 and for the Orchard Area from Q3 2001 to Q4 2001. Suburban rentals headed steadily upwards from Q4 2001 to Q3 2002 and then fell to a low in Q1 2003 during the SARS outbreak in the first half of 2003. However, the fall was not as sharp as that in prime Orchard Area. Generally, the average per square metre rental rate for prime space in suburban malls has been steady while that for Orchard Road malls has been declining over the last 3 years. This has narrowed the rental premium between the suburban malls and malls in the Orchard Area.

5.2 Retail Market Projections for Suburban Area and Fringe Area

The qualitative assessment of the outlook for the retail market for the suburban area year-to-year from 2006 to 2007 is depicted in Chart 5.6. This is based on the assumed rational behavior of property market participants reacting to the general economic scenario.

Based on the historical trend and the potential supply in the market in the coming years, the overall outlook for the sector is described below. It should be re-iterated however, that the retail sector is very varied in its complexion and rentals and prices are highly sensitive to location, both geographically and within a building. Prime retail outlets, close to MRT stations, including out-of-town locations, will be highly sought after regardless of the state of the economy. The supply of the retail space in the suburban areas is geographically distributed throughout the island and there is no official price or rental indices for specific suburban areas. For the purpose of this suburban retail market analysis, we have relied on available data from URA which relate to the overall suburban market. For the Woodlands and Yishun micro-markets we have also relied on information from REALIS, while for the Alexandra micro-market, we have relied on URA’s official data for Fringe Area.

The historical and projected demand, supply and price trends of suburban and Fringe Area retail space are shown in Charts 5.6 and 5.7 below. Supply data are retrieved from URA statistics of historical and potential completions and HDB or URA Sales of Sites launches.
Chart 5.6: Demand and Supply Trends of Retail Space in Suburban Area

Note: For 2008, we expect the potential supply and demand could come from the project at Yew Tee Close and for 2009 from 3 sites in Jurong West Central.
Source: URA and Knight Frank Consultancy & Research

Chart 5.7: Demand and Supply Trends of Retail Space in Fringe Area

Source: URA and Knight Frank Consultancy & Research
5.3 Potential Supply of Shop Space in the Suburban Area and Fringe Area

As at 3Q 2005, 1,000 sq m of potential supply of private shop space from areas outside the Central Region is under construction with another 74,000 sq m planned. All of this potential supply is not located near the subject properties except for the Ang Mo Kio development site that is in the secondary area of Northpoint Shopping Centre. The amount of gross floor area is 23,860 sq m and may have some impact on Northpoint Shopping Centre when it is completed in 2007.

As for Causeway Point, there is no new supply in its trade area in the immediate future. We note that there is a plot of vacant State Land adjoining Causeway Point. Based on the Master Plan 2003, the plot is designated “white” and has a maximum gross plot ratio of 5.6. However, as at date of this report we are not aware of any planning approval granted for the plot. Nevertheless, with the expected increase in the residential population in the trade area, we believe the additional population catchment is able to support more retail space.

Anchorpoint Shopping Centre is located at the fringe of the Central Region. Currently 118,00 sq m of potential supply of private shop space located at the fringe of the Central Region is under construction. Another 95,000 sq m of private shop space is planned. Based on the GLS Programme for the first half of 2006, there are no new sites in the micro-market of Anchorpoint Shopping Centre. However, new addition of retail space will come from VivoCity at HarbourFront area which is located within the same trade area of Alexandra. It will be Singapore’s biggest retail and lifestyle venue, with a total of 94,100 sq m net lettable area. It will have three levels and two basements. Unlike Anchorpoint Shopping Centre, which mainly targets the surrounding residential and working population, VivoCity positions itself as an iconic retail, leisure and entertainment destination targeting both locals and tourists. Hence we do not expect VivoCity to be a major threat to Anchorpoint Shopping Centre. Anchorpoint Shopping Centre, which is part of a mixed residential and retail development, still has a captive resident catchment. In addition more new car showrooms flourishing in the area coupled with an active car sales market in recent years as prices of Certificates of Entitlement fall could invite more visitors to this area, generating higher shopper traffic to the mall. With limited new supply of retail space and the expected increase of resident population in this area, Anchorpoint Shopping Centre is not likely to face intensified competition and should have sufficient shopper catchment to sustain its retail business.

The list of potential shop space that will complete over the next few years in the Suburban Area and the Central Region Fringe Area is shown in Table 5.1. Two of the Suburban Area projects are found in the East Region and West Region and they are expected to complete around 2008 and beyond. In the subject micro-markets, there will be no major new retail supply within the Woodlands Area and Yishun Area but there will be one in Ang Mo Kio, the secondary trade area of Northpoint Shopping Centre. A handful of projects located in the Central Region Fringe Area such as VivoCity, City Square, Square 2 and Leisure Park will contribute about 188,220 sq m from 2006 to 2008.
### Table 5.1: Major Shop Space in the Suburban Area and the Central Region Fringe Area From 2006 to 2009 and Beyond

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Street Name</th>
<th>Location by Planning Areas</th>
<th>Total Shop Space (sm gross)</th>
<th>Expected Year of Completion</th>
<th>Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>VicoCity</td>
<td>Telok Blangah Road</td>
<td>Central Region Fringe</td>
<td>94,100</td>
<td>2006</td>
<td>HarbourFront Seven Pte Ltd</td>
</tr>
<tr>
<td>Redevelopment of Kallang Leisure Park</td>
<td>Stadium Walk</td>
<td>Central Region Fringe</td>
<td>15,620</td>
<td>2008</td>
<td>Jack Investment Pte Ltd</td>
</tr>
<tr>
<td>City Square (with 744 units of apartments)</td>
<td>Kitchener Road</td>
<td>Central Region Fringe</td>
<td>65,850</td>
<td>2008</td>
<td>City developments Ltd</td>
</tr>
<tr>
<td>Square 2</td>
<td>Sinaran Drive</td>
<td>Central Region Fringe</td>
<td>12,650</td>
<td>2008</td>
<td>Novena Point Pte Ltd</td>
</tr>
<tr>
<td><strong>Total-Central Region Fringe</strong></td>
<td></td>
<td></td>
<td><strong>188,220</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping Development at Ang Mo Kio Ave 3/8</td>
<td>Outside Central Region</td>
<td></td>
<td>23,860</td>
<td>2007</td>
<td>SLF AMK Pte Ltd/NTUC Income Insurance Co-operative Ltd/NTUC Fairprice Co-operative Ltd/Land Transport Authority</td>
</tr>
<tr>
<td>Passenger Terminal Building 3</td>
<td>Airport Boulevard</td>
<td>Outside Central Region</td>
<td>17,040</td>
<td>2008</td>
<td>Civil Aviation Authority Of Singapore</td>
</tr>
<tr>
<td>Fusionpolis</td>
<td>Ayer Rajah Avenue</td>
<td>Outside Central Region</td>
<td>19,680</td>
<td>N.A.</td>
<td>JTC Corporation</td>
</tr>
<tr>
<td><strong>Total-Outside Central Region (Suburban)</strong></td>
<td></td>
<td></td>
<td><strong>60,580</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: URA and Knight Frank Consultancy & Research

### 5.4 Micro market review of the Retail Property Sector-North Region & Fringe Area

The suburban area covers a wide area and are further sub-divided into North-East, North, East and West Planning Areas by URA. We will further examine the micro market of the subject properties by focusing on the specific planning area where it is located specifically the North Region Planning Area for Causeway Point and Northpoint Shopping Centre and Central Region Fringe Area for Anchorpoint Shopping Centre.

#### 5.4.1 Stock and Future Supply

Data from REALIS show that total retail space stock comprising both private sector and public sector stocks in the North Region amounts to 167,887 sq m. The major malls which include Causeway Point, Sembawang Shopping Centre, Sembawang Plaza and Northpoint Shopping Centre, constitute about 70.0% of this stock. No new supply is expected in the North region in the short term except for the State land next to Northpoint Shopping Centre that the Singapore Land Authority has in principle agreed to alienate to Yishun Development Pte Ltd. Other possible supply in the future could come from vacant sites around the MRT stations in Woodlands and Admiralty.
5.4.2 Demand and Occupancy

Data from REALIS for the North Region shows a marginal decline of 138 sq m in total retail space stock for 3Q 2005 vis-a-vis the previous quarter. Total occupied space as at 3Q 2005 was 153,676 sq m while total supply was 167,887 sq m, a slight decline of 346 sq m from 2Q 2005. Hence occupancy went up by 0.1% to reach 91.5%. This relatively low occupancy rate in the North Region may be attributed to the large supply of HDB retail space in the Woodlands and Sembawang areas where shop operators are finding it difficult to compete with the large suburban malls in the area. This occupancy rate is also lower than the islandwide average suburban occupancy rate of 96.3%. Chart 5.8 shows that occupancy levels for East, North East and West Regions are higher than overall suburban area. Nonetheless the current occupancy levels for Causeway Point and Northpoint Shopping Centre are each close to 100.0%.

Several institutions and new housing units coming up in the Woodlands area will bring an increase in shopper traffic to Causeway Point in the next couple of years. In addition, the proposed Northern General Hospital in Yishun is expected to be ready by March 2009. There is likely to be some ancillary retail space in the hospital but this will not have a significant impact on Northpoint Shopping Centre. On the other hand, the opening of the hospital, which will be within walking distance from Northpoint Shopping Centre, is likely to bring an increase in shopper traffic to Northpoint Shopping Centre.

Chart 5.8: Supply, Demand and Occupancy of North Region

![Chart 5.8: Supply, Demand and Occupancy of North Region](image)

Source: REALIS
5.4.3 Rental Levels

The average monthly rental for Causeway Point and Northpoint Shopping Centre is about 25.0% to 30.0% and 15.0% respectively, lower than that for Junction 8 in Bishan. Rentals at Causeway Point and Northpoint Shopping Centre are generally below those in major suburban malls, such as Tampines Mall and Jurong Point, which are able to attract visitors and shoppers from outside their own primary and secondary trade areas. There is room for rental improvement for Causeway Point and Northpoint Shopping Centre over the next few years as the North Region develops and its stock of private housing increases.

The average gross rent for prime retail space in Northpoint Shopping Centre (mainly at basement level 2 and street level) is approximately S$202.86 psm (or S$18.85 per sq ft) per month as at 30 November 2005. This is in line with the average gross rent of S$206.12 psm (or S$19.15 per sq ft) per month achieved for prime ground floor retail space in the North Region but is lower by 15.0% to 25.0% compared against several other suburban malls that are able to attract shoppers from outside their own primary and secondary trade areas.

Rents charged for retail space may vary widely depending on the location and quality of space within the mall. However, it is not surprising as many of the suburban retail developments that are strategically located right next to MRT stations and well linked by pedestrian walkways and or underpasses that facilitate pedestrian flow into the malls, have respective localised catchments and similar trade mix and thus rentals tend to fall within the same band for most of them.

Our market analysis of prime retail rentals and derived yields for malls in suburban areas and Fringe Area show that the comparative net yields of prime retail space in these locations range from 5.0% to as high as 6.5% depending on location, tenure and quality of the space.
5.5 Capital Values of Retail Space in Woodlands, Yishun and Alexandra Areas

Most of the space in suburban retail developments in the vicinity of Northpoint Shopping Centre (such as Sun Plaza, Sembawang Shopping Centre, Jubilee Entertainment Centre, and Yishun 10 complex (which houses a cineplex)) is held by landlords or property funds for rental income rather than for strata unit sales. There is only a handful of competing retail centres in the immediate surroundings of Northpoint Shopping Centre. The major competitors to Northpoint Shopping Centre are Sembawang Shopping Centre and Sun Plaza. There is a dearth of sales transactions for the past six months in the Northpoint Shopping Centre vicinity as there are few sub-divided strata shop units available in the market except those belonging to the HDB. There were two recent transactions in the area, (i) the sale of 2,936 sq m retail space comprising most of the Basement 1 units of Northpoint Shopping Centre at about S$44.42 million or S$15,129 per sq m in November 2005, and (ii) the sale of Sembawang Shopping Centre (comprising 9,078 sq m of retail space and 48 units of apartments) at S$78.0 million in June 2005 to CapitaMall Trust. The price trends of these retail spaces in suburban areas are very varied because the price for retail space is a function of a host of factors such as location, size, frontages of the property, and demographics of the trade area. Sales transactions of other shopping centres or retail properties in the market can only serve as a guide to the capital values of Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre. Prime retail spaces that are located along main entrances and busy shopping corridors and lower floor levels in a retail development tend to command higher prices than those that are located on the upper levels. However, upper levels that are well linked by overhead bridges also tend to do better as they bring the pedestrian flow into the buildings.

5.6 Retail Rental Projection for Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre

The overall projections are made on the assumption that the economy will maintain a healthy annual growth in the years ahead. In 2005, our economy registered a growth of 5.7%, well above the forecast figure by the MIT. Employment continues to improve with some 108,000 new jobs created in 2005, as the government's effort in restructuring the economy and upgrading policies achieve results and sentiment in the retail market is more positive. We expect continued economic growth in 2006 with stable trading conditions. While new supply is massive in 2006, largely due to VivoCity (which is located at the fringe of the Central Region, away from the trade areas of Causeway Point and Northpoint Shopping Centre), it comes on stream after the lean supply in 2005. The marketing for the massive VivoCity will pick up momentum although it started in 2005. It is reported that it is 65.0% leased. All in all, we expect rents to firm up further islandwide by a small improvement of 3.0%.

For Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre, we have looked at more specific issues such as the upgrading of competing malls, the potential new retail developments from the reserve sites in the suburban areas and the impact of increases in the residential population in their micro markets arising from new residential developments. There are no impending new retail developments on the reserve sites in the vicinities of Causeway Point and Northpoint Shopping Centre in the next couple of years. However, for Anchorpoint Shopping Centre, VivoCity could pose some threat, as it is located very near the development. The impact on Anchorpoint Shopping Centre will therefore be seen in 2006.

In comparison to neighbouring shopping malls in the area, Causeway Point and Northpoint Shopping Centre enjoy the most strategic location right next to the Woodlands MRT station and the Yishun MRT station respectively and are in high-density populated residential areas. Rentals commanded by the two subject properties’ developments are generally higher than other neighboring malls. Both malls appeal to the budget and medium-end market.
We believe that Causeway Point and the Northpoint Shopping Centre at their current committed occupancy of close to 100.0% is doing better than the average occupancy rate of 95.9% for private retail space in the suburban area in 3Q 2005. This higher occupancy and the limited supply of new retail space in the immediate vicinity of the two suburban subject properties will underpin rental growth in the next two years that is projected to be between 2.0% to 3.0% p.a. For Anchorpoint Shopping Centre, there is no new supply of retail space in the immediate vicinity but there will be several new car showrooms coming up along Alexandra Road and Leng Kee Road in next one to two years as the old buildings are redeveloped and this will increase human traffic to the area.

The average gross rent is approximately S$10.14 per sq ft per month for the Northpoint Shopping Centre, S$8.69 per sq ft for Causeway Point and S$5.30 per sq ft for Anchorpoint Shopping Centre as at 30 November 2005. The average gross rents for the two subject suburban malls Causeway Point and Northpoint Shopping Centre are below the current average gross rental of S$11.00 to S$12.50 per sq ft per month for the repositioned malls such as Tampines Mall and Junction 8. Anchorpoint Shopping Centre’s rental is much lower than that of some of the smaller ones islandwide, which averages more than S$6.00 per sq ft per month. We believe there is room for the average gross rentals to improve in the three subject malls if the malls are repositioned and reconfigured.

Assuming the malls remain status quo, we believe that rentals could rise between 2.0% to 3.0% in the short to medium term with the limited supply of new shop space in the immediate vicinity of the three subject properties. The rental growth projections are summarised below.

<table>
<thead>
<tr>
<th>Market</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islandwide</td>
<td>2.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Causeway Point</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Northpoint Shopping Centre</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Anchorpoint Shopping Centre</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

6. Competitor Analysis of Malls in the vicinity of Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre

This section will focus on retail malls principally located within the micro-market of the subject properties in Woodlands, Yishun and Alexandra Areas. It provides an idea of the profile of shopping centres around Woodlands Area, Yishun Area and Alexandra Area for purpose of evaluating the subject properties. A review of the subject properties is conducted to assess their key strengths, where improvements can be made and how market developments may have a direct impact. Finally, a comparison table showing major competing malls in the subject micro market areas, their key features including size, retail mix, perceived market positioning and theme, main anchors, etc. are also reviewed. This table aims to provide a snapshot of the competitive positioning for each of these main shopping centres in relation to Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre.

The retail malls that we will focus on range from the good grade to the lesser grade. Some of the developments that are covered include Sun Plaza, Sembawang Shopping Centre, Junction 8, Thomson Plaza, Queensway Shopping Centre, IKEA and neighborhood HDB shops in the locality.

6.1 Competitor Analysis of Malls in the vicinity of Causeway Point

Presently Causeway Point enjoys the privilege of being the only major suburban mall in Woodlands. Because of its significant size and strong tenant mix, it is a highly popular mall that caters not only to the families residing in the nearby estates but also to the workers and staff in
the nearby commercial and industrial buildings within the locality. However, it still faces some competition from the other shopping centres in the area that are summarized in the following Table 6.1.

We have made comparisons with similar modern retail complexes in Singapore, especially those that are located in close proximity to the properties primarily in Sembawang and Yishun Area and hence have overlapping trade areas and other suburban malls which offer a trade mix targeted at the same market segment.

While Causeway Point is known to have a wide range of retail mix that is able to cater to various market segments, the main focus of its specialty shops is on the mid market segments. Competitors of the same retailers’ pie are Sun Plaza and Sembawang Shopping Centre. To some degree, competition is also likely to come from Northpoint Shopping Centre, Lot I Shoppers’ Mall and Jurong Point.

**Location**

In terms of location, Causeway Point is superior to several of the malls in the North Region. Located in the heart of the Woodlands Regional Centre, it has the convenience of being sited adjacent to the Woodlands MRT station and the Woodlands regional bus interchange is situated below the MRT station. Commuters’ traffic to and from the Woodlands MRT station is high, particularly since the bus interchange for the Woodlands Regional Centre is below it.

**Target Market**

Sembawang Shopping Centre and Sun Plaza are retail complexes located in nearby sub-markets. They are essentially one-stop destination points with virtually everything under one roof. But it should be noted that the specialty shops and services available in Sembawang Shopping Centre and Sun Plaza are somewhat different from Causeway Point, especially since the latter is able to appeal to a wide demographic segment including the affluent shoppers, the young, upwardly mobile and family crowds. It also has the advantage of Cold Storage Supermarket as its anchor tenant.

Fashion, food and beverage, salon/spa and furnishing/electronics and health/beauty trades occupy a substantial portion of the retail mall. Shops classified under these trades include Kiddy Palace, Esprit, Royal Sporting House, Jean Yip Salon, Aussino, Nature’s Farm and restaurants such as Sakae Sushi, Soup Restaurant and Sanur Indonesian Restaurant.

The trade mix of Causeway Point capitalises on the lower middle to middle income market of the locals as evidenced from:

- Shops offering ladies’ beauty & health care, life’s little luxuries and restaurants and food outlets and general services shops in basement 1 that is designed to attract crowds.
- Shops offering fast food, young fashion and general services on the 1st to 3rd storey
- Shops offering ladies’ beauty and fashion wear, accessories and gifts, crafts and comic book stores and entertainment centre are directed at captivating the young shoppers.
- Collection of shops retailing in casual wear for men and ladies and children’ sports, kids’ apparel, books, stationery and gifts are strong magnets for the local community and students.
- Health and spa centres on basement 1 and 4th storey for the heartlanders, books, gifts and crafts shops are located on the 3rd and 4th storey while Popular Book store is specifically located on the 3rd storey targeted at destination shoppers.
- Cathay Cineplexes, a major crowd puller is located on the 7th storey while Timezone entertainment centre for the young crowd is located on the 5th storey.
Cold Storage Supermarket with a wide range of food and grocery products on the basement 1 caters to the needs of families and working adults.

Causeway Point is positioned as a family-oriented mall for the heartlanders with its mix of merchandise skewed towards fashion, a plethora of food and beverage, beauty, healthcare, children, furnishing and electronics, books and accessories.

From a competitive analysis, we can see that the subject property, Causeway Point is more superior to Sembawang Shopping Centre and Sun Plaza in terms of location, accessibility and trade offerings. It caters to a wide spectrum of the heartlanders from kids to senior citizens. It has a strong orientation towards the resident population, its primary source of shoppers.

Like Sun Plaza and Sembawang Shopping Centre, Causeway Point is anchored by a supermarket/department store. The trade mixes for the specialty shops at Causeway Point are mainly in the fashion, food and beverage, salon/spa, health/beauty and furnishing/electronics trades. Causeway Point is 3 times larger in size than Northpoint Shopping Centre and also has a stronger and more diversified mix of retail trades. The trade mix of two competing malls — Sembawang Shopping Centre and Sun Plaza are quite differentiated in terms of products and price point. Nevertheless, these shopping centres are well supported by residential estates and working population in the immediate vicinity in each of its individual catchment.
<table>
<thead>
<tr>
<th>Shopping Centre/Main Owner</th>
<th>Approx. Net Lettable Area (NLA) (sq m)</th>
<th>Description</th>
<th>Strengths &amp; Weaknesses Vs Subject Properties</th>
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<tbody>
<tr>
<td>Sembawang Planning Area</td>
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<tr>
<td>Sembawang Shopping Centre (CapitaMall Trust)</td>
<td>9,023</td>
<td>Completed in 1986, this 999-year leasehold shopping centre comprising four storeys and a basement is situated along the main Sembawang Road. Although it is not within walking distance to the Sembawang MRT station, there are two free shuttle services provided to serve residents in the Sembawang and Yishun housing estates. It was upgraded in 1995 at a cost of $13.0 million and the works completed in 1997. It went through a repositioning for the retail component in 2002/2003. Its key anchor tenants include Giant hypermarket and Sembawang Music Centre. There are around 70 shops and trade mix such as amusement centre, department store, education centre, fashion, health &amp; beauty, furnishing and household. There are 240 car park lots in the multi-storey car park and 239 external lots. Outline planning permission was granted by the URA to decant about 4,205 sq m of residential GFA on the upper levels and replace by retail use in the basement and first storey of the mall.</td>
<td>CapitaMall Trust recently acquired Sembawang Shopping Centre. Any potential reconfiguration of space and tenants may pose competition albeit it could be limited by the size of the mall.</td>
</tr>
<tr>
<td>Shopping Centre/Main Owner</td>
<td>Approx. Net Lettable Area (NLA) (sq m)</td>
<td>Description</td>
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<tr>
<td><strong>Sembawang and Woodlands Planning Areas</strong></td>
<td></td>
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<tr>
<td><strong>Sun Plaza (Canberra Development)</strong></td>
<td>14,865</td>
<td>Completed in December 1999, Sun Plaza is a 99-year leasehold mix commercial and residential development with a 5-storey retail podium and two basement levels. Its anchor tenants include NTUC Fairprice, Sembawang Community Library, Yamaha Music School and Eng Wah Cinema.</td>
<td>Like the subject property, Sun Plaza also enjoys the convenience of having the MRT station and public bus services at its doorstep. While it is able to draw shoppers to its supermarket, library and cinema, the mall is smaller in size and hence does not have the attraction of a wide tenant mix compared to the subject property.</td>
</tr>
<tr>
<td><strong>Woodlands North Plaza (HDB)</strong></td>
<td>3,600</td>
<td>Completed in July 1996, Woodlands North Plaza is located at Woodlands Streets 82. It comprises a single-storey building with a small part 2-storey housing foodcourts and a furniture shop.</td>
<td>Although Woodlands North Plaza is situated in the heart of the Woodlands estate, it is not directly linked to the MRT station. Because of its small size, it is only able to attract a limited range of retail and food and beverage outlets and thus is not likely to draw shoppers away from bigger and better mall like the subject property.</td>
</tr>
<tr>
<td><strong>Woodlands Civic Centre (HDB)</strong></td>
<td>15,770</td>
<td>Woodlands Civic Centre is located opposite Causeway Point and is near to Woodlands MRT station and bus interchange. It has banking services, fashion, and specialty retail, food and beverage as well as the National Library and NTUC FairPrice supermarket.</td>
<td>While Woodlands Civic Centre is situated directly across Causeway Point, the key tenants include government agencies like the town council, CPF Board and banking services. While the centre has the attraction of the National Library Board and the NTUC Fair Price supermarket, its variety of retail tenants is limited and thus is not likely to pose a serious competition to the subject property.</td>
</tr>
<tr>
<td><strong>Neighbourhood Centres</strong></td>
<td>—</td>
<td>Throughout the Woodlands housing estate, there are numerous neighbourhood centres such as 888 Plaza, HDB shoplets, eateries, and markets. The main shoppers at these neighbourhood centres are residents in the immediate vicinity. Unlike the shopping malls, these neighbourhood shops generally do not carry branded merchandise or special goods.</td>
<td>They provide retail services for the convenience of residents in the nearby housing estates only. These centres are not likely to pose a serious threat to Causeway Point has a good tenant mix all housed under one roof.</td>
</tr>
<tr>
<td>Shopping Centre/Main Owner</td>
<td>Approx. Net Lettable Area (NLA) (sq m)</td>
<td>Description</td>
<td>Strengths &amp; Weaknesses Vs Subject Properties</td>
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<tr>
<td><em>Choa Chu Kang and Yishun Planning Areas</em></td>
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<tr>
<td>Lot 1 Shoppers’ Mall <em>(CapitaLandRetail Limited)</em></td>
<td>19,272</td>
<td>Completed in 1996, Lot 1 is located beside Choa Chu Kang MRT station and LRT station, as well as the bus interchange. Traffic flow in Lot 1 is high, as it is the main activity node in Choa Chu Kang. Together with the nearby Hillview, Upper Bukit Timah and Bukit Batok residential districts, Lot 1 has a catchment of about 400,000 people. The anchor tenants of Lot 1 are Seiyu Departmental Store, Food Junction food court and Shaw Cinemas.</td>
<td>To some extent, Causeway Point is expected to face some competition from malls located in the north such as Lot 1. Both Causeway Point and Lot 1 are easily accessible, either by MRT or by public bus transport. In terms of trade mix, both malls comprise a mix of specialty retail tenants and cinema. However Causeway Point is almost twice the size of Lot 1, hence the former offers a wider variety of specialty retail tenants and more choices of food and beverage outlets, restaurants and services for shoppers than Lot 1.</td>
</tr>
<tr>
<td>Northpoint Shopping Centre <em>(Yishun Development Pte Ltd)</em></td>
<td>13,922</td>
<td>Opened in 1992, Northpoint Shopping Centre was the first privately-owned and managed shopping centre in a public housing estate. In 2001, Northpoint was refurbished and in 2002, a new extension housing food outlets and new specialty shops were added. It has 6 storeys of retail with major anchor tenants like John Little and Cold Storage. It is located near to Yishun MRT station and bus interchange and has 194 car park lots.</td>
<td>While Northpoint Shopping Centre has the hallmark of a popular suburban mall and also enjoys the convenience of having the Yishun MRT station at its doorstep, it is some 5-km away from the subject property. While it has a good tenant mix comprising department store, supermarket and fast food outlets, because it is smaller in size than the subject property, it does not offer as wide a variety of specialty retail as the subject property. Northpoint Shopping Centre is a mall for families and students in its immediate locality. Because Causeway Point is the largest mall in the North region, it is highly patronised by families, students and working population in the immediate Woodlands area. Causeway Point has a good variety of tenant mix, it is also able to count the population residing and working in neighbouring Sembawang estates as its primary catchment.</td>
</tr>
</tbody>
</table>
6.2 Competitor Analysis of Malls in the vicinity of Northpoint Shopping Centre Shopping Centre

Notwithstanding that Northpoint Shopping Centre is a highly popular and established shopping mall in the locality, it still faces some competition from other shopping malls located in the north. The brief details of the main competing shopping malls are summarised in the following Table 6.2.

This table aims to provide a snapshot of the competitive positioning for each of these main competing shopping centres in relation to Northpoint Shopping Centre.

We have made comparisons with similar modern retail complexes in Singapore, especially those that are located in close proximity to the properties primarily in Yishun, Sembawang Area and hence have overlapping trade areas and those suburban malls which offer a trade mix targeted at the same market segment.

Although Northpoint Shopping Centre is characterised by a wide variety of retail trades catering to various market segments, the main focus of the specialty shops is on the mid market segments. Competitors of the same retailers’ pie are Sun Plaza and Sembawang Shopping Centre.

To a lesser degree, some competition comes from Causeway Point, Junction 8 and Thomson Plaza.

Location

In terms of location, Northpoint Shopping Centre is superior to several of the malls in the North Region. It enjoys direct linkage to the Yishun MRT via Basement 2. Commuters’ throughput from Yishun MRT station is high, with the bus interchange located next to it that makes it a main public transport commuter node.

Target Market

Sembawang Shopping Centre and Sun Plaza are retail complexes located in nearby sub-markets. They are essentially one-stop destination points with virtually everything under one roof. But it should be noted that the offerings of Sembawang Shopping Centre and Sun Plaza are slightly different to that of Northpoint Shopping Centre which appeals to a wide demographic segment including the more affluent shoppers, the young, upwardly mobile and family crowds. Northpoint Shopping Centre also has the advantage of Cold Storage Supermarket as its anchor tenant.

Fashion, food and beverage, salon/spa and books, crafts and gifts trades occupy a substantial portion of the retail mall. Shops classified under these trades include Kiddy Palace, Esprit, The Body Shop, City Chain, jewellery boutiques SK Jewellery, Poh Heng Aspial-Lee Hwa Jewellery.

The trade mix capitalises on the lower middle to middle income market of the locals as evidenced from:

- Shops offering ladies’ beauty & health care, restaurants and food outlets and general services shops in basement 2 and outdoor event area that is designed to attract crowds.
- Shops offering fast food, young fashion and general services in Basement Level 1 and Level 1.
- Shops offering ladies’ beauty and fashion wear, accessories and gifts, crafts and books and music shops directed at captivating the young shoppers.
- Collection of shops retailing in casual wear for men and ladies and children’ sports, kids apparel, books, stationery and gifts are strong magnets for the local community and students.
• Timezone entertainment centre for the young crowd, health and spa centres for the heartlanders, and Popular Bookstore are specifically located on the Level 3 targeted at destination patrons.

Cold Storage Supermarket with a wide range of food and grocery products on the basement Level 1 caters to the needs of families and working adults.

Northpoint Shopping Centre is positioned as a family-oriented mall for the heartlanders with its mix of merchandise skewed towards fashion, food and beverage, beauty, healthcare, children, music, books and accessories.

From a competitive analysis, we can see that the subject property, Northpoint Shopping Centre is more superior to Sembawang Shopping Centre and Sun Plaza in terms of location, accessibility and trade offerings, as it caters to a wide spectrum of the heartlanders from the kids to senior citizens. It has a strong orientation towards the resident population, its primary source of shoppers.

Like Sun Plaza and Sembawang Shopping Centre, Northpoint Shopping Centre is anchored by a supermarket/department store. The trade mixes for the specialty shops at Northpoint Shopping Centre are mainly in the fashion, food and beverage, salon/spa and books/crafts/gifts trades. Junction 8 and Causeway Point, on the other hand, are bigger complexes and has a more diversified mix of trades. The trade mixes of two competing malls — Sembawang Shopping Centre and Sun Plaza are quite differentiated in terms of products and prices.

Causeway Point complements Northpoint Shopping Centre since Causeway Point is more than 3 times larger than Northpoint Shopping Centre. The working population and the residential estates in the immediate vicinity provide a primary catchment that supports both centres.
### Table 6.2: Competitor Analysis of Shopping Centres located in the Yishun Micro Market Area in Singapore

<table>
<thead>
<tr>
<th>Shopping Centre/Main Owner</th>
<th>Approx. Net Lettable Area (NLA) (sq m)</th>
<th>Description</th>
<th>Strengths &amp; Weaknesses Vs Subject Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Within Primary Trade Area</strong></td>
<td></td>
<td></td>
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<tr>
<td>Yishun 10 complex</td>
<td>9,000</td>
<td>Opened in May 1992, this complex houses a 10-screen cineplex and was the first to introduce Singaporeans to the multiplex experience-attracting two and a half million moviegoers in its first year. Even today, it remains highly popular with residents in the area. The cineplex screens mostly mainstream Hollywood films. There is a snack counter serving popcorn, potato crisps and drinks, as well as a couple of fast food outlets.</td>
<td>Strategically located next to Northpoint Shopping Centre, it provides synergy for the subject development drawing cinema patrons. The cineplex is also one of the more popular cinemas in the north region. There are very few retail and food and beverage outlets in Yishun 10 complex. The North Point Shopping Centre next door offers a wider range of food choices. They complement each other.</td>
</tr>
<tr>
<td><strong>Outside Primary Trade Area</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Sun Plaza (Canberra Development)</td>
<td>14,865</td>
<td>Sun Plaza is located directly next to the Sembawang MRT station. It enjoys a convenience of the MRT and public bus services at the doorstep. Travelling by car is also easy with major expressways like the SLE and the BKE nearby. It is a 12-storey retail cum residential development (76 apartments) with a 5-storey retail podium with 2 basement levels. Opened in December 1999, Sun Plaza's retail outlets include cafes, supermarket, wet market, library, banking, medical facilities, fashion wear &amp; accessories, food outlets, wellness and spas and Office-Mart (Singapore Post Sembawang Branch). Major anchor include NTUC FairPrice, Sembawang Community Library, Yamaha Music School and Eng Wah Cinemas.</td>
<td>Located directly next to the Sembawang MRT station it enjoys a regular flow of human traffic. It has the National Library and Eng Wah Cinema as crowd drawers. It poses some competition to Northpoint Shopping Centre although it is further away from the Central Business District. It is perceived as a one-stop shopping mall for people who not only need to shop but to run errands as well. It is family-focused and offers convenient shopping. The current tenant mix supports budget to mid market shoppers.</td>
</tr>
<tr>
<td>Shopping Centre/Main Owner</td>
<td>Approx. Net Lettable Area (NLA) (sq m)</td>
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<td>Strengths &amp; Weaknesses Vs Subject Properties</td>
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<tr>
<td>Sembawang Shopping Centre (CapitaMall Trust)</td>
<td>9,023</td>
<td>It is located in the northern part of Singapore, situated along the main Sembawang Road with 5-level podium (including 1 basement level) of shops and a 4 storey residential block of serviced apartments and a multi-storey car park. There are 2 shuttle services, which are provided free-of charge to serve the residents living in the Sembawang and Yishun estates. The nearest MRT station is Sembawang MRT station. Completed in 1986, it was upgraded in 1995 at a cost of S$13.0 million and the works completed in 1997. It went through a repositioning for the retail component in 2002/03. Its major anchor is Giant Hypermarket. There are around 70 shops and the trade mix include amusement centre, stationery shop, computer, telecommunication and electronics, departmental store, education centre, jewellery shop, fashion wear &amp; accessories, food &amp; beverages, hair, beauty &amp; health, handicrafts, home décor, gifts &amp; florist, kid’s fashion, baby products and toys, lighting, furnishings &amp; household, music and audio equipment, optical shop, services and sport, leisure &amp; hobbies. Food and beverage include Taste of Thailand, Burger King and Sakae Sushi. Total number of car park lots 240 in multi-storey car park and 239 lots external car park on temporary occupation license. Outline planning permission was granted by URA to decant about 4,205 sq m of residential GFA on the upper levels and replace by retail use in basement and first storey of the mall. It has a 999-year leasehold tenure.</td>
<td>Located away from MRT station, its location is less superior to Northpoint Shopping Centre, although shuttle bus services are provided to bring shoppers from the nearby MRT station. It is also smaller than Northpoint Shopping Centre but it is planning to expand and reconfigure its retail area having been acquired by CMT recently. Northpoint Shopping Centre enjoys the spillovers of patrons from the cinemas next door while Sembawang Shopping Centre does not but it is extremely popular with locals. It can rival Northpoint Shopping Centre for the lower mid market segment. It has the benefit of catchments from private residential estates surrounding the mall and along Sembawang Road and the working population in the industrial estates in Woodlands and Admiralty. Positioned as a one-stop family-oriented necessity mall it is popular with the local residents living in the area. Ample car parking space.</td>
</tr>
<tr>
<td>Shopping Centre/Main Owner</td>
<td>Approx. Net Lettable Area (NLA) (sq m)</td>
<td>Description</td>
<td>Strengths &amp; Weaknesses Vs Subject Properties</td>
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<tr>
<td>Yishun HDB Neighbourhood Centres</td>
<td></td>
<td>Throughout the Yishun housing estate, there are numerous neighbourhood centres such as shops, eateries, and markets. The main shoppers at these neighbourhood centres are residents in the immediate vicinity. Unlike the shopping malls, these neighbourhood shops generally do not carry branded merchandise or special goods.</td>
<td>They serve the daily necessities of residents living in the housing precinct while Northpoint Shopping Centre offers a wider variety of branded merchandise or specialty goods in an air-conditioned environment.</td>
</tr>
<tr>
<td>Causeway Point (Woodlands Complex Pte Ltd)</td>
<td>39,509</td>
<td>Opened in December 1998, it has 7 levels of retail shops and more than 900 car park lots. It is located next to the Woodlands MRT station and the Woodlands Regional Bus Inter-change. The major anchors are Metro, John Little, Cold Storage and Timezone. It also has the Cathay Cinemas and a good selection of food and beverage outlets. This suburban mall is mainly for casual shopping, dinning and entertainment. There are around 250 shops with a wide selection of goods and services. The tenants include books &amp; stationery, electronics, food &amp; beverages, home furnishings, services, department store, leisure &amp; entertainment, sports &amp; fitness, fashion, gifts &amp; specialty, lifestyle and supermarket. It is fully occupied.</td>
<td>Strategically located next to the Woodlands MRT station, the highly visible shopping centre is popular with locals and especially families, youth and students. Being a large mall it provides everything under one roof and complements Northpoint Shopping Centre, as some of the tenants are similar in the two malls. It targets the families, executives and youths.</td>
</tr>
<tr>
<td>Jubilee Entertainment Complex (Eng Wah Organization)</td>
<td>3,400 (GFA)</td>
<td>This is Eng Wah Group’s first integrated entertainment centre. This 2-storey complex features a trendy Miami-Themed providing seamless shopping, dinning and entertainment experience for the heartlanders. It has a 4-screen Cineplex (with 764 seats) with the latest audio-visual system, eateries such as Mos Burger, Pizza Hut, lifestyle shops like Popular Book Store, Spring Beauty, Zone X, a family amusement Centre, designed in a fun-celebrity theme.</td>
<td>Located in the town centre of Ang Mo Kio and near the Ang Mo Kio MRT station, this centre is popular with family and youth. This is a small development and is not a threat to Northpoint Shopping Centre.</td>
</tr>
<tr>
<td>Shopping Centre/Main Owner</td>
<td>Approx. Net Lettable Area (NLA) (sq m)</td>
<td>Description</td>
<td>Strengths &amp; Weaknesses Vs Subject Properties</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Junction 8 (CapitaMall Trust)</td>
<td>22,772</td>
<td>Opened in 1993. It has 4 levels of retail and 6 levels of office. There are 305 car park lots. It is located next to the Bishan MRT station and the Bishan Bus Interchange. It was upgraded in 2004. The major anchors are Seiyu, NTUC FairPrice and Best Connection. It also has a Golden Village cineplex and a good selection of food and beverage outlets. This suburban mall is mainly for casual shopping, dining and entertainment. There are around 170 shops with a wide selection of goods and services. The tenants include books &amp; stationery, electronics, food &amp; beverages, home furnishings, services, department store, leisure &amp; entertainment, sports &amp; fitness, education centre, fashion, gifts &amp; specialty, lifestyle and supermarket. It is fully occupied.</td>
<td>Strategically located next to the Bishan MRT station, the highly visible shopping centre is popular with locals and especially the youth and students. It targets the families, executives and youths.</td>
</tr>
<tr>
<td>Thomson Plaza (Major owner NTUC Fair Price &amp; other owners)</td>
<td>8,469</td>
<td>Opened in 1979. Major anchor include the NTUC FairPrice and Best Denki. Other facilities and services include a Yamaha Music Centre, Popular Bookshop, Osim, Home Appliances, Pet Shop, Eye Care, Fashion Wear, Furniture, a DBS Bank Branch, Peach Garden Restaurant and Food outlets. To provide further convenience to shoppers and visitors, Thomson Plaza has a one-level basement car park for over 440 vehicles. Thomson Plaza has a 1,200 sq. metres central mall, with only 2 levels of shops on one side, and 3 levels, including a mezzanine floor, on the other.</td>
<td>Strategically located at the elevated level above Upper Thomson Road, its wide frontage offers high visibility to passers by. Owing to its limited size it does not offer a wide variety to shoppers. It is family focused with NTUC FairPrice Supermarket, Yamaha Music Centre and DBS Bank to cater to the residents living in the neighbourhood.</td>
</tr>
<tr>
<td>Ang Mo Kio Ave 8 (Singapore Labour Foundations, NTUC FairPrice, etc)</td>
<td>23,860 (GFA)</td>
<td>Expected to open in 2Q 2007, it is an integrated retail cum bus interchange development. It will have 4 levels with a basement. NTUC club will occupy some of the space, NTUC FairPrice supermarket will take up about 7,432 sq m and the remaining areas will be let out. Potential trade mix includes a bowling alley.</td>
<td>Strategically located next to the Ang Mo Kio MRT station that will be linked via the basement level. This mall may draw shoppers from Ang Mo Kio away from Northpoint Shopping Centre once it is completed.</td>
</tr>
</tbody>
</table>
6.3 Competitor Analysis of Malls in the vicinity of Anchorpoint Shopping Centre

There are several competitive retail developments in the vicinity of Anchorpoint Shopping Centre although they are not of similar size and quality. Due to its small size, Anchorpoint Shopping Centre faces keen competition from larger malls located within the trade area, in particular Queenstown Shopping Centre and IKEA. The brief details of the main shopping malls are summarised in Table 6.3.

We have made comparisons with similar modern retail complexes in Singapore, especially those that are located in close proximity to Anchorpoint primarily in Queenstown and Bukit Merah and hence have overlapping trade areas and those malls in the fringe area of Central Region, which offer a trade mix targeted at the same market segment.

Although Anchorpoint Shopping Centre offers a wide variety of retail trades catering to various market segments, the main focus of the specialty shops is on family shoppers. Its competitors are mainly Queensway Shopping Centre and IKEA, which share the same business pie and customer base with Anchorpoint Shopping Centre. In addition, HDB shops in the surrounding area may also pose some threat to Anchorpoint Shopping Centre.

To a lesser degree, some competition comes from Tiong Bahru Plaza, Valley Point Shopping Centre and the soon to be opened VivoCity.

**Location**

Anchorpoint Shopping Centre is located at the junction of Alexandra Road and Queensway, right in between Queenstown and Bukit Merah Planning areas. It is connected with other parts of the island by MRT lines and the Ayer Rajah Expressway (AYE) and can be easily accessed through various modes of transportation. The nearest MRT station is Queenstown MRT station, which is just 3 bus stops away. There is a bus stop located right in front of the development. It also enjoys the catchment of nearby working population from the PSA Building, Alexandra Hospital, and numerous car showrooms, Alexandra Fire Station, Alexandra Technopark etc.

**Target Market**

Queensway Shopping Centre and IKEA are the two nearest retail malls within the primary trade area of Anchorpoint Shopping Centre. However, their positioning and trade mix are different from Anchorpoint Shopping Centre. Both of them focus on specialized niche markets, which do not overlap with that of the Anchorpoint except for the furniture trade.

Anchorpoint Shopping Centre provides convenient local shopping for residents who live or work around Alexandra Road and Queensway area. It has the advantage of Cold Storage Supermarket and Oscar’s Food Mall as its anchor tenants. You can also find Paddyfields Thai Restaurant and Sanliu Bar alongside specialty shops that deal in home furnishings, healthcare, books, jewellery, gifts and apparel.

Anchorpoint Shopping Centre positions itself as a family type of shopping destination catering to the daily needs of nearby residents. This is evident by the fact that food and beverage, supermarket, laundry, clinics, bookstore, and healthcare/beauty trades occupy a substantial potion of the retail mall. Shops classified under these trades include Oscar’s Food Mall, Systematic Laundromat, Neighbourhood Chiropractic, The Book Cove, Guardian Health & Beauty, Expressions Wellness Spa, Delifrance, Watson’s, Kentucky Fried Chicken, 7-Eleven etc.
The trade mix capitalises on the low to middle income market of locals as evidenced from:

- Supermarket, shops offering ladies’ beauty & health care and general services in basement that are designed to attract crowds;
- Shops offering fast food, ladies’ beauty, accessories and gifts, crafts and books and music shops directed at captivating the young shoppers;
- Collection of shops retailing in casual wear for men and ladies and children’s sports, kids’ apparel, books, stationery and gifts are strong magnets for the local community. Standard Chartered Bank and convenience stores at Level 1 and Basement provide daily convenience to the surrounding residential and working population.
- Oscar’s Food Mall at Level One and Paddy Fields Thai Restaurant & Sanliubar, located in a free-standing conservation building known as Copperdome, are ideal dining places for both local residents and people who are not living nearby.
### Table 6.3: Competitor Analysis of Shopping Centres located in the Alexandra Micro Market Area in Singapore

<table>
<thead>
<tr>
<th>Shopping Centre/Main Owner</th>
<th>Approx. Net Lettable Area (NLA) (sq m)</th>
<th>Description</th>
<th>Strengths &amp; Weaknesses Vs Subject Properties</th>
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</thead>
<tbody>
<tr>
<td><strong>Primary Trade Area</strong></td>
<td></td>
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<tr>
<td>Queensway Shopping Centre</td>
<td>7,900</td>
<td>Queensway Shopping Centre is located at the western junction of Queensway and Alexandra Road and directly opposite the Anchorpoint Shopping Centre. It is a commercial-cum-residential development comprising a 3-storey shopping podium and a basement car park for over 180 vehicles. The podium accommodates shops, offices and fast food outlet and food kiosks. The majority of the retail is in the trade of sporting goods and trendy apparel &amp; accessories. It also has jewellery shops, food outlets, and salons, phone shops, home appliances and stationery shops. The shopping centre appears to be well patronised especially by young adults and school children.</td>
<td>Queensway Shopping Centre is largely known for its sport-oriented theme and is highly popular with youth and adults who are into sports. However the catchment for Anchorpoint Shopping Centre is more towards families, with Cold Storage supermarket as its anchor tenant. The wide range of food and beverage outlets and restaurants in Anchorpoint is able to attract a wider population catchment compared to Queensway Shopping Centre. Both the shopping centres do not have the convenience of being sited next to MRT station. There is a free shuttle bus service from Alexandra Distripark to Anchorpoint Shopping Centre to facilitate easy access to the mall.</td>
</tr>
<tr>
<td>IKEA (Ikano Pte Ltd)</td>
<td>15,600</td>
<td>Opened in 1995, IKEA is a famous Swedish home furnishings store located along Alexandra Road, opposite to the Anchorpoint. IKEA is well known for selling a wide variety of furniture at prices so low that the majority of people can afford them. It provides various services including children's services, home and office furnishing services, kitchen planning service, home delivery and assembly service. There is an IKEA restaurant at the 2nd level that offers Swedish dishes. It has 420 car park lots.</td>
<td>IKEA, as a popular home furnishing mall, attracts a large group of people from all over the island. Compared to Anchorpoint Shopping Centre, IKEA is however more of a special purpose destination mall. While IKEA is likely to compete with the furnishing shops located at Anchorpoint Shopping Centre, the latter offers a wider variety of specialty retail tenants compared to IKEA. Anchorpoint Shopping Centre do enjoy some spillovers of shoppers from IKEA when it is holding a big sale, as the car park is popular with IKEA shoppers.</td>
</tr>
<tr>
<td>Shopping Centre/Main Owner</td>
<td>Approx. Net Lettable Area (NLA) (sq m)</td>
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</tr>
<tr>
<td><strong>Outside Primary Trade Area</strong></td>
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<tr>
<td>Tiong Bahru Plaza (GRA)</td>
<td>18,050</td>
<td>Opened in 1994, Tiong Bahru Plaza is located on the northern side of Tiong Bahru Road above the underground Tiong Bahru MRT station. It consists of 6-storey shopping-cum-entertainment podium block with three basement levels accommodating some 134 shops. Its anchor tenants include Popular Bookstore and a Golden Village cineplex. Other retail outlets include food and beverage such as BreadTalk, Sakae Sushi, fastfood, pharmacies, SK Jewellery shop, Photo Finish Outlet, Furniture, Fashion Wear, footwear and Accessories, Sportslink and World of Sports. 414 car park lots are provided at the three basement levels.</td>
<td>In terms of accessibility, Tiong Bahru Plaza has the convenience of having the Tiong Bahru MRT station directly linked to the mall from its basement level. As Tiong Bahru Plaza is bigger in size compared to Anchorpoint Shopping Centre, it also provides a wider range of specialty tenants compared to Anchorpoint Shopping Centre. However, Tiong Bahru Plaza is quite far away from Anchorpoint Shopping Centre thus its impact on Anchorpoint Shopping Centre is less.</td>
</tr>
<tr>
<td>VivoCity (Mapletree Investments Pte Ltd)</td>
<td>94,100 (GFA)</td>
<td>A mega mall positioned as a &quot;must visit&quot; destination with an extensive range of attractions. Expected to be completed in 2006. Anchors will take up 40.0% of the space and include the biggest hypermarket of 13,935 sq m. (Cold Storage), a 12 to 18-screen Cineplex, a department store, a sporting goods stores and a lifestyle store. About 16.0% of the space will be for food and beverage. Other features include an extreme outdoor sports area, children's playground and play pool, amphitheatre, nightclub and disco and 2,500 car park lots. It aims to have 30 million visitorship spending S$1.0 billion a year. The mall will be linked to the proposed LRT at Sentosa.</td>
<td>This development is set to be a major rival to large malls, in terms of its size and variety of features. It is also targeted at tourists and can tap the catchment of Sentosa visitors. It can capitalise on the water frontage at Keppel Bay and the proximity to Sentosa Island. It is also at the city fringe location and will have direct access to Harbourfront MRT station on the North-East Line. It will pose a major threat to Anchorpoint Shopping Centre in view of its proximity and shared population catchment. However, it is reported that 65% of the space in the mall has been committed.</td>
</tr>
<tr>
<td>Shopping Centre/Main Owner</td>
<td>Approx. Net Lettable Area (NLA) (sq m)</td>
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<tr>
<td>Valley Point Shopping Centre (Frasers Centrepoint Limited)</td>
<td>3,700</td>
<td>Completed in 1998, Valley Point is located at River Valley Road. It is a convenient stopover for residents of the River Valley and Jervois districts. It offers the basic photo processing, laundry and medical services, as well as outlets for meals and tete-a-tete. Other specialty retail trades include clubs &amp; pubs, furniture &amp; households, hair &amp; beauty and clinic. It has 475 car park lots.</td>
<td>Valley Point's range of specialty tenants is not as wide as that of Anchorpoint Shopping Centre. With key anchor tenants such as Cold Storage Supermarket, Anchorpoint Shopping also attracts a regular stream of shoppers to the mall. In terms of accessibility, Anchorpoint Shopping Centre is located at the major junction of Queensway and Alexandra Road and close to Queenstown MRT station and Ayer Rajah Expressway. It is more visible and accessible compared to Valley Point Shopping Centre.</td>
</tr>
<tr>
<td>HDB Neighbourhood Centres</td>
<td>N.A.</td>
<td>Throughout the Queenstown and Bukit Merah housing estates, there are numerous neighbourhood centres such as shops, eateries, and markets. The main shoppers at these neighbourhood centres are residents in the immediate vicinity. Unlike the shopping malls, these neighbourhood shops generally do not carry branded merchandise or special goods.</td>
<td>The biggest strength of HDB neighbourhood centres compared with Anchorpoint Shopping Centre is their affordability in terms of pricing. They usually only provide daily necessities to the immediate housing blocks and have very limited catchment. Anchorpoint Shopping Centre therefore has an edge over these neighbourhood centres with its much wider variety of goods and services.</td>
</tr>
</tbody>
</table>
7. Review of Causeway Point, Northpoint Shopping Centre and Anchorpoint Shopping Centre

7.1 Review of Causeway Point

Causeway Point is one of the largest shopping centres located in the suburbs. It was opened in December 1998, a year marked by a lackluster economic performance in Singapore. At close to 40,000 sq m, it is slightly bigger than the existing Jurong Point and is the latest suburban mall to be built in one of the three regional centres, Woodlands Regional Centre, the other two being Jurong Point in Jurong East Regional Centre and Tampines Mall in Tampines Regional Centre. The mall is sited adjacent to the Woodlands MRT station and the Woodlands regional bus interchange is situated below it.

Causeway Point has several anchors like Metro, John Little, Courts, Popular Bookstore, Kiddy Palace, Cathay Cineplexes, Horizon Foodmall and Cold Storage. These retailers are well patronized by the local shoppers.

7.1.1 Key strengths

**Popular with Families**

Causeway Point is popular with locals living in the Woodlands area. It has a prominent frontage along Woodlands Square and is highly visible. It features an event space on the 1st storey atrium located at the main front lobby of the mall for thematic and promotional events, which are suitable for all kinds of entertainment and events. Regular marketing activities and events held at the atrium space have successfully attracted high pedestrian traffic particularly families with kids.

**Convenient Location And Excellent Accessibility**

Causeway Point is located at the heart of the Woodlands Regional Centre and is directly located next to the Woodlands MRT station. The Woodlands regional bus interchange is below the Woodlands MRT station thus enhancing the public transport serving the mall and also to provide easy accessibility to shoppers living in the locality but who do not drive. In addition, the mall provides more than 900 car park lots located on at Basements 2 and 3 and on Levels 2 to 6. Public car park lots are also available in the nearby public housing estates, which are within walking distance to the mall.

**Large catchment**

Causeway Point enjoys an immediate catchment of around 222,000 residents in Woodlands and another 72,000 in Sembawang. There is also a cluster of working population in the nearby industrial park as well as staff and students from the many local schools and the American School, which provide the spending patronage to the mall. The resident population around Causeway Point is likely to increase in the next couple of years with the completion of several new residential projects, which will contribute a total of more than 1,000 new housing units.

**Wide ranging tenant mix**

Causeway Point targets a wide demographic population ranging from the young and the old. The anchor tenants Cold Storage Supermarket and Courts ensure a regular stream of shoppers. Causeway Point also boasts a good number of foreign and made-in Singapore labels such as Esprit, The Body Shop, Eu Yan Sang, Osim International as well as jewellery boutiques like Poh Heng, Lee Hwa Jewellery and Risis.

There are also popular food and beverage outlets such as McDonald's, Kentucky Fried Chicken, Mos Burger, Swensen's, Pizza Hut, Delifrance, Bengawan Solo and Ya Kun Kaya Toast that ensure a regular stream of shoppers to the mall.
For entertainment, there is the popular entertainment centre Timezone and Cathay Cineplexes; both are major crowd pullers to the mall. In addition the Symphony Music School and the Causeway Hua Language Centre are expected to attract a steady stream of visitors and students to Causeway Point.

7.1.2 Opportunities and Improvements

There are also several opportunities to build on and maximise the strengths of Causeway Point. These are some of the issues that can be reviewed to help strengthen Causeway Point's market positioning, improve tenant mix and ultimately increase shopper traffic and rents.

Size

Causeway Point can actively manage its trade mix to enhance its reputation as a middle income shopping destination for residents living in the North of Singapore. It can increase its offering to trades that are more family-oriented and appeal to the middle-income young families and working population. There has been a growing private housing supply in the area in recent years. This will help to differentiate Causeway Point from neighbourhood shops that appeal more to the masses. Already with its significant size and strong tenant mix, Causeway Point is known as a one-stop destination mall.

Rental Income and Retail Range

To improve rental levels and expand its retail range, existing large anchor space can be reconfigured into smaller units and space from the upper levels can be decanted to lower levels or repositioned to make it more attractive to shoppers. There are also opportunities to attract more shopper traffic to flow upwards by making the upper levels a must shop destination with a strong entertainment zone or education zone since there are many schools in the vicinity.

Zoning and Clustering

Currently, the tenants of the retail space in Causeway Point are strategically zoned according to the category of trades with fashion trade located mainly on the 1st to 3rd storey, food and beverage trade mainly on basement 1 and 1st storey, health and beauty trades on the basement 1, 1st storey and 2nd storey while salon and spa trade can be found on the basement 1 and 4th storey. This has created an organised zoning and clustering for ease of shopping in Causeway Point although many of the fashion stores are duplicated in many other suburban malls. There is room to improve tenant mix.

This strategy works well to capture the masses that travel through the Woodlands MRT station with trades that are mass market in appeal. As for 1st storey, they target the young and trendy markets. While this is good for Causeway Point, as the trades complement, support and synergise each other based on price points and popularity, shoppers in general may not perceive such differentiation. Causeway Point may want to explore having all the salon and spa, health and beauty category of retailers on the same level to create a critical mass and capture the attention of the shoppers. It will help to channel shopper flow more effectively.

There is opportunity to improve synergy between Causeway Point and shops in the area by not duplicating trades and tenants already found in the HDB shops in the immediate neighbourhood.
**Layout**

For Causeway Point, more strategic location of different trades can help shopper flow and make better utilisation of space. This can tie in with the clustering strategy. All of this will help overcome the limitations from the stretch of walkway that links the one end (main front lobby) of the building to the other end, where shoppers on one end are unable to view the retail shops at the other end. The walkway can be better utilised.

**Asset Enhancement**

There may be opportunities for decanting for Causeway Point if there are unutilised area on the lower floors or roof terrace and open areas. We understand from the registered proprietor that there are plans to re-configure space presently occupied by some of its anchor tenants. This reconfiguration of space will take place if some of these anchor tenants do not renew their space or reduce their space requirements upon expiry of their existing leases. The available vacated larger space is likely to be sub-divided into smaller lettable units, which will increase the variety of specialty retail tenants to the mall. This will help to yield better rentals.

7.2 **Review of Northpoint Shopping Centre**

Northpoint Shopping Centre is located in the heart of Yishun New Town at a highly visible and vibrant corner of Yishun Avenue 2 and Yishun Central, directly facing Yishun MRT station. Directly linked to the Yishun MRT station via an underpass at Basement 2, Northpoint Shopping Centre is very convenient and accessible to shoppers who do not drive. It was the first privately owned and managed shopping centre in a suburban housing estate built on land tendered from the HDB Sales of Site Program in 1990. Officially opened in 1992, it is a 4-storey retail complex with 3 basement levels and 194 car park lots in Basement Level 1, 2 and 3. It was refurbished in 2001 and a new 2-storey extension was added in 2002 to house more food and beverage outlets and specialty shops. Northpoint Shopping Centre is almost fully let.

Major tenants such as the Cold Storage Supermarket, Popular Book store, John Little, Royal Sporting House, Timezone, Horizon FoodMall (a food court) and McDonald’s Fast Food Restaurant are crowd pullers. There are a total of 90 outlets offering a good variety of products and services catering to the lower mid to mid income market including food and beverage, fashion, life’s little luxuries, entertainment, beauty and health care, salon/spa, services, books/crafts/gifts, accessories, household equipment and electrical appliances, banking services and so on.

Northpoint provides a destination for families, young and trendy, workers and students and also benefits from shopper traffic generated by the Yishun 10 complex (which houses a 10-screen Golden Village cineplex) and the Yishun bus interchange, which are both adjacent to it.

7.2.1 **Key strengths**

**Popular With Families**

Northpoint Shopping Centre is popular with locals living in the Yishun Area. It has a prominent frontage on Yishun Road and is highly visible. It features a bright atrium with skylights, an outdoor event space at street level right next to the bus interchange for thematic & promotional events that is suitable for all kinds of entertainment and events. Regular marketing activities and events held at the outdoor event space have successfully attracted high pedestrian traffic particularly family with kids.

Northpoint Shopping Centre was extended and retrofitted at a cost of approximately S$2.0 million in 2000. The skylight shopping atrium gives the mall a brighter look.
**Convenient Location And Excellent Accessibility**

Northpoint Shopping Centre is located at the heart of Yishun New Town right in the town centre, with direct underpass linkage to the Yishun MRT station via Basement Level 2 of Northpoint Shopping Centre. It is also next to the Yishun bus interchange. Commuting to the shopping centre by public transport convenient and there are 194 car park lots that are available in the development. Public car park is available in the nearby public housing estate within walking distance to the mall.

**Large catchment**

Northpoint Shopping Centre enjoys an immediate catchment of around 180,000 resident population and working population in Yishun Industrial Park. The proximity to the many schools and learning institutions provide the spending patronage to the malls. The residential population around Northpoint Shopping Centre area is expected to increase in the next couple of years with the completion of several new residential projects that will contribute a total of more than 700 housing units.

**Wide ranging tenant mix**

The Northpoint Shopping Centre targets a wide demographic population ranging from the young to the old. The recently renovated food court at the Basement Level is a crowd puller. Cold Storage Supermarket and Popular Book store ensure a regular stream of shoppers. Northpoint Shopping Centre also boasts a good number of foreign and made-in Singapore popular labels such as Esprit, The Body Shop, City Chain, jewellery boutiques SK Jewellery, Poh Heng, Aspial-Lee Hwa Jewellery, OCBC Bank, OSIM and Sembawang Music store.

Food and beverage outlets such as McDonald’s, Delifrance, Swensens Ice Cream, Starbucks Coffee, Sakae Sushi and Kentucky Fried Chicken outlets ensure a regular shopper flow to Northpoint Shopping Centre.

Arcade games such as Timezone and music and CD stores such as Sembawang Music Store, Poh Kim VCD and Audiophile offer the entertainment element for shoppers.

7.2.2 Opportunities and Improvements

There are also several opportunities to build on and maximise the strengths of Northpoint Shopping Centre. These are some of the issues that can be reviewed to help strengthen Northpoint Shopping Centre’s market positioning, improve tenant mix and ultimately increase shopper traffic and rents.

**Size**

Northpoint Shopping Centre can actively manage its trade mix to enhance its reputation as a middle income shopping destination for residents living in the area. It can increase its offerings to trades that are more family-oriented and appealing to the middle-income young families and working population. There is a growing private housing population in the area in recent years. This will help to differentiate Northpoint Shopping Centre from neighborhood shops that appeal more to the masses.

With the new and redeveloped shopping centres growing in size, the smaller malls such as Northpoint Shopping Centre may need to focus on its niche in order to compete with the bigger ones that are positioned as a one stop shopping destination.
**Rental Income and Retail Range**

To improve rental levels and expand its retail range, existing large anchor space can be reconfigured into smaller units, and space from the upper levels can be decanted to lower levels or repositioned to make the mall more attractive to shoppers. There are also opportunities to attract more shopper traffic to flow upwards by making the upper levels a “must shop” destination with a strong entertainment zone or education zone since there are many schools in the vicinity.

The second level of the extension building can be dedicated for entertainment trades that can operate longer than the mall’s normal operating hours for the “night owls” as it is separated from the main building. Letting them out to KTV operators, pubs and cybercafes are some possibilities.

**Zoning and Clustering**

Currently, the tenants of the retail space in Northpoint Shopping Centre are strategically zoned according to the category of trades with fashion trade located mainly on Level 2 and some on Level 1, food and beverage mainly on Basements 1 and 2 and Level 1 and books/crafts/gifts, life’s little luxuries, salon/spa on Level 3. This has created an organized zoning and clustering for ease of shopping in Northpoint Shopping Centre although many of the fashion stores are duplicated in many other suburban malls. There is room to improve tenant mix.

This strategy works well to capture the masses that travel through the Yishun MRT station via the Northpoint Shopping Centre’s Basement 2 where the trades are mass market in appeal. As for Level 1, they target the young and trendy markets. While this is good for Northpoint Shopping Centre, as the trades compliment, support and synergies each other based on pricing and popularity, shoppers in general may not perceive such differentiation. Northpoint Shopping Centre may want to explore having all the fashion apparel shops on the same level to create a critical mass and capture the attention of the shoppers. It will help to channel shopper flow more effectively.

There is opportunity to improve synergy between Northpoint Shopping Centre and shops in the area by not duplicating trades and tenants already found in the HDB shops in the immediate neighbourhood.

**Layout**

For Northpoint Shopping Centre, more strategic allocation of different trades can help improve shopper traffic and make better utilisation of space. This can tie in with the clustering strategy. All of this will help overcome the limitations from the fragmented breaks between the main building and the extension, which creates a discontinuity. The walkway between the main building and extension can be better utilized.

**Asset Enhancement**

There may be opportunities for decanting upper level space at Northpoint Shopping Centre if there are unutilized areas on the lower floors or roof terrace and open areas. Unutilized open space, for example, the walkway between the main building and the extension building can be covered up to improve the linkage so as to increase shopper traffic. This will help to yield better rentals.
7.2.3 Retail Competition

While no other mall in the Yishun Area matches Northpoint Shopping Centre’s excellent location and size, competition for shopper traffic is keen as other malls continue to upgrade or expand where there is availability of sites adjoining the existing competing developments, to offer a critical mass so as to attract more shoppers from outside their primary areas.

Other competition can come from the new mall in Ang Mo Kio Town Centre slated to open in 2007, which could divert shoppers from Ang Mo Kio areas who used to shop in Northpoint Shopping Centre.

In 2006, rivalry is likely to come from VivoCity with approximately 94,100 sq m of space. It will likely be similar in many aspects to Ngee Ann City, such as family focused mass market, tourist appeal, large size with wide range of trades, trendy and lifestyle amenities and a vibrant place that will regularly feature events and activities for shoppers to the mall. But the impact is likely to be minimal, as suburban malls such as Northpoint Shopping Centre and Causeway Point will at least have a regular catchment from the residents of the housing estates in their immediate neighbourhood because of proximity and convenience.

Potential new developments from three commercial sites at Orchard Turn and Orchard Road/Killiney Road next to Somerset MRT station can potentially generate about 139,200 ss m of retail space to Orchard Road in the mid term (3 to 5 years). They will revitalize the Orchard Shopping precinct and draw shoppers from islandwide.

Benefiting from cheap air travel, larger malls in the region offering a large variety of price competitive products, such as KLCC in Kuala Lumpur, may become more attractive to local shoppers.

7.3 Review of Anchorpoint Shopping Centre Property

Completed in 1997, Anchorpoint Shopping Centre is part of a condominium development known as The Anchorage. It comprises two levels of shops located on the 1st storey and Basement of a 5-storey commercial-cum-residential block and a freestanding conservation building known as Copperdome. It is situated at the junction of Alexandra Road and Queensway right in between Queenstown Planning Area and Bukit Merah Planning Area. The mall provides a good shopping destination for families, youngsters and office workers in the vicinity.

Anchorpoint Shopping Centre has several anchor tenants and popular stores like Cold Storage Supermarket, Novena Furnishings, Guardian, Kentucky Fried Chicken, Royal Sporting House, Bata Shoes, and Delifrance, which are well patronized by local shoppers.

7.3.1 Key strengths

Popular with Families

Anchorpoint Shopping Centre was built as an ancillary retail component of a residential project known as The Anchorage. Naturally, it is positioned as a family-oriented mall, which provides a convenient one-stop shopping experience for residents living in The Anchorage and other residential developments in the immediate surroundings such as Queens. The main focus of the specialty shops is on family shoppers while the mall also offers a wide variety of retail trades catering to various market segments.
Centralised Location and Good Accessibility

Anchorpoint Shopping Centre is located at the Fringe Area of Central Region and just about 20 minutes drive away from the city. Though not directly linked to any MRT station, it is easily accessible via a 10-minute bus ride to the nearest Queenstown MRT station. Commuting to the shopping centre by public buses is very convenient as there is a bus stop right in front of the development. The Ayer Rajah Expressway in the south further enhances the accessibility of Anchorpoint.

Large catchment

Good transportation links from Anchorpoint to other parts of the island make it very accessible and attractive to residents living outside this area. There are two big private residential developments, The Anchorage and Queens in the primary trade area of Anchorpoint. The two developments together have more than 1,500 units, which provide ready catchment to support the retail business of Anchorpoint.

Combined with the surrounding public housing estates, Anchorpoint enjoys an immediate catchment of around 73,492 resident populations in its primary trade area and 159,026 resident populations in its secondary trade area. Its proximity to the many industrial estates, office buildings, schools and learning institutions provide further support to the mall.

Wide ranging tenant mix

Although small in size, Anchorpoint Shopping Centre has a wide category of trades that is appealing not only to family shoppers residing nearby but also to all age groups from elsewhere. It has the advantage of Cold Storage Supermarket and Oscar’s Food Mall as its anchor tenants and crowd pullers. You can also find Paddyfields Thai Restaurant and Sanliu Bar alongside specialty shops that deal in home furnishings, healthcare, books, jewellery, gifts and apparel.

The Standard Chartered Bank on the first floor and other food and beverage outlets such as Delifrance, Kentucky Fried Chicken, Bengawan Solo and Secret Recipe Café ensure a regular shopper flow to Anchorpoint.

7.3.2 Opportunities and Improvements

There are several opportunities to build on the strengths and improve Anchorpoint. These are some of the issues that can be reviewed to help strengthen Anchorpoint’s market positioning, improve tenant mix and ultimately increase shopper traffic and rents.

Future redevelopment of public housing estates

Anchorpoint’s catchment area covers both the Queenstown and Bukit Merah HDB housing estates, two of the oldest public housing estates in Singapore. According to the HDB Sample Household Survey 2003, the average age of HDB blocks in Queenstown and Bukit Merah are 29.7 years and 26 years respectively.

This was observed by the Housing Development Board (HDB), which announced the redevelopment plans of some older flats in Tanglin Halt, Commonwealth Drive, Margaret Drive and Stirling Road under the Selective Enbloc Redevelopment Scheme (SERS) to rejuvenate the area.

Under the SERS scheme, old blocks are torn down to make way for new ones nearby, to intensify land use. Affected residents are offered new replacement flats nearby. The extra flats are sold off to new residents eager to live in mature towns. The idea is to optimise
land use and provide more housing to attract new families to older estates. By the middle of 2007, some 1,800 new HDB flats will be completed in the vicinity of Anchorpoint to replace the existing old flats.

This is likely to add more buzz and change the demographic profile of the existing old public housing estates in the area. Anchorpoint Shopping Centre in turn will benefit from the increased population catchment and retail demand.

**Trade Mix**

Anchorpoint Shopping Centre can actively manage its trade mix to enhance its position as a shopping destination for middle income residents living in the area. It can increase its offerings to trades that are more family-oriented and appealing to the middle-income families and working population. On the other hand, it should avoid having similar trades with neighboring retail malls to minimise competition.

With the new and redeveloped shopping centres growing in size, the smaller malls such as Anchorpoint Shopping Centre may need to focus on its niche in order to compete with the larger ones.

**Space Configuration and Retail Range**

Our trade analysis shows that furnishing and electronics tenants currently occupy 22.0% of total lettable area in the mall. To improve rental levels and expand its retail range, existing large anchor space, especially those for furnishing stores can be reconfigured into smaller units. More stores that are small in size but popular among family shoppers can be introduced to fit its family-oriented theme.

Currently, Anchorpoint's food and beverage tenants only constitute about 23.0% of total lettable area. This food and beverage component can be further strengthened by adding in more restaurants or food outlets with unique features to increase the mall's trade variety and attractiveness to the local residents and working population.

**7.4 Suburban Malls/Retail Strength**

Suburban shopping centres, in general, share similar characteristics:

- Large dedicated local catchment from nearby residential estates
- Close proximity to an MRT station
- Tenant mix consists of convenience retail, supermarkets and daily sundry goods
- Many of them have cineplexes and a food court
- Some department stores that have flagship stores in Orchard Road are now locating in the suburbs, although some have also ceased operating in the suburban malls
- Increasing number of shoppers comprising mainly residents living in the neighbourhoods of the suburban malls, are shopping in such malls.

These centres are generally very successful as they provide a more convenient retail option for many daily purchases. Our market observation indicates that suburban malls are preferred locations for convenience shopping, and are well patronized by the local population catchments that live around the vicinity of the malls.

A survey conducted by the Department of Statistics on retail trade performance shows that between 1994 and 1998, retail sales outside the Central Business District have been gaining market share when compared with sales within the Central Business District. The report also pointed clearly to the advent and success of suburban shopping centres in garnering a significant
share of the retail pie. The reason could be because of the mushrooming of public and private housing in the suburbs. Also, these suburban malls are located near to consumers who do not need to make a special trip to the city to get mass-market staples.

Suburban malls will increasingly compete with Orchard Road in the middle market retail segment. Orchard Road will however, be able to retain its strength in terms of high fashion comparison shopping, specialized singular shops, gifts and souvenirs shops, handicraft and fancy goods shops oriented to the tourists and inexpensive convenient goods serving a fairly large local working population.

8. Trade Catchment Overview

8.1 Trade Area Analysis-Causeway Point

The trade area analysis is based geographically on the premise that the primary catchment of a retail centre is a direct function of the centre’s size. In this regard, the map in Annex B depicts the “reach” of Causeway Point’s immediate competitors based on a 3-km radius to the mall. A 5-km radius has also been included in the coverage to depict the secondary catchment.

From the chart, it can be seen that Sembawang Shopping Centre and Sun Plaza, both located in the neighbouring Sembawang area, are likely to compete with the subject property. However, there are several strong advantages that Causeway Point has over these two shopping centres. In terms of accessibility, Causeway Point enjoys the convenience of having the Woodlands MRT station and the Woodlands regional bus interchange at its doorstep. In terms of positioning, Causeway Point has the hallmark of a popular suburban mall with attractions like department stores, supermarket, furnishing and electronics store, restaurants, food court, fast food outlets, specialty retail and entertainment and sports, etc. Metro and John Little, two popular department stores, Courts, a popular furnishing and electronics store for the mass market and Cold Storage, also a popular supermarket for the middle income shoppers are four of the major tenants in Causeway Point. For Sembawang Shopping Centre, its key anchor tenants include Giant Hypermarket and Sembawang Music Centre; however, there are no department stores or large furnishing and electronics store. For Sun Plaza, it has NTUC Fairprice supermarket and the Yamaha Music School as its key anchor tenants.

For entertainment, Causeway Point has the attraction of Cathay Cineplexes, a 7-screen cinema conveniently located on its 7th storey, which is a major crowd puller. However, Sun Plaza, situated some 3.8-km away from Causeway Point, in addition to Eng Wah cinema, it also has the National Library branch, both of which are also popular crowd pullers. Another strong advantage that Causeway Point has over Sembawang Shopping Centre is the presence of the Woodlands MRT station and the Woodlands regional bus interchange right at its doorstep, which is very convenient for shoppers who do not drive.

8.1.1 Primary and Secondary Trade Areas

The primary trade area of Causeway Point is defined as the Woodlands Planning Area and Sembawang Planning Area. Covering a land area of 13.6 square kilometers, Woodlands encompasses Woodlands Regional Centre, Woodlands West, Mid View, Woodlands East, Woodlands South, Woodgrove, Greenwood Park and Senoko West, corresponding to the planning areas as demarcated in the Census of Population 2000. The majority of Causeway Point’s patronage will come from this primary trade area, derived based on ease of accessibility as well as physical proximity. In terms of physical proximity, a 3-km radius from Causeway Point would be captured within the primary trade zone while a 5-km radius would form the secondary trade area. The secondary trade area comprises Yishun and Choa Chu Kang.
8.1.2 Demographic Profile

Residential

While it is noted that shoppers may come from the whole of Singapore, being a suburban mall it has a defined primary and secondary catchment areas by geographical proximity to the mall. The primary catchment covers the Woodlands and Sembawang Planning Areas (as defined by URA in Map B). The secondary catchment area includes Choa Chu Kang and Yishun and the tertiary catchment will be the rest of Singapore.

Based on data obtained from the Singapore Department of Statistics Census of Population 2000 and our residential database of new completions in 2001 to 2005, the population of the primary catchment for the trade area is estimated to be 294,613 persons. This is 6.8% of the total population of 4,351,414 million for 2005. The secondary catchment for Causeway Point has an estimated population of 334,789 persons or 7.7% of the total population. As the locality is characterised predominantly by public housing, it is not surprising that 92.3% of the 174,834 dwelling units within the primary and secondary trade areas are public housing. The remaining 7.7% are private housing.

Table 8.1 below illustrates the composition of catchment population within the primary and secondary trade areas of Causeway Point.

Table 8.1: Composition Catchment Population in Primary and Secondary Trade Areas of Causeway Point

<table>
<thead>
<tr>
<th>Residential Catchment</th>
<th>Planning Area</th>
<th>Estimated 2005 Population</th>
<th>% of Singapore Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Area</td>
<td>Woodlands &amp; Sembawang Development Guide Plan</td>
<td>294,613</td>
<td>6.8%</td>
</tr>
<tr>
<td>Secondary Area</td>
<td>Choa Chu Kang &amp; Yishun Development Guide Plans</td>
<td>334,789</td>
<td>7.7%</td>
</tr>
<tr>
<td>Total Primary &amp; Secondary</td>
<td>Woodlands, Sembawang, Choa Chu Kang &amp; Yishun</td>
<td>629,402</td>
<td>14.5%</td>
</tr>
<tr>
<td>Overall Islandwide</td>
<td>Islandwide</td>
<td>4,351,400</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Census of Population 2000, HDB Annual Report 2004/05, URA and Knight Frank Consultancy & Research

Non-Residential

Although Causeway Point caters mostly to the residents of Woodlands and Sembawang, the non-residential population in the northern part of Singapore also contributes to the shopper traffic to the mall. This would include the staff and students from 17 primary schools, 15 secondary schools, two junior colleges and the Singapore American School. About half of the schools such as Si Ling Primary, Woodgrove Primary, Marsiling Secondary and Fuchun Secondary schools are located within the 1-km radius of Causeway Point. Innova Junior College is located less than 1-km away from Causeway Point while The Singapore American School is located some 3-km away. Currently there are some 3,700 students and 270 staff in the Singapore American School. We also expect patronage from the People’s Association Community Club in Woodlands, visitors to the View Road Hospital at View Road, Woodlands Regional Library and the Marsiling Children’s library. Catchment would also come from the industrial parks and factory buildings such as the Admiralty Industrial Park and a cluster of industrial buildings such as North Link Industrial Building, Hiang Kie Industrial Building and North Land Industrial Building. We also envisage patronage from the JTC industrial facilities in Woodlands such
According to the Census of Population 2000 data, in the primary trade area of Woodlands and Sembawang, the proportion of residents with income of $5,000.00 and above accounted for 6.9% and 9.3% of the working population in each trade area respectively while that for the secondary trade areas of Choa Chu Kang and Yishun comprised 10.5% and 8.3% of the working population in each trade area respectively. A high proportion of 62.7%, 59.0%, 57.1% and 59.6% of the working population in each trade area in the primary trade area and secondary trade area belonged to the income range of S$1,000.00 to S$2,999.00, reflecting the majority of the population in each such trade areas are of lower middle to middle-income earners compared to the nationwide average of 54.0%.

Source: Census of Population 2000
8.1.4 Occupation Profile Within Trade Area — Causeway Point

In the primary trade area, senior officials, managers, professionals, associate professionals and technicians comprised 37.0% (Woodlands) and 40.3% (Sembawang) of the resident population. This is lower than the nationwide proportion of 43.5% based on the Census of Population 2000. In the secondary trade areas of Choa Chu Kang and Yishun, the proportion of these workers accounted for 41.4% and 36.9% correspondingly quite close to the figures for the primary area.

Chart 8.4: Comparison of Occupation Profile — Trade Areas versus Nationwide

Source: Census of Population 2000
8.1.5 Age Groups

Chart 8.5: Age Groups — Causeway Point ‘s Trade Areas versus Nationwide

In both the primary and secondary trade areas, the percentage of those in the economically active age group (between 20 and 49 years) are noted to be marginally higher than that of nationwide. They comprised 54.8% and 53.1% in the primary and secondary trade areas respectively compared to the 51.1% recorded nationwide. (Chart 8.7 shows the break down of the population numbers by age group).
8.1.6 Occupied Dwelling

As public housing estates are the predominant housing type in the primary and secondary trade areas, it is noted that owner-occupiers formed the majority of the resident population. These owner-occupiers comprised 97.1% (primary trade area) and 98.0% (secondary trade area) compared with the 92.3% (national). More importantly, the fact that the public housing estates are the predominant form of housing in the primary and trade areas also support the high owner-occupancy rates in these locations.

8.1.7 Summary of Demographic Profile-Causeway Point

Observations from the preceding sections show the population residing in the primary trade area of Woodlands comprises largely of younger families and whose household members are likely to be working in the nearby industrial parks. We also note that more than 50.0% of the population falls within the economically active age group of between 20 years and 49 years. A large proportion of the working population residing in the subject trade areas also falls in the lower middle to middle income range. Accordingly, the retail spending capacity of the population is likely to be reasonably healthy and is likely to provide strong support to the retail business of a large size mall like Causeway Point.
8.1.8 Population Forecast in Trade Area- Causeway Point

The projected increase in population is likely to come largely from potential residents in the new public housing units in Woodlands and Sembawang areas. Based on the projected ultimate dwelling units including private developments on State Land (HDB Annual Report 2004/05) and new private housing units on private land, the population in the primary trade area is estimated to reach 547,200 by Year X (a term used by the planning authorities to indicate the ultimate long term planning vision of Singapore). This reflects an increase of about 85.7% from the existing population.

Table 8.2: Population Growth Forecast for Causeway Point Micro-Market

<table>
<thead>
<tr>
<th>Trade Area</th>
<th>2005 (Estimated)</th>
<th>Year X</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident</td>
<td>Total No.</td>
</tr>
<tr>
<td></td>
<td>Population</td>
<td>Dwelling Units</td>
</tr>
<tr>
<td>Primary Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodlands</td>
<td>222,613</td>
<td>61,837</td>
</tr>
<tr>
<td>Sembawang</td>
<td>72,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Sub-Total for Primary Area</td>
<td>294,613</td>
<td>81,837</td>
</tr>
<tr>
<td>Secondary Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Choa Chu Kang</td>
<td>156,265</td>
<td>43,479</td>
</tr>
<tr>
<td>Yishun</td>
<td>178,265</td>
<td>49,518</td>
</tr>
<tr>
<td>Sub-Total for Secondary Area</td>
<td>334,789</td>
<td>92,997</td>
</tr>
<tr>
<td>Grand Total for Woodlands Micro-Market</td>
<td>629,402</td>
<td>174,834</td>
</tr>
<tr>
<td>Overall Islandwide</td>
<td>4,351,400</td>
<td>1,087,454</td>
</tr>
</tbody>
</table>

Source: Census of Population 2000, HDB Annual Report 2004/05, URA and Knight Frank Consultancy & Research

* Subject to change.

Projection for population growth is difficult to predict. For both the primary and secondary trade areas, public housing units account for more than 90.0% of the new potential supply. Our estimated resident population is based on projected ultimate number of dwelling units from both public and known private owned land in the subject micro-market areas. We have also assumed an average of 3.6 persons per household for each of the new housing unit.

Non-residential population will come from the proposed Republic Polytechnic, which is expected to complete in 2006 and the proposed multi-storey driving centre in Woodlands Industrial Park. In the secondary trade area there is the proposed Northern General Hospital in Yishun Central. This is expected to further increase shopper traffic to Causeway Point.
8.1.9 Overall Assessment of Causeway Point

Causeway Point is one of the most successful shopping malls in the northern region of Singapore. The mall is located in Woodlands, a residential estate comprising predominantly HDB housing. The shopping mall is supported by a residential population of some 460,000 located in Woodlands, Sembawang, Choa Chu Kang and as far as Yishun areas, with slightly more than 200,000 residents within the Woodlands HDB New Town. Causeway Point is one of the largest malls located in one of Singapore’s three suburban regional centres offering a wide variety of goods and services from more than 170 retail units comprising a strong mix of specialty shops and anchor tenants. According to traffic count provided by the registered proprietor, this popular mall is visited by an average of 2.22 million shoppers per month. The major tenants of the mall include popular department stores such as Metro, John Little, Courts as well as Cold Storage Supermarket, Kiddy Palace, Horizon FoodMall and Cathay Cineplexes.

In addition to its strong residential catchment from the northern part of Singapore, Causeway Point is also popular with workers in the nearby Admiralty Industrial Park and the JTC industrial estates in Woodlands, and staff and students from a high concentration of schools in the area. This was noted from the high concentration of production workers and plant operators, comprising more than 28.0% to 31.0% of the population in the primary trade area. It is also well patronized by staff and workers in the Senoko Power Station, Senoko Fishery Port, Sembawang Shipyard, Admiralty Industrial Park and the Woodlands Wafer Fab Park situated in the surrounding area.

We note that Causeway Point has Cathay Cineplexes and Timezone that offer entertainment and are strong crowd attractions to the mall. These tenants are generally well patronized by children and young adults, of which we note they comprise close to 50.0% of the population residing in the primary trade area alone.

8.2 Trade Area Analysis-Northpoint Shopping Centre

The trade area analysis is based geographically on the premise that the primary catchment of a retail centre is a direct function of the centre’s size. In this regard, the map in Annex B depicts the “reach” of Northpoint Shopping Centre’s immediate competitors based on a 1-km radius to the mall. A 3-km radius has also been included in the coverage to depict the secondary catchment.

From the map in Annex B, it is seen that there is considerable catchment overlap among these shopping malls, especially between Sembawang Shopping Centre, Sun Plaza and Northpoint Shopping Centre. However, there are several strong advantages that Northpoint Shopping Centre has over Sembawang Shopping Centre. For accessibility, Northpoint Shopping Centre enjoys the convenience of having the Yishun MRT station and the Yishun bus interchange, which are just at its doorstep while Sembawang Shopping Centre is located at a further 1.0-km away from this public transport node. In terms of positioning, Northpoint Shopping Centre has the hallmark of a popular suburban mall with attractions like food court, supermarket, department stores, fast food outlets, specialty retail, book shop, entertainment and leisure, etc. John Little, a popular department store and Popular Bookstore, a popular bookshop for the mass market and Cold Storage, also a popular supermarket for the middle income shoppers are three of the major tenants in Northpoint Shopping Centre. While there are no department store or large bookshop in Sembawang Shopping Centre, it has the Giant hypermarket as it anchor tenant that is popular with the mass market.
Northpoint Shopping Centre could also ride on the popular crowd drawer, the Yishun 10 complex (which houses a 10-screen Golden Village cineplex) adjacent to the mall and the NTUC Co-operative supermarket also adjacent to the mall, which is popular with the mass market. Northpoint Shopping Centre can benefit from the spillovers of shoppers without dedicating large space for these categories of uses where the rentals are usually at lower rates in view of the sizeable space taken up. In addition, we note that its strongest competitor Sun Plaza also has an Eng Wah cinema and the National Library branch, which are also popular. However, Sun Plaza is further away than Northpoint Shopping Centre from the many amenities located around Yishun New Town such as the Yishun Stadium, Orchid Country Club, Safra Club House and the Lower Seletar Park. The visitors to these destinations will provide additional catchment for the mall. Another strong advantage that Northpoint Shopping Centre has over Sembawang Shopping Centre is the presence of Yishun MRT station and the bus interchange right at its doorstep, which is very convenient for its shoppers who do not drive.

8.2.1 Primary and Secondary Trade Areas

The primary trade area of Northpoint Shopping Centre is defined as the Yishun Planning Area for ease of commentary. It covers an area of 8.1 square kilometers and encompasses Yishun Central, Northland, Yishun East, Yishun South, Lower Seletar Reservoir, Springleaf, Nee Soon, Khatib and Yishun West, corresponding to the planning areas as demarcated in the Census of Population 2000. The majority of Northpoint Shopping Centre’s patronage will come from this primary trade area that is derived based on ease of accessibility as well as physical proximity. In terms of physical proximity, a 1-km radius from Northpoint Shopping Centre would be captured within the primary trade zone while a 3-km radius would form the secondary trade area. The secondary trade area comprises Sembawang (7.08 sq km) and Ang Mo Kio (6.38 sq km).

8.2.2 Demographic Profile

Residential

While it is noted that the shoppers may come from the whole of Singapore, being a suburban mall, it has a defined primary and secondary catchment areas by geographical proximity to the mall. The primary catchment covers the Yishun Planning Area (as defined by URA in Map B). The secondary catchment includes Sembawang and Ang Mo Kio and the tertiary catchment will be the rest of Singapore.

Based on data obtained from the Singapore Department of Statistics Census of Population 2000 and our residential database of new completions in 2001 to 2005, the population of the primary trade area in 2005 is estimated to be 179,410 persons. This is 4.1% of the total population of 4.3514 million for 2005. The secondary trade area for Northpoint Shopping Centre has an estimated population of 273,283 persons or 6.3% of the total population. As the locality is characterized predominantly by public housing, it is not surprising that 90.0% of the 125,748 dwelling units within the primary and secondary trade areas are public housing. The remaining 10.0% are private housing.
Table 8.3 below illustrates the composition of catchment population within the primary and secondary trade areas of Northpoint Shopping Centre.

Table 8.3: Composition of Catchment Population in Primary and Secondary Trade Areas of Northpoint Shopping Centre

<table>
<thead>
<tr>
<th>Residential catchment</th>
<th>Planning Area</th>
<th>2005 Estimated Population</th>
<th>% Of Singapore total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>Yishun Development Guide Plan</td>
<td>179,410</td>
<td>4.1%</td>
</tr>
<tr>
<td>Secondary</td>
<td>Sembawang and Ang Mo Kio Development Guide Plans</td>
<td>273,283</td>
<td>6.3%</td>
</tr>
<tr>
<td>Total Primary &amp;</td>
<td>Yishun, Sembawang and Ang Mo Kio Development Guide Plans</td>
<td>452,693</td>
<td>10.4%</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Islandwide</td>
<td>4,351,400</td>
<td></td>
</tr>
</tbody>
</table>

Source: Census of Population 2000, HDB Annual Report 2004/05, URA and Knight Frank Consultancy & Research

Non-Residential

Although Northpoint Shopping Centre caters mostly to the residents of Yishun, Sembawang and Ang Mo Kio, the non-residential population in the northern part of Singapore also contributes to the shopper traffic to the mall. This would include the staff and students from 14 primary schools, 11 secondary schools, a junior college and an institute of education. Many of the schools are located within the 1-km radius of Northpoint Shopping Centre, for example, Yishun Junior College, Chung Cheng High School, Ahmad Ibrahim Primary and Secondary Schools, Northland Primary and Secondary Schools, Chongfu Primary school, etc. Some of the schools within the 1km to 3km radius are the Institute of Education East (Yishun), Naval Base Primary and Secondary Schools, Sembawang Primary and Secondary Schools. Shopper traffic would be contributed by the army and air force personnel from Khatib and Nee Soon Camp, civil defence personnel at the newly opened 3rd Civil Defence Division HQ and Yishun fire Station at Yishun Industrial Park A, workers from the Yishun Industrial Park and Ang Mo Kio Industrial Park III. The staff and student population from the many schools and institutions of higher learning within the 3-km radius is estimated to be more than 50,000.
According to the Census of Population 2000 data, in the primary trade area, the proportion of working population with income of S$5,000.00 and above accounted for 8.3% while that for the secondary trade areas of Sembawang and Ang Mo Kio comprised 9.3% and 11.5% of the working population in each trade area respectively. A high proportion of 59.6%, 59.0% and 56.4% of the working population in the primary trade areas and secondary trade areas belonged to the income range of S$1,000.00 to S$2,999.00, reflecting the majority of the population in such trade areas is of lower middle to middle-income earners compared to the nationwide average of 54.0%.
8.2.4 Occupation Profile Within Trade Area — Northpoint Shopping Centre

In the primary trade area, senior officials, managers, professionals, associate professionals and technicians comprised 36.9% of the resident population. This is lower than the nationwide proportion of 44.7% based on the Census of Population 2000. In the secondary trade areas of Sembawang and Ang Mo Kio, the proportion of these workers accounted for 33.7% and 38.9%, correspondingly quite close to the figures for the primary area.

Chart 8.9: Comparison of Occupation Profile — Trade Areas versus Nationwide

Source: Census of Population 2000
8.2.5 Age Groups

Chart 8.10: Age Groups — Northpoint Shopping Centre’s Trade Areas versus Nationwide

In both the primary and secondary trade areas, the percentage of those in the economically active age group (between 20 and 49 years) are noted to be marginally higher than that nationwide. They comprised 52.5% and 51.9% in the primary and secondary trade areas respectively compared to the 51.1% recorded nationwide. (Chart 8.11 shows the break down of the population numbers by age group).

Source: Census of Population 2000
8.2.6 Occupied Dwelling

As public housing estates are the predominant housing type in the primary and secondary trade areas, it is noted that owner-occupiers formed the majority of the resident population. These owner-occupiers comprised 96.4% (primary trade area) and 96.2% (secondary trade area) compared with the 92.3% (national). More importantly, the fact that the public housing estates are the predominant form of housing in the primary and secondary trade areas also support the high owner-occupancy rates in these locations.

8.2.7 Summary of Demographic Profile

Observations from the preceding sections show the population residing in the primary trade area of Yishun comprises largely of younger families and whose household members are likely to be working in the nearby industrial parks. We also note that more than 50.0% of the population falls within the economically active age group of between 20 years and 49 years. A large proportion of the working population residing in the subject trade areas also falls in the lower middle to middle income range. Accordingly, the retail spending capacity of the population is likely to be reasonably healthy and is likely to provide strong support to the retail business of a mid sized mall like Northpoint Shopping Centre.
8.2.8 Population Forecast in Trade Area-Northpoint Shopping Centre

The projected increase in population is likely to come largely from potential residents in the new public housing units in Yishun and Sembawang areas. Based on the projected ultimate dwelling units including private developments on State Land (HDB Annual Report 2004/05) and new private housing units on private land, the population in the primary trade area is expected to reach 302,400 in Year X. This reflects an increase of about 68.5% from the existing population.

Table 8.4 — Population Growth Forecast for Northpoint Shopping Centre Micro-Market

<table>
<thead>
<tr>
<th>Trade Area</th>
<th>2005 (Estimated)</th>
<th>Year X</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident Population</td>
<td>Total No. of Dwelling Units</td>
</tr>
<tr>
<td>Primary Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yishun</td>
<td>179,410</td>
<td>49,836</td>
</tr>
<tr>
<td>Secondary Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sembawang</td>
<td>72,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Ang Mo Kio</td>
<td>201,283</td>
<td>55,912</td>
</tr>
<tr>
<td>Sub-Total for Secondary Area</td>
<td>273,283</td>
<td>75,912</td>
</tr>
<tr>
<td>Grand Total for Yishun Micro-Market</td>
<td>452,693</td>
<td>125,748</td>
</tr>
<tr>
<td>Overall Islandwide</td>
<td>4,351,400</td>
<td>1,087,454</td>
</tr>
</tbody>
</table>

Source: Census of Population 2000, HDB Annual Report 2004/05, URA and Knight Frank Consultancy & Research

Note: * Subject to change

Projection for population growth is difficult to predict. For both the primary and secondary trade areas, public housing units account for more than 90.0% of the new potential supply. Our estimated resident population is based on projected ultimate number of dwelling units; we have disregard potential new housing units from private owned land as there are not many such undeveloped sites in the subject micro-market areas. We have also assumed an average of 3.6 persons per household for each of the new housing unit.

Non-residential population will come from the proposed 400-bed Northern General Hospital at Yishun Central that is slated to open in March 2009, and a planned new and bigger library that will be built in Yishun in the next few years. This is expected to further increase shopper traffic to Northpoint Shopping Centre.
8.2.9 Overall Assessment of Northpoint Shopping Centre

Northpoint Shopping Centre is one of the most successful shopping malls in the northern region of Singapore. Over the years it has gradually expanded its shopping space by building an extension in 2002 on the common property next to the main building. More specifically, the mall is located in Yishun, a residential estate comprising predominantly HDB housing. The shopping mall is supported by a residential population of some 452,000 located in Yishun, Sembawang and Ang Mo Kio areas, with close to 180,000 residents within the Yishun HDB New Town. Northpoint Shopping Centre is a mid size mall with close to 100 retail units comprising a good mix of specialty shops and anchor tenants. According to traffic count provided by the registered proprietor, this popular mall is visited by an average of 1.49 million shoppers per month. The major tenants of the mall include Cold Storage supermarket, Popular Book store, Harvey Norman by Pertama, Guardian, Timezone, Food-Link Food Court and John Little Departmental Store.

In addition to its strong residential catchment from the northern part of Singapore, Northpoint Shopping Centre is also popular with workers in the nearby Yishun Industrial Park, army and air force personnel from the nearby military camps and staff and students from a high concentration of schools in the area.

We note that Northpoint Shopping Centre has a high concentration of tenants that offer fashion, food and beverage, salon/spa, and books/crafts and gifts, and entertainment that attract crowds to the mall. These would include the Popular Book store and Timezone entertainment and music and VCD shops. These tenants are generally well patronized by children and young adults, which we note comprises more than 66.0% of the population residing in the primary trade area alone.

8.3 Trade Area Analysis of Anchorpoint Shopping Centre

The trade area analysis is based geographically on the premise that the primary catchment of a retail centre is a direct function of the centre’s size. In this regard, the map in Annex C depicts the “reach” of Anchorpoint Shopping Centre’s immediate competitors based on a 1-km radius to the mall. A 2-km radius has also been included in the coverage to depict the secondary catchment.

Anchorpoint Shopping Centre is located at the junction of Alexandra Road and Queensway right in between Queenstown and Bukit Merah Planning areas. It is connected with other parts of the island by MRT and Ayer Rajah Expressway (AYE) and can be easily accessed though various modes of transportation. Albeit small in size, Anchorpoint’s city fringe location and accessibility enable it to reach a larger population catchment outside its primary trade area. Anchorpoint Shopping Centre was developed as an ancillary retail use of a residential development called The Anchorage. The Anchorage, which has a total of 775 units, combined with the nearby public housing estate provides a ready catchment sufficient enough to support the retail business of Anchorpoint Shopping Centre.

The Queensway Shopping Centre and IKEA are the only two retail malls within the primary trade area of Anchorpoint Shopping Centre. However, both of them focus on niche markets and do not compete directly with Anchorpoint. Queensway Shopping Centre is well known for its great variety of sporting goods and trendy apparel and accessories. Its target group is mainly young adults and students. IKEA, on the other hand, also has its own niche market. The Swedish furnishing store provides durable home furniture and related services at affordable prices. Therefore, Queensway shopping centre and IKEA do not pose a threat or serious competition to Anchorpoint although they are in close proximity to Anchorpoint Shopping Centre. On the contrary, they are more likely to help draw crowds to Anchorpoint Shopping Centre, which can benefit from the spillovers of shoppers from the two malls.
In terms of positioning, Anchorpoint is shopping destination for families catering to the daily needs of nearby residents. It has a mix of tenants with trades ranging from supermarket to laundry, clinics, salon, bookstore, healthcare/beauty, food and beverage, fashion, salon & spa etc. Some major tenants such as Cold Storage Supermarket, a popular supermarket for the middle-income shoppers and Oscar’s Food Mall are likely to draw large crowds and in turn benefit other tenants of Anchorpoint.

8.3.1 Primary and Secondary Trade Area

Anchorpoint is located along Alexandra Road, which is the boundary of two planning areas: Queenstown Planning Area and Bukit Merah Planning Area (as defined by URA in Annex D). Naturally, these two planning areas each forms about half of Anchorpoint’s primary and secondary catchments in terms of land area. The primary trade area is defined as an area within the coverage of a 1-km radius from Anchorpoint Shopping Centre. It has a land area of about 3 square kilometers. It encompasses Mei Chin and Queensway subzones of Queenstown and Alexandra Hill subzone of Bukit Merah, corresponding to the planning areas as demarcated in the Census of Population 2000. The majority of Anchorpoint’s patronage will come from this primary trade area based on ease of accessibility as well as physical proximity. A 2-km radius from Anchorpoint marks the secondary trade area containing the second-tier customer base of Anchorpoint.

8.3.2 Demographic Profile

Residential

While it is noted that shoppers may come from the whole of Singapore, being an ancillary retail component of a residential development, it has a defined primary and secondary catchment areas by geographical proximity to the mall. As defined above, a 1-km radius from Anchorpoint Shopping Centre captures the primary catchment. The secondary catchment extends further to the coverage of a 2-km radius and the tertiary catchment will be the rest of Singapore.

Based on data obtained from the Singapore Department of Statistics, Census of Population 2000 and our residential database of new completions in 2001 to 2005, the population of the primary catchment for the trade area is estimated to be 73,492 persons. This is 1.7% of the total population of 4.25 million for 2005. The secondary catchment for Anchorpoint Shopping Centre has an estimated population of 159,026 persons or 3.7% of the total population. As the locality is characterised predominantly by public housing, it is not surprising that 88.4% of the 64,588 dwelling units within the primary and secondary trade areas are public housing. The remaining 11.6% are private housing.
Table 8.5 below illustrates the composition of catchment population within the primary and secondary trade areas of Anchorpoint Shopping Centre.

Table 8.5: Composition Catchment Population in Primary and Secondary Trade Areas of Anchorpoint Shopping Centre

<table>
<thead>
<tr>
<th>Residential Catchment</th>
<th>Planning Area*</th>
<th>Estimated 2005 Population</th>
<th>% of Singapore Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>Queenstown(25% of population) and Bukit Merah(20% of population)</td>
<td>73,492</td>
<td>1.7%</td>
</tr>
<tr>
<td>Secondary</td>
<td>Queenstown(50% of population) and Bukit Merah(50% of population)</td>
<td>159,026</td>
<td>3.7%</td>
</tr>
<tr>
<td>Total Primary &amp; Secondary</td>
<td>Queenstown(75% of population) and Bukit Merah(70% of population)</td>
<td>232,518</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

| Total                  | Islandwide      | 4,351,400                |                                 |

Source: Census of Population 2000, HDB Annual Report 2004/05, URA and Knight Frank Consultancy & Research

* Estimates by site coverage of Development Guide Plans because it straddles two DGPs. A radius of 1-km for the Primary trade area and 2-km for the secondary trade area is used to estimate the site coverage.

Non-Residential

Although Anchorpoint Shopping Centre caters mostly to the residents of the nearby public and private housing estates, the non-residential population in the close proximity forms the other population of patrons to the mall. This would include the staff and students from 4 primary schools, 5 secondary schools and a junior college. Among these, Queenstown Primary School and Queenstown Secondary School are located within the 1-km radius of Anchorpoint Shopping Centre. Within the 1-km to 2-km are Gan Eng Seng Primary School, Blangah Rise Primary School, Newtown Primary School, Queensway Secondary School, Crescent Girls’ Secondary School, Henderson Secondary School, Gan Eng Seng Secondary School and St Andrew Junior College. Patrons would also come from the nearby working population from Alexandra Hospital, car showrooms, Alexandra Fire Station, AIA Building, Telok Blangah Industrial Estate and Depot Lane Industrial Estate. There is a free shuttle bus service from PSA Building to Anchorpoint Shopping Centre during lunch hours, which will also draw the working population from the Alexandra Technopark and Alexandra Distripark.
Since the trade areas of Anchorpoint Shopping Centre covers both the Queenstown and Bukit Merah Planning Areas, residents’ income levels in these two planning areas should be representative of the household income profile of the subject micro-market. According to the Census of Population 2000 data, the proportions of the working population in Queenstown and Bukit Merah with income of S$5,000.00 and above accounted for 13.6% and 10.0% of the working population in each trade area respectively. They were lower than the national average of 14.0%. A high proportion of 52.5% and 55.3% of the working population in Queenstown and Bukit Merah belonged to the income range of S$1,000.00 to S$2,999.00, reflecting the majority of the population in each such trade area is of lower middle to middle-income earners.
8.3.4 Occupation Profile Within Trade Area — Anchorpoint Shopping Centre

In Queenstown Planning area, senior officials, managers, professionals, associate professionals and technicians comprised 44.5% of the resident population. This was higher than the nationwide proportion of 43.5% based on the Census of Population 2000. In Bukit Merah Planning Area, however, the proportion of these workers accounted for 38.2%, which was lower than that of the Queenstown and national average.

Chart 8.14: Comparison of Occupation — Anchorpoint Shopping Centre
Trades Areas versus Nationwide

Source: Census of Population 2000
8.3.5 Age Group

Chart 8.15: Age Group — Anchorpoint Shopping Centre
Trade Areas versus Nationwide

In both Queenstown and Bukit Merah, the percentage of those in the age group of between 20 and 29 years are noted to be marginally higher than the national average. They comprised 15.5% and 15.8% in Queenstown and Bukit Merah respectively compared to the 14.7% recorded nationwide. However, we also noted that the proportions of residents in the age group of 50 years and over were prominently higher than that of the national average. They were 30.4% and 31.7% respectively for Queenstown and Bukit Merah compared to the national average of 20.9% (Chart 8.16 shows the breakdown of the population by age group). There is an ageing population trend in these areas.

Source: Census of Population 2000
8.3.6 Occupied Dwelling

As public housing estates are the predominant housing type in the primary and secondary trade areas, it is noted that owner-occupiers formed the majority of the resident population albeit with lower proportions compared to the national average. These owner-occupiers comprised 88.1% (Queenstown) and 80.8% (Bukit Merah) compared with the 92.3% (nationwide). The lower proportion of owner-occupiers is largely caused by the high percentage of rental flats in the two areas. According to HDB Annual Report 2004 to 2005, Queenstown and Bukit Merah respectively have 9.5% and 19.4% of rental flats compared to the national average of 5.7%.

8.3.7 Summary of Demographic Profile

Observations from the preceding sections show the subject micro market has a substantial proportion of older residents aged 50 years and over compared with the national average. This is due to the fact that Queenstown and Bukit Merah are two of the oldest housing estates in Singapore. A large proportion of the working population residing in the subject trade areas also falls in the lower middle to middle income range. However, these may not pose much negative impact on the sustainability of Anchorpoint Shopping Centre. As an ancillary retail use of a residential development Anchorpoint Shopping Centre caters to the daily needs of the nearby residential and working population at reasonable prices. We also note that there was a higher proportion of residents in the age group of 20 to 29 years than that of the national average. The strong spending capacity
of this population group is likely to boost the retail sales and provides a strong support to the retail business of a small mall like Anchorpoint Shopping Centre.

8.3.8 Population Forecast in Trade Area-Anchorpoint

The projected increase in population is likely to come largely from potential residents in the new public housing units in Queenstown and Bukit Merah areas. Based on the projected ultimate dwelling units including private developments on State Land (HDB Annual Report 2004/05) and new private housing units on private land, the population in the primary trade area is expected to reach 91,260 in Year X. This reflects an increase of about 24.0% from the existing population.

Table 8.6: Population Growth Forecast

<table>
<thead>
<tr>
<th>Trade Area*</th>
<th>2005 (Estimated)</th>
<th>Year X</th>
<th>Projected Ultimate No. of Dwelling Units (Private &amp; Public)**</th>
<th>Projected Resident Population</th>
<th>Potential Increase in No. of Dwelling Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident Population</td>
<td>Total No. of Dwelling Units</td>
<td>Occupied Private Dwelling Units</td>
<td>Public Dwelling Units</td>
<td></td>
</tr>
<tr>
<td>Primary Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Queenstown</td>
<td>33,278</td>
<td>9,244</td>
<td>1,894</td>
<td>7,350</td>
<td>11,750</td>
</tr>
<tr>
<td>Bukit Merah</td>
<td>40,214</td>
<td>11,171</td>
<td>1,165</td>
<td>10,005</td>
<td>13,600</td>
</tr>
<tr>
<td>Subtotal for Primary Area</td>
<td>73,492</td>
<td>20,414</td>
<td>3,059</td>
<td>17,355</td>
<td>25,350</td>
</tr>
<tr>
<td>Secondary Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Queenstown</td>
<td>61,429</td>
<td>17,064</td>
<td>2,363</td>
<td>14,701</td>
<td>23,500</td>
</tr>
<tr>
<td>Bukit Merah</td>
<td>97,598</td>
<td>27,111</td>
<td>2,098</td>
<td>25,013</td>
<td>34,000</td>
</tr>
<tr>
<td>Subtotal for Secondary Area</td>
<td>159,026</td>
<td>44,174</td>
<td>4,461</td>
<td>39,714</td>
<td>57,500</td>
</tr>
<tr>
<td>Grand Total for the Micro-Market</td>
<td>232,518</td>
<td>64,588</td>
<td>7,519</td>
<td>57,069</td>
<td>82,850</td>
</tr>
<tr>
<td>Overall Islandwide</td>
<td>4,351,400</td>
<td>1,087,454</td>
<td>207,888</td>
<td>879,566</td>
<td>1,403,000</td>
</tr>
</tbody>
</table>

Source: Census of Population 2000, HDB Annual Report 2004/05, URA and Knight Frank Consultancy & Research

* Estimates by site coverage of Development Guide Plans. A radius of 1-km for the primary trade areas and 2-km for the secondary trade areas is used to estimate the site coverage.

** Subject to change

Projection for population growth is difficult to predict. Our estimated resident population is based on projected ultimate number of dwelling units, we have disregarded potential new housing units from privately owned land as there are not many such undeveloped site in the subject micro-market areas. We have also assumed an average of 3.6 persons per household for each of the new housing unit.

Non-residential population will come from the proposed industrial development at Alexandra Road/Leng Kee Road. This will further increase shopper traffic to Anchorpoint Shopping Centre.
8.3.9 Overall Assessment of Anchorpoint Shopping Centre

As an ancillary retail component of a residential development, Anchorpoint Shopping Centre has over the years become a popular shopping destination of nearby residents and office workers. It enjoys a good advantage of being located within the Fringe Area of Central Region. More specifically, the mall is located in between Queenstown Planning Area and The Bukit Merah Planning Area, where there is a large population catchment. Anchorpoint Shopping Centre enjoys an immediate catchment of around 73,492 resident populations in its primary trade area and 159,026 resident populations in its secondary trade area. In addition to its large residential catchment, Anchorpoint Shopping Centre also enjoys the patronage of nearby working population from the PSA Building, Alexandra Hospital, numerous car showrooms, Alexandra Fire Station, Alexandra Technopark etc.

Anchorpoint Shopping Centre is a small size mall with close to 50 retail units comprising a good mix of specialty shops and anchor tenants. It is positioned as a family-oriented mall, which provides convenient daily necessity shopping for residents who live or work around Alexandra Road and Queensway area. According to traffic count provided by the registered proprietor, the mall is visited by an average of about 250,000 shoppers per month. Major tenants of the mall include Cold Storage Supermarket, Oscar’s Food Mall, Novena Furnishings, Paddy Fields Thai Restaurant & Sanliubar, The White Collection, Watson’s, Guardian Health & Beauty and Standard Chartered Bank etc.

We note that food and beverage, supermarket, laundry, clinics, bookstore, and healthcare/beauty trades occupy a substantial potion of the retail mall. This is well in line with the family-oriented theme of Anchorpoint. Notwithstanding this, there is room to improve for Anchorpoint in terms of its positioning, trade mix and space configuration.

8.4 Retail Spending Forecast

We have projected a growth rate of 2.5% per year for retail sales in Singapore till 2010. This takes into account the population growth and inflation. Retail sales (excluding sales of motor vehicles) are therefore projected to grow from S$16.4 billion in 2004 to S$19.0 billion in 2010.

In the long term, two key factors will continue to have an impact on retail sales-namely GDP and population growth. Whilst historical evidence suggests that retail sales has not grown as much as GDP, the latter is still instrumental in providing a sustainable base. The more liberal immigration policies and incentives to encourage more births are expected to increase population and provide a sustainable level of domestic spending or retail sales growth in the long term. Improved tourists arrivals will also drive retail sales as tourist spending contributes to 20.0% of retail earnings.

<table>
<thead>
<tr>
<th>Various Indicators</th>
<th>Compounded Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales</td>
<td>2.5%</td>
</tr>
<tr>
<td>GDP</td>
<td>7.6%</td>
</tr>
<tr>
<td>Population</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Source: Department of Statistics and Knight Frank Consultancy & Research

* Based on annual retail sales data (excluding sales of motor vehicles)
While the above factors have demonstrated varying degrees of growth in the past years, retail sales have not expanded as much. In fact, it has remained fairly stagnant in recent years. This was due to more careful spending in the recent economic downturn. A broader underlying reason is the high housing and transportation (motor vehicle) costs in Singapore leaving less disposable income for retail spending. Furthermore, there has been more expenditure abroad as Singaporeans travel more. As for visitors’ spending, it has become more competitive as regional countries vie for their share of visitors.

However, for the whole of 2005, retail sales has improved due to better economic outlook as employment figures improved and average wage level increased by 4.0% while car prices have fallen due to lower prices for Certificates of Entitlement.

Indeed, as Singapore’s retail industry becomes more matured, there are major challenges facing the industry. While shopping will remain the major pastime among Singaporeans, the concern is how to increase the per capita spending and keep the expenditure within Singapore. At the same time, attracting the tourist dollars is also important. Much of this depends on the industry’s ability to inject freshness into the scene, offer unique experiences and keep it interesting. The retail life cycle is getting shorter as competition gets keener and people expect to see new concepts all the time. Retailers must reinvent themselves constantly while landlords play a major role in bringing in new retailers from overseas and active shopping centre management.

Yours faithfully

Woo Ai Lian
Associate Director
Knight Frank Pte Ltd
Trade Area of Causeway Point and Northpoint Shopping Centre
Trade Area of Anchorpoint Shopping Centre
Planning Areas in the Master Plan

Sources: URA
INDEPENDENT TAXATION REPORT

27 June 2006

Frasers Centrepoint Asset Management Ltd.
(as manager of Frasers Centrepoint Trust) (the "Manager")
438 Alexandra Road #21-00
Alexandra Point
Singapore 119958

HSBC Institutional Trust Services (Singapore) Limited
(as trustee of Frasers Centrepoint Trust) (the "Trustee")
21 Collyer Quay #14-01
HSBC Building
Singapore 049320

Dear Sirs

THE SINGAPORE TAXATION REPORT

This letter has been prepared at the request of the Manager for inclusion in the prospectus (the "Prospectus") to be issued in relation to the initial public offering of units ("Units") in Frasers Centrepoint Trust ("FCT") on Singapore Exchange Securities Trading Limited.

The purpose of this letter is to provide prospective purchasers of the Units with an overview of the Singapore income tax consequences of the acquisition, ownership and disposal of the Units. This letter addresses principally purchasers who hold the Units as investment assets. Purchasers who acquire the Units for dealing purposes should consult their own tax advisors concerning the tax consequences of their particular situations.

This letter is not a tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units. Prospective purchasers of the Units should consult their own tax advisors to take into account the tax law applicable to their particular situations. In particular, prospective purchasers who are not Singapore tax residents are advised to consult their own tax advisors to take into account the tax laws of their respective countries of tax residence and the existence of any tax treaty which their country of tax residence may have with Singapore.

This letter is based on Singapore income tax laws and relevant interpretations thereof current as at the date of this letter, all of which are subject to change, possibly with retroactive effect.

Words and expressions defined in the Prospectus have the same meaning in this letter. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include the other gender.

THE GENERAL PRINCIPLES OF TAXATION OF A TRUST

The income of a trust derived from or accrued in Singapore is chargeable to Singapore income tax. In addition, income earned outside Singapore and received or deemed received in Singapore is also chargeable to Singapore income tax unless otherwise exempted. There is no capital gains tax. However, gains from the sale of investments (including real properties) are chargeable to tax if such gains are derived from a trade or business of dealing in investments (including real properties).
Singapore income tax is imposed on all income chargeable to tax after deduction of the allowable expenses incurred and the tax depreciation claimed on assets used in the generation of the income (the "Taxable Income").

The Taxable Income of the trust is assessed to tax in the name of the trustee at the prevailing corporate tax rate. The tax paid by the trustee is imputed to be the tax paid by the beneficiaries (the "imputed tax"). The Taxable Income after accounting for the tax payable will be distributed to the beneficiaries in the proportion of their respective share of the trust income.

The beneficiaries are chargeable to Singapore income tax on any distributions made by the trust. Tax will be imposed on the re-grossed amount of distributions received (that is, the amount of distributions and the proportionate amount of the imputed tax) at their applicable tax rates. Under the provisions of Section 46(1)(b) of the Income Tax Act, Chapter 134, a tax credit will be granted to the beneficiaries on the imputed tax.

THE TAX RULING

FCT has obtained a Tax Ruling dated 15 March 2006 from the Inland Revenue Authority of Singapore ("IRAS") to give effect to the application of the provisions of Section 43(2) of the Income Tax Act, Chapter 134 to impose tax on the holders of Units ("Unitholders") on the Taxable Income of FCT instead of the Trustee (the "tax transparency treatment"). Section 43(2) of the Income Tax Act, Chapter 134 states:

Where any trustee proves to the satisfaction of the Comptroller that any beneficiary of the trust is entitled to a share of the trust income, a corresponding share of the statutory income of the trustee may be charged at a lower rate or not charged with any tax, as the Comptroller shall determine.

Subject to full compliance with the terms and conditions of the Tax Ruling, the taxation of FCT and that of the Unitholders are described below.

TAXATION OF FCT

General

Notwithstanding the Tax Ruling, the Taxable Income of FCT will be determined in accordance with the provisions of the Income Tax Act, Chapter 134, as is the case of any trust having income that is chargeable to Singapore income tax.

The Taxable Income of FCT will comprise substantially income from the letting of real properties and incidental property related service income but does not include gains from the disposal of real properties. The Taxable Income of FCT shall qualify to be treated as income derived from the business of the making of investments and shall be determined under the provisions of Section 10E of the Income Tax Act, Chapter 134.

The Tax Ruling grants tax transparency treatment on FCT's Taxable Income that is distributed to the Unitholders. Any portion of the Taxable Income not distributed (the "Retained Taxable Income") will be assessed to tax in the name of the Trustee.

Requirement on Tax Deduction at Source

The Tax Ruling imposes the condition on the Trustee and the Manager to deduct tax at source at the prevailing corporate tax rate on any distribution made out of the Taxable Income to all Unitholders other than individuals, Qualifying Unitholders and foreign non-individual Unitholders.
Where the Unitholders are individuals or Qualifying Unitholders, the Trustee and the Manager will make the distributions without deducting any income tax. Also, where the Unitholders are foreign non-individual Unitholders, the Trustee and the Manager will deduct income tax at the reduced rate of 10.0% for distributions made during the period from 18 February 2005 to 17 February 2010.

A “Qualifying Unitholder” refers to a Unitholder who is:

- Singapore-incorporated company which is a tax resident in Singapore;
- body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); or
- Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from FCT.

A “foreign non-individual Unitholder” refers to a Unitholder who is not a resident of Singapore for Singapore income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation.

To obtain distributions free of tax deduction at source, or at the reduced rate of 10.0%, the Unitholders who are Qualifying Unitholders or foreign non-individual Unitholders, must disclose their tax status in a prescribed form provided by the Trustee and the Manager (see “Declarations by Unitholders” below).

Where the Units are held in joint names, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate, currently at 20.0% from the distributions made out of FCT’s Taxable Income, unless all the joint owners are individuals.

Where the Units are held through a nominee, the Trustee and the Manager will deduct income tax from the distributions made out of FCT’s Taxable Income at the prevailing corporate tax rate (currently at 20.0%) except in the following situations:

- where the Units are held for beneficial owners who are individuals and/or Qualifying Unitholders, tax may not be deducted at source under certain circumstances. These include a declaration by the nominee of the status of the beneficial owners of the Units and the provision of certain particulars of the beneficial owners of the Units by the nominee to the Trustee and the Manager in a prescribed form provided by the Trustee and the Manager;
- where the Units are held for beneficial owners who are foreign non-individual Unitholders, tax may be deducted at the reduced tax rate of 10.0% for distributions made during the period from 18 February 2005 to 17 February 2010 under certain circumstances. These include a declaration by the nominee of the status of the beneficial owners of the Units and the provision of certain particulars of the beneficial owners of the Units by the nominee to the Trustee and the Manager in a prescribed form provided by the Trustee and the Manager; and
- where the Units are held by the nominees as Agent Banks or Supplementary Retirement Scheme (“SRS”) operators acting for individuals who purchased the Units within the CPF Investment Scheme (“CPFIS”) or the SRS, tax will not be deducted at source for distributions made in respect of these nominees.
Tax Treatment of Retained Taxable Income

In accordance with FCT’s distribution policy, the Trustee and the Manager will distribute at least 90.0% of the Taxable Income of FCT to Unitholders. The portion of the Taxable Income not distributed will be immediately assessed to tax on the Trustee. The tax paid by the Trustee on the Retained Taxable Income is imputed to the tax paid by the Unitholders.

Tax Treatment of Gains from Disposal of Properties

The tax transparency treatment is not extended to gains realised from the sale of real properties. The tax on such gains will be assessed on the Trustee if they are considered to be trading gains. Gains of a capital nature are not subject to tax as there is no capital gains tax in Singapore. Whether a gain realised from the disposal of real property is a capital gain or a trading profit will have to be determined based on the circumstances of the transaction and the overall business traits of FCT.

Where gains arising from the disposal of real properties by FCT are trading gains, such trading gains are assessed to tax on the Trustee at the prevailing corporate tax rate, and the Trustee will have to pay the tax so assessed.

Rollover Adjustment

It is the intention of the Trustee and the Manager that distributions be made out of Taxable Income so determined by them. This may vary from the Taxable Income determined by the IRAS when the tax returns of FCT are subsequently examined. In order to address this variance, the Tax Ruling has allowed the Trustee and the Manager, subject to certain terms and conditions, to adopt a rollover adjustment, such that the variance will be adjusted against the Taxable Income determined by the Trustee and the Manager for the next distribution immediately after the variance has been agreed with the IRAS.

TAXATION OF UNITHOLDERS

Basis of Assessment

Unitholders are charged to Singapore income tax on distributions from FCT for the year of assessment corresponding to the year of assessment to which the Taxable Income of FCT relates. This means that if a distribution is made out of Taxable Income of FCT for the financial year ending on 30 September 2006 forming the basis period for the year of assessment 2007, the Unitholders will be taxed on such distribution for the year of assessment 2007 regardless of when the distribution is actually made.

The Income Source of Distributions

Unitholders will be chargeable to Singapore income tax on distributions from FCT either as income sourced under Section 10(1)(a) or Section 10(1)(g) of the Income Tax Act, Chapter 134, depending on the circumstances of the Unitholders. If a Unitholder holds the Units as investment assets, the distributions are chargeable to tax under Section 10(1)(g) as gains or profits of an income nature. If a Unitholder holds the Units as trading assets, the distributions are chargeable to tax under Section 10(1)(a) as gains or profits from a trade or business.

Taxation of Individual Unitholders Who Hold the Units as investment assets

All distributions (other than out of franked dividends) from FCT to individual Unitholders of the Units who are beneficially entitled to the distributions, regardless of their nationality or place of residence, will be exempt from Singapore income tax if they receive such distributions as their investment income and not through a partnership in Singapore.
Taxation of Individual Unitholders Who Hold the Units as Trading Assets or through a Partnership in Singapore

Individuals who beneficially own the Units will be subject to Singapore income tax if the distributions they received do not qualify to be regarded as their investment income or that the distributions are received through a partnership in Singapore. Whether or not the distributions received by the Individual Unitholders of the Units form part of their investment income is a question of fact and has to be determined based on the factual situations of the Individual Unitholders. It is advisable for Individual Unitholders of the Units to consult their tax advisors in relation to their particular situations.

Individual Unitholders of the Units who do not qualify for the tax exemption as mentioned above will be chargeable to Singapore income tax on distributions received from FCT (including distributions made out of capital gains realised from the sale of real properties in Singapore) if the Units are held as trading assets. They are required to report the re-grossed amount (the amount of distributions received and the proportionate amount of the imputed tax, if any) and to claim a tax credit for the proportionate amount of the imputed tax.

Distribution of Retained Taxable Income or trading gains from the disposal of real properties on which the Trustee has been assessed to tax shall be treated as the net distribution and shall be re-grossed at the corporate tax rate prevailing at the time the distribution is made. Where the prevailing corporate tax rate at the time the distribution is made is lower than the corporate tax rate used in determining the tax payable by the Trustee on the Retained Taxable Income or trading gains from the disposal of real properties, a part of the tax paid by the Trustee will not be imputed as tax paid by the Unitholders of the Units.

Taxation of Unitholders of the Units who are not individuals

All Unitholders who are not individuals ("Non-Individual Unitholders") are chargeable to Singapore income tax on distributions from FCT regardless of whether tax has been deducted at source. Such Non-Individual Unitholders are required to report the gross amount (including the tax deducted at source, as the case may be) or the re-grossed amount (the amount of distributions received and the proportionate amount of the imputed tax, if any) when filing their tax returns and to claim a tax credit for the tax deducted at source or the imputed tax. The reporting of the gross amount is applicable when distributions from FCT are made out of Taxable Income. The reporting of re-grossed amount is applicable when distributions from FCT are made out of Retained Taxable Income or trading gains from the disposal of real properties where tax has been assessed on the Trustee. For the purpose of arriving at the re-grossed amount, the Tax Ruling has stipulated that the distribution from FCT shall be treated as the net distribution and shall be re-grossed at the corporate tax rate prevailing at the time the distribution is made. Where the prevailing corporate tax rate at the time the distribution is made is lower than the corporate tax rate used in determining the tax payable by the Trustee on the Retained Taxable Income or trading gains from the disposal of real properties, a part of the tax paid by the Trustee will not be imputed as tax paid by the Non-Individual Unitholders.

Non-Individual Unitholders will not be taxable on distributions from FCT made out of capital gains from the disposal of real properties if the Units are held by them as investment assets. Non-Individual Unitholders who are traders of such Units or other related assets will be taxable on such distributions.

Distributions made by FCL to its foreign non-individual Unitholders will be subject to Singapore withholding tax or tax deduction at source at the reduced rate of 10.0% for a period of five years from 18 February 2005. This reduced withholding tax rate of 10.0% will also apply to nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are foreign non-individual Unitholders.
Gains on Disposal of Units

Unitholders who are in the trade or business of dealing in investments will be chargeable to tax on the profits realised from the disposal of Units. Whether or not a Unitholder is in the trade or business of dealing in investments will be determined based on the Unitholder’s circumstances. Unitholders who are not in the trade or business of dealing in investments may also be chargeable to tax on the gains realised from the disposal of Units if such gains are treated as trading gains having regard to the circumstances of the transaction. Unitholders are encouraged to seek advice from their tax advisors to determine the tax implications regarding the acquisition, ownership and disposition of their investments in Units.

Declarations by Unitholders

All Qualifying Unitholders, foreign non-individual Unitholders and nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are Qualifying Unitholders or foreign non-individual Unitholders are required to make a declaration of their legal and tax residence status in the prescribed form to be provided by the Trustee and the Manager. A draft sample is attached as an annex to this letter. The prescribed form must be completed and returned to the Trustee and the Manager within the time limit set by the Trustee and the Manager. The Trustee and the Manager will make a distribution without deduction of tax or with deduction at the reduced tax rate of 10.0% only if they are satisfied from the declarations made in the prescribed forms as to their legal and tax residence status.

Individual Unitholders do not have to make this declaration.

Definition of Tax Resident in the case of a Company

A company is considered to be a tax resident in Singapore if the control and management of the company is exercised in Singapore.

Terms and Conditions of the Tax Ruling

The Tax Ruling granted by the IRAS is conditional upon the Trustee and the Manager complying with certain terms and conditions. The Trustee and the Manager have given the relevant undertakings to the IRAS to take all reasonable steps necessary to safeguard the IRAS against tax leakages as a result of the Tax Ruling and to comply with all administrative requirements to ensure ease of tax administration.

The IRAS has expressly reserved the rights to review, amend and revoke the Tax Ruling either in part or in whole at any time.

Yours faithfully

Leonard Ong
Director, Tax
For and on behalf of
KPMG Tax Services Pte Ltd
FORM A
DECLARATION FOR SINGAPORE TAX PURPOSES

Name of registered unitholder (preprinted) Security Account No. (preprinted)
Address (preprinted) Holding: Units (preprinted)

Name of Counter: Frasers Centrepoint Trust (the “Units”)

Please read the following important notes carefully before completion of this Form:

1 The Trustee and the Manager of Frasers Centrepoint Trust (“FCT”) will not deduct tax from distributions made out of FCT’s taxable income that is not taxed at FCT’s level to:
   (a) Unitholders who are individuals and who hold the units either in their sole names or jointly with other individuals;
   (b) Unitholders which are companies incorporated and tax resident in Singapore;
   (c) Unitholders which are Singapore branches of foreign companies that have obtained specific approval from the Inland Revenue Authority of Singapore to receive the distribution from FCT without deduction of tax; or
   (d) Unitholders which are non-corporate entities (excluding partnerships) constituted or registered in Singapore, such as:
      (i) institutions, authorities, persons or funds specified in the First Schedule to the Income Tax Act (Cap. 134);
      (ii) co-operative societies registered under the Co-operative Societies Act (Cap. 62);
      (iii) trade unions registered under the Trade Unions Act (Cap. 333);
      (iv) charities registered under the Charities Act (Cap. 37) or established by an Act of Parliament; and
      (v) town councils.

2 For distributions made to classes of unitholders that do not fall within the categories stated under Note 1 above, the Trustee and the Manager of FCT will deduct tax at the rate of 10% if the unitholders are foreign non-individual investors. A foreign non-individual investor is one who is not a resident of Singapore* for income tax purposes and:
   (a) who does not have a permanent establishment in Singapore; or
   (b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation.

3 Unitholders are required to complete the applicable Section A, B or C if they fall within the categories (b) to (d) stated under Note 1 or Section D if they qualify as a foreign non-individual investor as described under Note 2.
4 The Trustee and the Manager of FCT will rely on the declarations made in this Form to determine (i) if tax is to be deducted for the categories of unitholders listed in (b) to (d) under Note 1; and (ii) if tax is to be deducted at the rate of 10% for distributions to foreign non-individual investors. Please therefore ensure that the appropriate section of this Form is completed in full and legibly and is returned to Lim Associates (Pte) Ltd within the stipulated time limit. Failure to comply with any of these requirements will render this Form invalid and therefore, the Trustee and the Manager will be obliged to deduct tax at the prevailing corporate tax rate from the distributions in respect of which this declaration is made.

5 Unitholders who fall within class (a) under Note 1 are not required to submit this declaration form.

6 Unitholders who do not fall within the classes of Unitholders listed in Note 1 and Note 2 above can choose not to return this Form as tax will be deducted from the distributions made to them at the prevailing corporate tax rate in any case.

7 Unitholders who hold the Units jointly (where at least one of the joint unitholders is not an individual) or through nominees do not have to return this Form.

8 Please make sure that the information given and the declaration made in this Form is true and correct. The making of a false or incorrect declaration constitutes an offence under the Income Tax Act and the Declarant shall be liable to the appropriate penalties imposed under the said Act.

9 This Form must be returned to Lim Associates (Pte) Ltd, 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315 by [Date].

* A company is not a resident of Singapore if the management and control of its business is exercised outside Singapore.

^ A permanent establishment is defined under section 2 of the Income Tax Act to mean a fixed place where a business is wholly or partly carried on. It includes a place of management, a branch and an office.
# DECLARATION FOR SINGAPORE TAX PURPOSES

## Section A: To be completed by a Unitholder which is a Singapore incorporated company

I, ________________________, NRIC/Passport No. ________________________, the Director of ________________________ (the "Company") hereby declare that the Company is the beneficial owner of the holdings stated above and that:

Name of registered unitholder (preprinted)

Tick ( / ) either the "Yes" or "No" box

(a) the Company is incorporated in Singapore and its registration number is

(b) the management and control of the Company’s business for the preceding year and from the beginning of this year to the date of this Declaration was exercised in Singapore and there is no intention, at the time of this Declaration, to change the place of management and control of the Company to a location outside Singapore; and

(c) the Company has previously filed tax returns with the Inland Revenue Authority of Singapore.

If your reply to (c) is "Yes", please proceed with (d) -

(d) the Company is declared as a tax resident of Singapore based on the latest tax return filed with the Inland Revenue Authority of Singapore.

Signature of Declarant: ________________________ Date: ________________

Contact No: ________________________

* A company is tax resident in Singapore if the management and control of its business is exercised in Singapore.

## Section B: To be completed by a Unitholder which is a Singapore branch of a foreign company

I, ________________________, NRIC/Passport No. ________________________, the manager of ________________________ (the "Singapore Branch") hereby declare that the Singapore Branch is the beneficial owner of the holdings stated above and that the Inland Revenue Authority of Singapore has granted approval to the Singapore Branch to receive distribution from FCT without deduction of tax. A copy of the letter of approval dated _____________ is attached.

Signature of Declarant: ________________________ Date: ________________

Contact No: ________________________

## Section C: To be completed by a Unitholder which falls under Note 1(d)

I, ________________________, NRIC/Passport No. ________________________, the principal officer of ________________________ (the "Entity") hereby declare that the Entity is the beneficial owner of the holdings stated above and that the entity is (tick whichever is applicable):

- an institution, authority, person or fund specified in the First Schedule to the Income Tax Act (Cap. 134).
- a co-operative society registered under the Co-operative Societies Act (Cap. 62).
- a trade union registered under the Trade Unions Act (Cap. 333).
- a charity registered under the Charities Act (Cap. 37) or a charity established by an Act of Parliament.
- a town council.
- any other non-corporate entity (other than a partnership) constituted or registered in Singapore.

Signature of Declarant: ________________________ Date: ________________

Contact No: ________________________

## Section D: To be completed by a Unitholder which falls under Note 2

I, ________________________, NRIC/Passport No. ________________________, the Director/Principal Officer of ________________________ (the "Entity") hereby declare that the Entity is the beneficial owner of the holdings stated above and that:

Tick ( / ) either the "Yes" or "No" box

(a) the Entity is not a resident of Singapore for income tax purposes for the preceding year and from the beginning of this year to the date of this Declaration and there is no intention, at the time of this Declaration, to change the tax residence of the Entity to Singapore; and

(b) the Entity does not have a permanent establishment in Singapore.

If your reply to (b) is "No", please proceed with (c) -

(c) the funds used to acquire the holdings in the Units are not obtained by the Entity from any operation carried on in Singapore through a permanent establishment in Singapore.

Signature of Declarant: ________________________ Date: ________________

Contact No: ________________________

* Please see front page.
To: Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

FORM B
DECLARATION BY DEPOSITORY AGENTS FOR SINGAPORE TAX PURPOSES

<table>
<thead>
<tr>
<th>Name of registered unitholder (preprinted)</th>
<th>Securities Account No. (preprinted)</th>
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<tbody>
<tr>
<td>Address (preprinted)</td>
<td>Holding: Units (preprinted)</td>
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</table>

Name of Counter: Frasers Centrepoint Trust
(the “Units”)

Please read the following important notes carefully before completion of this Form:

1 The Trustee and the Manager of Frasers Centrepoint Trust (“FCT”) will deduct tax at the prevailing corporate tax rate from distributions made out of FCT’s taxable income, that is not taxed at FCT’s level, in respect of the Units held by you in your capacity as a Depository Agent except where the beneficial owners of these Units are:
   (a) individuals and the units are not held through a partnership in Singapore;
   (b) qualifying unitholders; or
   (c) foreign non-individual Unitholders.

2 Tax will not be deducted for distributions made in respect of the Units held by you for the benefit of unitholders who fall within categories (i) and (ii) of Note 1. Tax will be deducted at the reduced rate of 10% for distributions made in respect of the Units held by you for the benefit of foreign non-individuals.

3 A “qualifying unitholder” refers to a Unitholder who is:
   (i) a company incorporated and tax resident in Singapore;
   (ii) non-corporate entities (excluding partnerships) constituted or registered in Singapore; such as:
      (a) institutions, authorities, persons or funds specified in the First Schedule to the Income Tax Act (Cap. 134);
      (b) co-operative societies registered under the Co-operative Societies Act (Cap. 62);
      (c) trade unions registered under the Trade Unions Act (Cap. 333);
      (d) charities registered under the Charities Act (Cap. 37) or established by an Act of Parliament; and
      (e) town councils.
   (iii) a Singapore branch of a foreign company which has obtained from the Inland Revenue Authority of Singapore, a waiver from tax deducted at source in respect of distributions from FCT.
A foreign non-individual is one who is not a resident in Singapore* for income tax purposes and:

(i) who does not have a permanent establishment^ in Singapore; or
(ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation.

The Trustee and the Manager of FCT will rely on the declarations made in this Form to determine the applicable rate at which tax is to be deducted in respect of the Units held by you in your capacity as a Depository Agent. Please therefore ensure that this Form and the Annexes are completed in full and legibly and is returned to Lim Associates (Pte) Ltd within the stipulated time limit. Failure to comply with any of these requirements will render this Form invalid and the Trustee and the Manager will deduct tax at the prevailing corporate tax rate from the distributions in respect of which this declaration is made.

Please make sure that the information given and the declaration made in this Form is true and correct. The making of false or incorrect declaration constitutes an offence under the Income Tax Act and the Declarant shall be liable to the appropriate penalties imposed under the said Act.

This Form, together with hard copy of the Annexes, must be returned to Lim Associates (Pte) Ltd, 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315 by [Date]. Please complete the Annexes using the soft copy of the excel spreadsheet provided to you and also email a soft copy of the completed Annexes to Lim Associates (Pte) Ltd at [Email] by [Date]. Please note that it is compulsory to email the soft copy of the completed Annexes.

**Declaration**

I, ____________________________, NRIC/Passport No. ________________, the principal officer of ____________________________ ("the Depository Agent") hereby declare that the Units registered in the name of the Depository Agent and deposited in the sub-accounts maintained with The Central Depository (Pte) Ltd, as listed in the Annexes B1 to B3 to this declaration, belonged beneficially to persons who are individuals, Qualifying unitholders (as defined in Note 3 above) and foreign non-individuals (as defined in Note 4 above), respectively. The details of each of these beneficial owners are also listed in the respective Annexes.

We hereby also undertake to provide the actual amount of gross distribution made to each Qualifying unitholder in the format provided in Annex B2.1 and to email a soft copy of Annex B2.1 to Lim Associates (Pte) Ltd within 21 days from the date of the distribution.

Signature of Declarant: ____________________________ Date: ________________

Contact No: ____________________________

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* A company is a not resident of Singapore if the management and control of its business for the preceding year and from the beginning of this year to the date of this declaration was exercised outside Singapore and there is no intention, at the time of this declaration, to change tax residence of the company to Singapore.

^ A permanent establishment is defined under Section 2 of the Income Tax Act to mean a fixed place where a business is wholly or partly carried on. It includes a place of management.
FRASERS CENTREPOINT TRUST

Distribution Period:

Annex to Declaration Form B — Individuals

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<tr>
<th>S/No.</th>
<th>CDP Sub-Account No.</th>
<th>Name of beneficiary unitholder(s)</th>
<th>Identification No.*</th>
<th>Number of units</th>
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* This refers to Singapore NRIC No., foreign ID No. or Passport No.
FRASERS CENTREPOINT TRUST

Distribution Period:

Annex to Declaration Form B — Qualifying unitholders

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<th>S/No.</th>
<th>CDP Sub-Account No.</th>
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<th>Registration No.*</th>
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* This refers to ROC/Tax Reference No.
FRASERS CENTREPOINT TRUST  
Distribution Period:  

Annex to Declaration Form B — Qualifying unitholders

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<th>S/No.</th>
<th>CDP Sub-Account No.</th>
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* This refers to ROC/Tax Reference No.
FRASERS CENTREPOINT TRUST

Distribution Period:

Annex to Declaration Form B — Foreign Non-Individuals

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<th>S/No.</th>
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APPLICATION F

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE UNITS IN SINGAPORE

Applications are invited for the subscription of the Units at the Offering Price of $1.03 per Unit on the terms and conditions set out below and in the relevant Application Forms or, as the case may be, the Electronic Applications (as defined below). Investors applying for the Units in the Placement or the Public Offer by way of Application Forms or Electronic Applications, as the case may be, are required to pay the Offering Price of $1.03 per Unit, subject to a refund of the full amount or, as the case may be, the balance of the applications monies (in each case without interest or any share of revenue or other benefit arising therefrom) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

(1) Your application must be made in lots of 1,000 Units or integral multiples thereof. Your application for any other number of Units will be rejected.

(2) You may apply for the Units only during the period commencing on 27 June 2006 and expiring at 12.00 p.m. on 3 July 2006. The Offering period may be extended or shortened to such date and/or time as the Manager may agree with the Underwriters, subject to all applicable laws and regulations and the rules of the SGX-ST.

(3) (a) Your application for the Units offered in the Public Offer (the “Offer Units”), other than the Reserved Units, may be made by way of the printed WHITE Offer Units Application Forms or by way of Automated Teller Machines (“ATMs”) belonging to the Participating Banks (“ATM Electronic Applications”) or the Internet Banking (“IB”) website of the relevant Participating Banks (“Internet Electronic Applications”).

(b) Your application for the Units offered in the Placement (the “Placement Units”) may be made by way of the printed BLUE Placement Units Application Forms (or in such other manner as the Underwriters may in their absolute discretion deem appropriate) or by way of the Internet website of DBS Vickers Securities Online (Singapore) Pte. Ltd. (“DBS Vickers Online”) at “www.dbsvonline.com” (“Internet Placement Applications”, which, together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “Electronic Applications”), if you have a trading account with DBS Vickers Online.

(c) Your application for the Reserved Units may only be made by way of the printed PINK Reserved Units Application Forms.

(4) You may use up to 35.0 per cent. of your CPF Investible Savings (“CPF Funds”) to apply for the Units. Approval has been obtained from the Central Provident Fund Board (“CPF Board”) for the use of such CPF Funds pursuant to the Central Provident Fund (Investment Schemes) Regulations, as may be amended from time to time, for the purchase of the Units. You may also use up to 35.0 per cent. of your CPF Funds for the purchase of the Units in the secondary market.

(5) If you are using CPF Funds to apply for the Units, you must have a CPF Investment Account maintained with the relevant Participating Bank. You do not need to instruct the CPF Board to transfer CPF Funds from your CPF Ordinary Account to your CPF Investment Account.

The use of CPF Funds to apply for the Units is further subject to the terms and conditions set out in the section on “Terms and Conditions for Use of CPF Funds” on page F-21 of this Prospectus.

(6) Only one application may be made for the benefit of one person for the Offer Units (other than the Reserved Units) in his own name. Multiple applications for the Offer Units (other than the Reserved Units) will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.
You may not submit multiple applications for the Offer Units (other than the Reserved Units) via the Offer Units Application Form, ATM Electronic Applications or Internet Electronic Applications. A person who is submitting an application for the Offer Units (other than the Reserved Units) by way of the Offer Units Application Form may not submit another application for the Offer Units (other than the Reserved Units) by way of an ATM Electronic Application or Internet Electronic Application and vice versa.

A person, other than an approved nominee company, who is submitting an application for the Offer Units (other than the Reserved Units) in his own name should not submit any other applications for the Offer Units (other than the Reserved Units), whether on a printed Application Form or through an ATM Electronic Application or Internet Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Offer Units (other than the Reserved Units) shall be rejected. Persons submitting or procuring submissions of multiple applications for the Offer Units (other than the Reserved Units) may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and such applications may be referred to the relevant authorities for investigation.

(7) Multiple applications may be made in the case of applications by any person for (i) the Placement Units only (whether via Placement Units Application Forms or through the website of DBS Vickers Online), or (ii) the Placement Units (whether via Placement Units Application Forms or through the website of DBS Vickers Online) together with a single application for the Offer Units (other than the Reserved Units).

Multiple applications may also be made by any person entitled to apply for the Reserved Units, in respect of a single application for the Reserved Units and (i) a single application for the Offer Units (other than the Reserved Units), or (ii) a single or multiple application(s) for the Placement Units (whether via the Placement Units Application Forms or through the website of DBS Vickers Online) or (iii) both (i) and (ii).

(8) Applications from any person under the age of 21 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP will be rejected.

(9) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of ATM Electronic Applications and Internet Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of the application.
The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 11 below.

Nominee applications may only be made by approved nominee companies. Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application. If you do not have an existing Securities Account with the CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your application (if you apply by way of an Electronic Application).

If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank or DBS Vickers Online, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.

This Prospectus and its accompanying Application Forms have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its Application Forms may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Without limiting the generality of the foregoing, neither this Prospectus (including its Application Forms) nor any copy thereof may be published or distributed, directly or indirectly, in or into the United States and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such an offer. The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)). The Units are being offered and sold outside the United States to non-U.S. persons (including institutional and other investors in Singapore) in reliance on Regulation S. There will be no public offer of Units in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.

The Manager reserves the right to reject any applications for Units where the Manager believes or has reason to believe that such applications may violate the securities laws of any jurisdiction.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying Application Forms may treat the same as an offer or invitation to subscribe for any Units unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.
(16) The Manager reserves the right to reject any application which does not conform strictly to the instructions set out in this Prospectus (including the instructions set out in the Application Forms, in the ATM and IB websites of the relevant Participating Banks and in the website of DBS Vickers Online) or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance.

(17) The Manager further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in this Prospectus (including the instructions set out in the Application Forms and in the ATMs and IB websites of the relevant Participating Banks and in the website of DBS Vickers Online), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of the Manager, the Underwriters, as agents of the Manager, have been authorised to accept, for and on behalf of the Manager, such other forms of application as the Underwriters may, in consultation with the Manager, deem appropriate.

(18) The Manager reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefor, and none of the Manager and any of the Underwriters will entertain any enquiry and/or correspondence on the decision of the Manager. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Underwriters may, in consultation with the Manager, deem appropriate. In deciding the basis of allocation, the Manager will give due consideration to the desirability of allocating the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

(19) The Units may be reallocated between the Placement and the Public Offer at the discretion of the Underwriters (in consultation with and having due regard to the view of the Manager).

(20) It is expected that CDP will send to you, at your own risk, within 15 Market Days after the completion of the Offering, and subject to the submission of valid applications and payment for the Units and the Offering Price being agreed upon between the Underwriters and the Manager, a statement of account stating that your Securities Account has been credited with the number of Units allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by the Manager. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Units allocated to you. This authorisation applies to applications made both by way of Application Forms and by way of Electronic Applications.

(21) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Units allocated to you pursuant to your application, to the Manager, the Underwriters, DBS Vickers Online and any other parties so authorised by the Manager and/or the Underwriters.

(22) Any reference to “you” or the “Applicant” in this section shall include a person, a corporation, an approved nominee company and trustee applying for the Units by way of an Application Form or by way of an Electronic Application.

(23) By completing and delivering an Application Form and, in the case of an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM or, in the case of an Internet Electronic Application or Internet Placement Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other button on the IB website screen or the DBS Vickers Online website screen in accordance with the provisions herein, you:

(a) irrevocably agree and undertake to subscribe the number of Units specified in your application (or such smaller number for which the application is accepted) at the Offering
Price for each Unit and agree that you will accept such number of Units as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, this Prospectus and its accompanying Application Forms and the Trust Deed;

(b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying Application Forms and those set out in the website of DBS Vickers Online, or the IB websites or ATMs of the Participating Banks, the terms and conditions set out in this Prospectus and its accompanying Application Forms shall prevail;

(c) in the case of an application by way of an Offer Units Application Form, an ATM Electronic Application, Internet Electronic Application or Internet Placement Application, agree that the aggregate Offering Price for the Units applied for is due and payable to the Manager upon application;

(d) in the case of an application by way of a Placement Units Application Form or such other forms of application as the Underwriters may, in consultation with the Manager, deem appropriate, using cash, agree that the aggregate Offering Price for the Units is due and payable to the Manager upon application;

(e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Manager in determining whether to accept your application and/or whether to allocate any Units to you; and

(f) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Manager nor any of the Underwriters will infringe any such laws as a result of the acceptance of your application.

(24) Acceptance of applications will be conditional upon, among others, the Manager being satisfied that:

(a) permission has been granted by the SGX-ST to deal in and for quotation of all the Units on the Official List of the SGX-ST; and

(b) the Underwriting Agreement has become unconditional and has not been terminated.

(25) Additional terms and conditions for applications by way of Application Forms are set out in the section entitled “Additional Terms and Conditions for Applications using Printed Application Forms” on pages F-6 to F-9 of this Prospectus.

(26) Additional terms and conditions for applications by way of Electronic Applications are set out in the section entitled “Additional Terms and Conditions for Electronic Applications” on pages F-11 to F-20 of this Prospectus.

(27) Terms and conditions governing the use of CPF funds are set out in the section entitled “Terms and Conditions for Use of CPF Funds” on page F-21 of this Prospectus.

(28) No application will be held in reserve.

(29) This Prospectus is dated 27 June 2006. No Units will be allocated on the basis of this Prospectus later than twelve months after the date of this Prospectus.
**Additional Terms and Conditions for Applications using Printed Application Forms**

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below, as well as those set out under the section on “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” on pages F-1 to F-21 of this Prospectus and the Trust Deed.

1. Applications for the Offer Units (other than the Reserved Units) must be made using the printed **WHITE** Offer Units Application Forms and printed **WHITE** official envelopes “A” and “B”, accompanying and forming part of this Prospectus.

Applications for the Placement Units must be made using the printed **BLUE** Placement Units Application Forms, accompanying and forming part of this Prospectus.

Applications for the Reserved Units must be made using the printed **PINK** Reserved Units Application Forms, accompanying and forming part of this Prospectus.

Without prejudice to the rights of the Manager, the Underwriters, as agents of the Manager, have been authorised to accept, for and on behalf of the Manager, such other forms of application, as the Underwriters may (in consultation with the Manager) deem appropriate.

Your attention is drawn to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. **The Manager reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

2. You must complete your Application Forms in English. Please type or write clearly in ink using BLOCK LETTERS.

3. You must complete all spaces in your Application Forms except those under the heading “FOR OFFICIAL USE ONLY” and you must write the words “NOT APPLICABLE” or “N.A.” in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your identity card (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with the FCT’s Unit Registrar and Unit Transfer Office. The Manager reserves the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign page 1 of the Application Form.

(b) You are required to delete either paragraphs 6(c) or 6(d) on page 1 of the Application Form. Where paragraph 6(c) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

(c) If you fail to make the required declaration in paragraph 6(c) or 6(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
(6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Units is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

(7) You may apply and make payment for your application for the Units in Singapore currency in the following manner:

(a) **Cash only** — You may apply for the Units using only cash. Each application must be accompanied by a remittance in Singapore currency for the full amount payable at the Offering Price of S$1.03 for each Offer Unit, or the Offering Price for each Placement Unit, as the case may be, in respect of the number of Units applied for. The remittance must be in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of “FCT UNIT ISSUE ACCOUNT” crossed “A/C PAYEE ONLY” with the name, Securities Account number and address of the applicant written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Bankers' Draft or Cashiers’ Order for different Securities Accounts shall be accepted. Remittances bearing “NOT TRANSFERABLE” or “NON-TRANSFERABLE” crossings will be rejected.

(b) **CPF Funds only** — You may apply for the Units using only CPF Funds. Each application must be accompanied by a remittance in Singapore currency for the full amount payable at the Offering Price of S$1.03 for each Offer Unit or the Offering Price for each Placement Unit, as the case may be, in respect of the number of Units applied for. The remittance must be in the form of a CPF CASHIER’S ORDER (available for purchase at the CPF approved bank with which the applicant maintains his CPF Investment Account), made out in favour of “FCT UNIT ISSUE ACCOUNT” with the name, Securities Account number and address of the applicant written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. For additional terms and conditions governing the use of CPF Funds, please refer to page F-21 of this Prospectus.

(c) **Cash and CPF Funds** — You may apply for the Units using a combination of cash and CPF Funds, PROVIDED THAT the number of Units applied for under each payment method is in lots of 1,000 Units or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that applications for Offer Units are accepted in part only, the cash portion of the application monies will be used in respect of such applications before the CPF Funds are used. In the case of applications for Placement Units that are accepted in part only, the CPF Funds portion of the application monies will be used in respect of such applications before the cash portion is used.

An applicant applying for 1,000 Units must use either cash only or CPF Funds only. No acknowledgement of receipt will be issued for applications and application monies received.

(8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours after the balloting at your own risk. Where your application is accepted in full or in part only, the balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days.
after the close of the Offering, PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account. If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

(9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in the Prospectus.

(10) By completing and delivering the Application Forms, you agree that:

(a) in consideration of the Manager having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:
   (i) your application is irrevocable;
   (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and
   (iii) you represent and agree that you are not a U.S. person (within the meaning of Regulation S);

(b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(c) in respect of the Units for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Manager;

(d) The Manager may return (without interest of any share of revenue or other benefit arising therefrom) to you by ordinary post, at your own risk:
   (i) where your application is unsuccessful, the monies paid within 24 hours after the balloting;
   (ii) where your application is accepted in full or in part only, the balance of the application monies within 14 Market Days after the close of the Offering; and
   (iii) where the Offering does not proceed for any reason, the monies paid within three Market Days after the Offering is discontinued,

   PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account;

(e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(f) reliance is placed solely on information contained in this Prospectus and that none of the Manager, the Trustee, any of the Underwriters, the Sponsor or any other person involved in the Offering shall have any liability for any information not contained therein;
(g) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number, CPF Investment Account number and Unit application amount to our Unit Registrar, CDP, CPF, Securities Clearing Computer Services (Pte) Ltd (“SCCS”), SGX-ST, the Manager, the Trustee and the Underwriters (the “Relevant Parties”); and

(h) you irrevocably agree and undertake to purchase the number of Units applied for as stated in the Application Form or any smaller number of such Units that may be allocated to you in respect of your application. In the event that the Manager decides to allocate any smaller number of such Units or not to allocate any Units to you, you agree to accept such decision as final.

Procedures Relating to Applications for the Offer Units (other than the Reserved Units) by Way of Printed Application Forms

(1) Your application for the Offer Units (other than the Reserved Units) by way of printed Application Forms must be made using the WHITE Offer Units Application Forms and WHITE official envelopes “A” and “B”.

(2) You must:
   (a) enclose the WHITE Offer Units Application Form, duly completed and signed, together with correct remittance for the full amount payable at the Offering Price of S$1.03 for each Offer Unit in Singapore currency in accordance with the terms and conditions of the Prospectus and its accompanying documents, in the WHITE official envelope “A” provided;
   (b) in appropriate spaces on the WHITE official envelope “A”:
      (i) write your name and address;
      (ii) state the number of Offer Units (other than the Reserved Units) applied for; and
      (iii) tick the relevant box to indicate the form of payment;
   (c) SEAL THE WHITE OFFICIAL ENVELOPE “A”;
   (d) write, in the special box provided on the larger WHITE official envelope “B” addressed to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, the number of Offer Units (other than the Reserved Units) you have applied for;
   (e) insert the WHITE official envelope “A” into the WHITE official envelope “B” and seal the WHITE OFFICIAL ENVELOPE “B”; and
   (f) DESPATCH BY ORDINARY POST OR DELIVER BY HAND the documents at your own risk to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, so as to arrive by 12.00 p.m. on 3 July 2006 or such other date(s) and time(s) as the Manager may agree with the Underwriters. Courier services or Registered Post must NOT be used.

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.

(4) ONLY ONE APPLICATION should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.
Procedures Relating to Applications for the Placement Units by Way of Printed Application Forms

(1) Your application for the Placement Units by way of printed Application Forms must be made using the BLUE Placement Units Application Forms.

(2) The completed and signed BLUE Placement Units Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price of S$1.03, for each Unit in respect of the number of Placement Units applied for, with your name, Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for Placement Units must be delivered to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, to arrive by 12.00 p.m. on 3 July 2006 or such other date(s) and time(s) as the Manager may agree with the Underwriters.

(3) In respect of an application for Placement Units, you may alternatively remit your application monies by electronic transfer to the account of OCBC Bank, OCBC Centre Branch, Current Account number 501-839278-001 in favour of “FCT UNIT ISSUE ACCOUNT” by 12.00 p.m. on 3 July 2006 or such other date(s) and time(s) as the Manager may agree with the Underwriters. Applicants who remit their application monies via electronic transfer should send a copy of the telegraphic transfer advice slip to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, to arrive by 12.00 p.m. on 3 July 2006 or such other date(s) and time(s) as the Manager may agree with the Underwriters.

(4) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.

(5) ONLY ONE APPLICATION should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Reserved Units by Way of Printed Application Forms

(1) Your application for the Reserved Units by way of printed Application Forms must be made using the PINK Reserved Units Application Forms.

(2) The completed and signed PINK Reserved Units Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, in Singapore currency for the full amount payable at the Offering Price of S$1.03 for each Unit in respect of the number of the Reserved Units applied for, with your name, Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for the Reserved Units must be delivered to Lim Associates (Pte) Ltd, 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315, for the attention of Mr David Woo to arrive by 12.00 p.m. on 3 July 2006 or such other date(s) and time(s) as the Manager may agree with the Underwriters.

(3) ONLY ONE APPLICATION should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.
Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below and those under the section “Terms, Conditions and Procedures for Application for and Acceptance for the Units in Singapore” on pages F-1 to F-21 of this Prospectus, as well as the Trust Deed.

(1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the website of DBS Vickers Online (in the case of Internet Placement Applications). Currently, DBS Bank and the UOB Group are the only Participating Banks through which Internet Electronic Applications may be made.

(2) For illustration purposes, the procedures for Electronic Applications through ATMs and the IB website of DBS Bank, and the procedures for Internet Placement Applications through the website of DBS Vickers Online (together the “Steps”) are set out in pages F-19 to F-20 of this Prospectus. The Steps set out the actions that you must take at ATMs or the IB website of DBS Bank or the website of DBS Vickers Online to complete an Electronic Application. The actions that you must take at the ATMs or the IB websites of the other Participating Banks are set out on the ATM screens of the respective Participating Banks. Please read carefully the terms and conditions of this Prospectus, the steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

Please read carefully the terms and conditions of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

(3) Any reference to “you” or the “Applicant” in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for the Units through an ATM of one of the relevant Participating Banks or the IB website of a relevant Participating Bank or an application for Internet Placement Units through the website of DBS Vickers Online.

(4) If you are making an ATM Electronic Application:
   (a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Units at an ATM belonging to other Participating Banks.
   (b) You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.
   (c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip (“Transaction Record”), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

(5) If you are making an Internet Electronic Application:
   (a) You must have an existing bank account with, and a User Identification (“User ID”) as well as a Personal Identification Number (“PIN”) given by, the relevant Participating Bank.
   (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected.

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Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank, there will be an on-screen confirmation ("Transaction Completed Screen") of the application which can be printed out by you for your record. This printed record of the Transaction Completed Screen is for your retention and should not be submitted with any printed Application Form.

(6) If you are making an Internet Placement Application:

(a) You must have an existing trading account with, and a User ID as well as a password given by DBS Vickers Online.

(b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected.

(c) Upon the completion of your Internet Placement Application, there will be a Confirmation Screen which can be printed out by you for your record. This printed record of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

(7) In connection with your Electronic Application, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

(a) that you have received a copy of this Prospectus (in the case of ATM Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Units and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

(b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable) and Unit application amount (the “Relevant Particulars”) from your account with the relevant Participating Bank or DBS Vickers Online, as the case may be, to the Relevant Parties; and

(c) where you are applying for the Offer Units (other than the Reserved Units), that this is your only application for the Offer Units (other than the Reserved Units) and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the website screen. By doing so, you shall be treated as signifying your confirmation of each of the three statements above. In respect of statement 7(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key or by clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank or DBS Vickers Online, as the case may be, of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

(8) You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application or Internet Electronic Application, failing which such Electronic Application will not be completed. Any ATM Electronic Application or Internet Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or on the IB website of the relevant Participating Bank, as the case may be, through which your ATM Electronic Application or Internet Electronic Application is being made shall be rejected.
You may apply and make payment for your application for the Offer Units in Singapore currency in the following manner:

(a) **Cash only** — You may apply for the Offer Units through any ATM or IB website (as the case may be) of your Participating Bank using only cash by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

(b) **CPF Funds only** — You may apply for the Offer Units through any ATM or IB website (as the case may be) of your Participating Bank using only CPF Funds by authorising your Participating Bank to deduct the full amount payable from your CPF Investment Account with the respective Participating Bank. For additional terms and conditions governing the use of CPF Funds, please refer to page F-21 of this Prospectus.

(c) **Cash and CPF Funds** — You may apply for the Offer Units through any ATM or IB website (as the case may be) of your Participating Bank using a combination of cash and CPF Funds, PROVIDED THAT the number of Offer Units applied for under each payment method is in lots of 1,000 Offer Units or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that such applications are accepted in part only, the cash portion of the application monies will be used in respect of such applications before the CPF Funds are used.

An applicant applying for 1,000 Offer Units must use either cash only or CPF Funds only.

If you make an Internet Placement Application through the website of DBS Vickers Online, you must have sufficient funds in your nominated Automatic Payment account with an Automatic Payment Facility (direct debit/credit authorisation or “GIRO”) with DBS Vickers Online. Your application will be rejected if there are insufficient funds in your account with DBS Vickers Online to deduct the full amount payable for your application.

You irrevocably agree and undertake to subscribe for and to accept the number of Offer Units or Placement Units (as the case may be) applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Offer Units or Placement Units (as the case may be) that may be allocated to you in respect of your Electronic Application. In the event that the Manager decides to allocate any lesser number of such Offer Units or Placement Units (as the case may be) or not to allocate any Offer Units or Placement Units (as the case may be) to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the Internet screen) of the number of Offer Units or Placement Units (as the case may be) applied for shall signify and shall be treated as your acceptance of the number of Offer Units or Placement Units (as the case may be) that may be allocated to you and your agreement to be bound by the Trust Deed.

The Manager will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, or if you have applied for the Internet Placement Units through DBS Vickers Online, by ordinary post or such other means as DBS Vickers Online may agree with you, at your own risk, within 24 hours after the balloting provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

Where your Electronic Application is accepted in full or in part only, the balance of the application monies, will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, or if you have applied for the Internet Placement Units through DBS Vickers Online, by ordinary post or such other means as DBS Vickers Online may agree with you, at your risk, within 14 Market
Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks and with DBS Vickers Online (as the case may be). Therefore, you are strongly advised to consult your Participating Bank or DBS Vickers Online as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Units or Placement Units (as the case may be), if any, allocated to you before trading the Units on the SGX-ST. None of the SGX-ST, CDP, SCCS, CPF, the Participating Banks, DBS Vickers Online, the Manager, the Trustee and the Underwriters assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

(13) If your ATM Electronic Application or Internet Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

If your Internet Placement Application is unsuccessful, no notification will be sent by DBS Vickers Online.

It is expected that successful applicants who applied for Internet Placement Units will be notified of the results of their applications through the website of DBS Vickers Online no later than the evening of the day immediately prior to the commencement of trading of the Units on the SGX-ST.

Applicants who make ATM Electronic Applications through the following banks may check the provisional results of their ATM Electronic Applications as follows:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Telephone</th>
<th>Other Channels</th>
<th>Operating Hours</th>
<th>Service expected from</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBS Bank</td>
<td>1800-339 6666 (for POSB account holders) 1800-111 1111 (for DBS account holders)</td>
<td>Internet Banking <a href="http://www.dbs.com(1)">www.dbs.com(1)</a></td>
<td>24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
<tr>
<td>OCBC</td>
<td>1800-363 3333</td>
<td>ATM</td>
<td>ATM: 24 hours a day Phone Banking: 24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
<tr>
<td>UOB Group</td>
<td>1800-222 2121</td>
<td>ATM (Other Transactions — “IPO Enquiry”) <a href="http://www.uobgroup.com(1)">www.uobgroup.com(1)</a>, (2)</td>
<td>Phone Banking/ATM: 24 hours a day Internet Banking: 24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
</tbody>
</table>

Notes:

(1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or UOB Group may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS or UOB Group.

(2) Applicants who have made Electronic Application through the ATMs or the IB web-site of the UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.

(14) ATM Electronic Applications shall close at 12.00 p.m. on 3 July 2006 or such other date(s) and time(s) as the Manager may agree with the Underwriters. All Internet Electronic Applications and Internet Placement Applications must be received by 12.00 p.m. on 3 July 2006, or such other date(s) and time(s) as the Manager may agree with the Underwriters. Internet Electronic
Applications and Internet Placement Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank or DBS Vickers Online, as the case may be.

(15) You are deemed to have irrevocably requested and authorised the Trustee or the Manager to:

(a) register the Offer Units or Placement Units, as the case may be, allocated to you in the name of CDP for deposit into your Securities Account;

(b) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank or if you have applied for the Internet Placement Units through DBS Vickers Online, by ordinary post or such other means as DBS Vickers Online may agree with you, at your risk, with the relevant amount within 24 hours after balloting, or within three Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account; and

(c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies should your Electronic Application be accepted or accepted in part only, by automatically crediting your bank account with your Participating Bank or if you have applied for Internet Placement Units through DBS Vickers Online, by ordinary post or such other means as DBS Vickers Online may agree with you, at your risk, with the relevant amount within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account.

(16) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, DBS Vickers Online, the Manager, the Trustee and the Underwriters, and if, in any such event the Manager, the Trustee, the Underwriters, DBS Vickers Online and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Manager, the Trustee, the Underwriters and/or the relevant Participating Bank or DBS Vickers Online for any Offer Units or Placement Units, as the case may be, applied for or for any compensation, loss or damage.

(17) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Manager shall reject any application by any person acting as nominee.
(18) All your particulars in the records of your Participating Bank or DBS Vickers Online (as the case may be) at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank or DBS Vickers Online (as the case may be) and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank or DBS Vickers Online (as the case may be).

(19) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank or DBS Vickers Online (as the case may be) are correct and identical. Otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.

(20) By making and completing an Electronic Application, you are deemed to have agreed that:

(a) in consideration of the Manager making available the Electronic Application facility, through the Participating Banks and DBS Vickers Online acting as agents of the Manager at the ATMs and IB websites of the relevant Participating Banks and the website of DBS Vickers Online:

(i) your Electronic Application is irrevocable; and

(ii) your Electronic Application, the acceptance by the Manager and the contract resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(b) none of CDP, the CPF Board, the Manager, the Underwriters, the Participating Banks and DBS Vickers Online shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to the Manager, the Trustee or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 16 above or to any cause beyond their respective controls;

(c) in respect of the Units for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager;

(d) The Manager may return (without interest or any share of revenue or other benefit arising therefrom) to you, at your own risk:

(i) where your application is unsuccessful, the monies paid within 24 hours after the balloting;

(ii) where your application is accepted in full or in part only, the balance of the application monies within 14 Market Days after the close of the Offering; and

(iii) where the Offering does not proceed for any reason, the monies paid within three Market Days after the Offering is discontinued.

(e) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application; and

(f) reliance is placed solely on information contained in the Prospectus and that none of the Manager, the Trustee, the Underwriters, and any other person involved in the Offering shall have any liability for any information not contained therein.
Steps for ATM Electronic Applications for Offer Units through ATMs of DBS Bank (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “&”, “I/C”, “No.”, “SGX” and “Max” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “Number”, “SGX-ST” and “Maximum”, respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS Bank (including POSB)), may differ slightly from those represented below.

Step 1: Insert your personal DBS Bank or POSB ATM Card.

2: Enter your Personal Identification Number.

3: Select “CASHCARD & MORE SERVICES”.

4: Select “ESA-IPO SHARE/INVESTMENT”.

5: Select “ELECTRONIC SECURITY APPLN (IPOS/BOND/ST-NOTES)”.

6: Read and understand the following statements which will appear on the screen:

- THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- (IN THE CASE OF SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.

7: Select “FCT” to display details.

8: Press the “ENTER” key to acknowledge:

- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.

- YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO. AND SECURITY APPLN AMOUNT FROM YOUR BANK A/C(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF AND THE ISSUER/VENDOR(S).
• FOR FIXED AND MAX PRICE SECURITY APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

• THE MAXIMUM PRICE FOR EACH SHARE IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.

• FOR TENDER SECURITY APPLICATIONS, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

• YOU ARE NOT A US PERSON AS REFERRED TO IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.

• THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR SUBJECT TO AVAILABILITY, YOU MAY BE ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR OR (IN THE CASE OF AN EARLIER CLOSURE UPON FULL SUBSCRIPTION) YOUR APPLICATION MAY BE REJECTED IF ALL THE AVAILABLE SECURITIES HAVE BEEN FULLY ALLOCATED TO EARLIER APPLICANTS.

9: Select your nationality.

10: Select your payment method (i.e. by cash, CPF Funds, or a combination of cash and CPF Funds).

11: Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.

12: Enter the number of securities you wish to apply for using cash.

13: Enter the number of securities you wish to apply for using CPF Funds (if applicable).

14: Enter or confirm (if your CDP Securities Account number has already been stored in DBS Bank's records) your own 12-digit CDP Securities Account number (Note: This step will be omitted automatically if your Securities Account number has already been stored in DBS Bank's records).

15: Check the details of your securities application, your NRIC or passport number and CDP Securities Account number and number of securities on the screen and press the "ENTER" key to confirm your application.

16: Remove the Transaction Record for your reference and retention only.
Steps for Internet Electronic Application for Offer Units through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “I/C” and “No.” refer to “Account”, “and”, “Amount”, “NRIC” and “Number”, respectively).

Step 1: Click on DBS Bank website (www.dbs.com)

2: Login to Internet banking.

3: Enter your User ID and PIN.

4: Select “Electronic Security Application (ESA)”.

5: Click “Yes” to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore.

6: Select your country of residence and click “I Confirm”.

7: Click on “FCT” and click the “Submit” button.

8: Click on “Confirm” to confirm, among others:

- You have read, understood and agreed to all terms of this application and the Prospectus/Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.

- You consent to disclose your name, NRIC or Passport No., address, nationality, CDP Securities A/c No., CPF Investment A/c No. (if applicable) and securities application amount from your DBS/POSB Account(s) to registrars of securities, SGX, SCCS, CDP, CPF Board and issuer/vendor(s).

- You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).

- You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933 as amended (the “US Securities Act”) or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any “US person” (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the US Securities Act and applicable state securities laws. These will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws;

- This application is made in your own name and at your own risk.

- For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

9: Fill in details for securities application and click “Submit”.

10: Check the details of your securities application, your NRIC or passport number and click “OK” to confirm your application.

11: Print the Confirmation Screen (optional) for your reference and retention only.
Steps for Internet Placement Applications for Placement Units through the website of DBS Vickers Online

For illustrative purposes, the steps for making an application through the website of DBS Vickers Online is shown below.

Step 1: Access the website at “www.dbsvonline.com”.

2: Login with user ID and password.

3: Click on to the IPO Centre hyperlink to go to the IPO Section.

4: Click on the IPO Issue hyperlink.

5: Click “Yes” to represent and warrant that, among others, that you are in Singapore and you are not a U.S. person (as such term is defined in Regulation S).

6: Confirm the IPO applying for and its details by clicking on the “Next” button.

7: Click “Yes” and click “Submit” to confirm, among others:
   - You have read, understood and agreed to the terms and conditions set out in the Prospectus/Document or Profile Statement including the notes and instructions for the completion of this Application Form and that this application has been made in accordance with the Prospectus/Document or Profile Statement and such notes and instructions.
   - You have read and understood the disclaimers.
   - You have read, understood and agreed to the “APPLICATION TERMS AND CONDITIONS” and the “GENERAL TERMS AND DISCLAIMERS”.
   - You consent to disclose your name, NRIC or passport number, address, nationality and permanent resident status, CDP Securities A/c No., CPF Investment A/c No. (if applicable) and securities application amount from your account with DBS Vickers Online to the Issuer and the Manager, registrars of securities, SGX, SCCS, CDP and CPF (as applicable).
   - This application is made in your own name and at your own risk.
   - This application is made in Singapore.
   - You understand that these are not deposits or other obligations of or guaranteed or insured by DBS Vickers Online and are subject to investment risks, including the possible loss of the principal amount invested.
   - You declare that (a) you are not under 21 years of age, (b) you are not a corporation, sole-proprietorship, partnership or any other business entity, (c) you are not an undisclosed bankrupt, (d) you are in Singapore, (e) you have a mailing address in Singapore and (f) you are not a U.S. person (within the meaning of Regulation S).

8: Fill in amount of securities applied for and preferred payment mode, then click “Submit”.

9: Check and verify the details of your securities application and your personal particulars on the screen.

10: Enter your password and click “Submit” to continue.

11: Click on “Application Status” to check your IPO application details.

12: Print page for your reference and retention only.
Terms and Conditions for Use of CPF Funds

(1) If you are using CPF Funds to subscribe for the Units, you must have a CPF Investment Account maintained with a relevant Participating Bank at the time of your application. If you are applying for the Units through an ATM Electronic Application, you must have an ATM card with that Participating Bank at the time of your application before you can use the ATMs of that Participating Bank to apply for the Units. For an Internet Electronic Application, you must have an existing bank account with, and a User ID as well as a PIN given by, the relevant Participating Bank. Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank, there will be a Transacted Completed Screen of the application which can be printed out by you for your record. This printed record of the Transaction Completed Screen is for your retention and should not be submitted with any printed Application Form. The CPF Investment Account is governed by the Central Provident Fund (Investment Schemes) Regulations, as amended.

(2) CPF Funds may only be withdrawn for applications for the Units in lots of 1,000 Units or integral multiples thereof.

(3) If you are applying for the Units using a printed Application Form and you are using CPF Funds to apply for the Units, you must submit a CPF Cashier’s Order for the total amount payable for the number of Units applied for using CPF Funds.

(4) Before you apply for the Units using your CPF Funds, you must first make sure that you have sufficient funds in your CPF Investment Account to pay for the Units. You need not instruct the CPF Board to transfer your CPF Funds from your CPF Ordinary Account to your CPF Investment Account. If the balance in your CPF Investment Account is insufficient and you have sufficient investible CPF Funds in your CPF Ordinary Account, the Participating Bank with which you maintain your CPF Investment Account will automatically transfer the balance of the required amount from your CPF Ordinary Account to your CPF Investment Account immediately for you to use these funds to buy a CPF Cashier’s Order from your Participating Bank in the case of an application by way of a printed Application Form or submit your application in the case of an application by way of an Electronic Application. The automatic transfer facility is available until the close of the Public Offer, and the operating hours of the facility are between 8.00 a.m. and 10.00 p.m. from Mondays to Saturdays, between 8.00 a.m. and 5.00 p.m. on Sundays and public holidays and between 8.00 a.m. and 12.00 p.m. on the date on which the Public Offer closes, that is, 3 July 2006.

(5) The special CPF securities sub-account of the nominee company of the Participating Bank (with whom you maintain a CPF Investment Account) maintained with CDP will be credited with the principal amount of the Units you subscribed for with CPF Funds.

(6) Where you are using CPF Funds, you cannot apply for the Units as nominee for any other person.

(7) All instructions or authorisations given by you in a printed Application Form or through an Electronic Application are irrevocable.

(8) CPF Investment Accounts may be opened with any branch of the Participating Banks.

(9) All information furnished by the CPF Board and the relevant Participating Banks on your authorisation will be relied on as being true and correct.
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1. Scope and Definitions

1.1 These Guidelines apply to a collective investment scheme that invests or proposes to invest in real estate and real estate-related assets (hereinafter referred to as “a property fund”). The scheme may or may not be listed on the Singapore Exchange (“SGX”). An investment in real estate may be by way of direct ownership or a shareholding in an unlisted special purpose vehicle (“SPV”) constituted to hold/own real estate.

1.2 For the purposes of this Appendix:

(a) Associate of any director includes
   (i) any member of his immediate family;\(^1\)
   (ii) the trustee, acting in its capacity as a trustee, of any property fund of which the director or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
   (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 25% or more.

(b) Cash equivalent items means instruments or investments of such high liquidity and safety that they are as good as cash.

(c) Controlling unitholder means a person who, together with (where applicable) –
   (A) its ultimate/immediate holding company;\(^1\)
   (B) its subsidiary;
   (C) its associated company;
   (D) its fellow subsidiary;
   (E) where it is an associated company of another company, say, Company X — a subsidiary of Company X;\(^2\)
   (F) its fellow associated company;
   (G) an associated company of its immediate holding company;
   (H) a subsidiary\(^3\) of the entity in sub-paragraph (B), (D) or (E); and
   (I) an associated company of the entity in sub-paragraph (B), (D) or (E),
      either
      (i) hold 15% or more of the units in the property fund (MAS may determine that such a person is not a controlling unitholder); or
      (ii) hold less than 15% of the units in the property fund but in fact exercise control over the property fund.

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\(^1\) This refers to his wife, child, adopted child, stepchild, brother, sister and parent.

\(^2\) Where the sponsor/promoter, Manager or adviser is an associated company of more than one company, say, Company X and Company Y, all the subsidiaries of either Company X or company Y will be considered as interested parties.

\(^3\) This term is capable of successive application. For example, Company A is a subsidiary of the promoter of the fund. If Company B is a subsidiary of Company A, and Company C is a subsidiary of Company B, then Company B and Company C (and so on) will be considered as interested parties.
For the avoidance of doubt, the number of units in the property fund held by a person and persons listed in (A) to (I) should be aggregated in determining if the units held amount to 15% or more of the total units in the property fund.

(d) **Deposited property** means the value of the property fund’s total assets based on the latest valuation.

(e) **Desktop valuation** means a valuation based on transacted prices/yields of similar real estate assets, without a physical inspection of the property.

(f) Interested party includes:

(i) the sponsor/promoter of the property fund (if different from the manager)\(^4\);

(ii) the manager of the property fund;

(iii) the trustee of the property fund;

(iv) the adviser to the property fund;

(v) a director, other than an independent director, of the sponsor/promoter, Manager or adviser (or an associate of any such director);

(vi) a controlling unitholder; or

(vii) in respect of the sponsor/promoter, Manager, adviser or controlling unitholder –

(A) its ultimate/immediate holding company;

(B) its subsidiary;

(C) its associated company;

(D) its fellow subsidiary;

(E) where it is an associated company of another company, say, Company X — a subsidiary of Company X\(^5\);

(F) its fellow associated company;

(G) an associated company of its immediate holding company;

(H) a subsidiary\(^6\) of the entity in sub-paragraph (B), (D) or (E); or

(I) an associated company of the entity in sub-paragraph (B), (D) or (E).

(g) **Real estate-related assets** means listed or unlisted debt securities and listed shares of or issued by property corporations, mortgage-backed securities, other property funds, and assets incidental to the ownership of real estate (e.g. furniture).

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\(^4\) For the avoidance of doubt, an entity acting merely as a marketing or sales agent will not be considered a sponsor/promoter.

\(^5\) Where the sponsor/promoter, Manager or adviser is an associated company of more than one company, say, Company X and Company Y, all the subsidiaries of either Company X or Company Y will be considered as interested parties.

\(^6\) This term is capable of successive application. For example, Company A is a subsidiary of the promoter of the fund. If Company B is a subsidiary of Company A, and Company C is a subsidiary of Company B, then Company B and Company C (and so on) will be considered as interested parties.
2. **The Manager of a Property Fund**

2.1 The Manager of a listed property fund should be a corporation with a physical office in Singapore, and have minimum shareholders’ funds of S$1.0 million. The Manager in Singapore should have:

(a) resident chief executive officer; and

(b) at least two full-time professional employees.\(^7\)

2.2 The Manager, as well as its chief executive officer, directors and professional employees should meet the fit and proper criteria as set out in the “Guidelines on Fit and Proper Criteria” [Guideline No: MCG-G01]\(^8\) issued by the Authority. In addition, the Manager should:

(a) have at least 5 years of experience in managing property funds;

(b) appoint, with the approval of the trustee, an adviser who has at least 5 years of experience in investing in and/or advising on real estate; or

(c) employ persons who have at least 5 years of experience in investing in and/or advising on real estate.

2.3 Where the Manager has appointed an adviser pursuant to paragraph 2.2 (b), that adviser need not be independent of the Manager, and may act as agent in seeking out buyers/sellers of real estate or in managing the property fund’s real estate assets. However, where the adviser has been appointed as the marketing agent for a property, that adviser may recommend the property fund to purchase that property only if:

(a) the adviser has disclosed to the Manager that it is the marketing agent for that property; and

(b) the adviser is not related to the Manager in a manner described in paragraph 1.2(f)(vii).

2.4 Commissions or fees paid by the property fund to the adviser should not be higher than market rates.

2.5 The Singapore office should play a meaningful role in the business activities of the Manager. In the Authority’s assessment of the role of the Singapore office, the following factors are relevant, but not exhaustive:

(a) the composition and mandates of the board of directors and management committees; and

(b) the extent to which the chief executive officer and directors based in Singapore participate in the formulation of investment strategies and financing activities.

2.6 The Manager of a listed property fund should perform the following activities in Singapore:

(a) accounting;

(b) compliance; and

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7 Professional employees refer to employees who are engaged in the investment management, asset management, financing, marketing and investor relations functions on behalf of the property fund manager.

8 A copy of the “Guidelines on Fit and Proper Criteria” may be found at: "http://www.mas.gov.sg/masmcm/bin/pt1SFA_Guidelines.htm".
2.7 The manager of a property fund seeking authorisation for the fund under section 286(1) of the Securities and Futures Act (Cap. 289) should complete and submit the form appended in Annex 2A.

3. **The Trustee of a Property Fund**

3.1 The Trustee should exercise due care and diligence in discharging its functions and duties, including safeguarding the rights and interests of participants.

3.2 Amongst others, the Trustee should exercise reasonable care in ensuring that:

(a) the property fund has proper legal and good marketable titles to the real estate assets owned by the property fund;

(b) the contracts (such as rental agreements) entered into on behalf of the property fund is legal, valid, binding and enforceable by or on behalf of the property fund in accordance with its terms; and

(c) the Manager arranges adequate insurance coverage in relation to the real estate assets of the property fund.

4. **Trust Deed Provisions for Removal of Manager and Convening of Meetings**

4.1 The trust deed of a property fund should contain the following provisions:

(a) the Manager may be removed by way of a resolution passed by a simple majority of participants present and voting at a general meeting, with no participant being disenfranchised; and

(b) a general meeting may be convened at the request in writing of not less than 50 participants or participants representing not less than 10% of the issued units of the property fund.

4.2 Existing property funds are to comply with the guidelines in this paragraph by 20 April 2006.

5. **Interested-party Transactions**

5.1 A property fund may acquire assets from or sell assets to interested parties, or invest in securities of or issued by interested parties, if:

(a) adequate disclosures are made in the prospectus (if it is at the first launch/offer of the property fund) or circular (if it is during the life of the property fund), stating –

   (i) the identity of the interested parties and their relationships with the property fund;

   (ii) the details of the assets to be acquired or sold, including a description of these assets and their location;

   (iii) the prices at which these assets are to be acquired or sold;

   A mortgage-backed security issued by a special purpose vehicle does not come within the ambit of this paragraph.
(iv) the details of the valuations performed (including the names of the valuers, the methods used to value these assets and the dates of the valuations) and their assessed values;

(v) the current/expected rental yield;

(vi) the minimum amount of subscriptions to be received, if the transactions are conditional upon the property fund receiving the stated amount of subscriptions; and

(vii) any other matters that may be relevant to a prospective investor in deciding whether or not to invest in the property fund or that may be relevant to a participant in deciding whether or not to approve the proposed transactions;

(b) for transactions entered into at the first launch/offer of the property fund, the scheme has entered into agreements to buy those assets at the prices specified in sub-paragraph (a)(iii) from the interested parties. If the transactions are conditional upon the property fund receiving a stated minimum amount of subscriptions, the agreements should reflect this;

(c) two independent valuations of each of those real estate assets, with one of the valuers commissioned independently by the Trustee, have been conducted in accordance with paragraph 8;

(d) each of those assets is acquired from the interested parties at a price not more than the higher of the two assessed values, or sold to interested parties at a price not less than the lower of the two assessed values; and

(e) the Trustee provides written confirmation that it is of the view that the transaction is on normal commercial terms and not prejudicial to the interests of participants where participants’ approval for the transaction is not required and;

(i) in the case of an acquisition, the transaction price is not at the lower of the two valuations; or

(ii) in the case of a disposal, the transaction price is not at the higher of the two valuations.

5.2 A property fund should:

(a) where a proposed transaction is equal to or greater than 3% of the property scheme’s NAV, announce\(^{10}\) the transaction immediately; or

(b) where a proposed transaction is equal to or greater than 5% of the property fund’s NAV, announce the transaction immediately and obtain a majority vote at a participants’ meeting. A person who has an interest, whether commercial, financial or personal, in the outcome of the transaction, other than in his capacity as a participant, will not be allowed to vote on the resolution to approve the transaction. There should be an opinion rendered by an Independent Expert stating whether or not the transaction is on normal commercial terms and whether the transaction is prejudicial to participants, based on an assessment of the impact of the transaction on the property fund on an overall basis. The Independent Expert should also draw the participants’ attention to any possible disadvantages of the transaction.

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\(^{10}\) For listed property trusts, announcements should be made to the exchange for public release as stated in SGX’s listing requirements. For unlisted property trusts, announcements should be made either through paid advertisements in at least one newspaper that is circulated widely in Singapore, or by sending a circular to participants.
5.3 For the purpose of paragraph 5.2, the value of all transactions with the same interested party\(^{11}\) during the current financial year should be aggregated. If the aggregate value of all transactions with the same interested party during the current financial year is:

(a) equal to or greater than 3% of the property fund’s NAV, the requirement in paragraph 5.2(a) will apply to the latest transaction and all future transactions entered into with that interested party during that financial year; or

(b) equal to or greater than 5% of the property fund’s NAV, the requirements in paragraph 5.2(b) will apply to the latest transaction and all future transactions entered into with that interested party during that financial year.

5.4 For the purpose of paragraphs 5.1 to 5.3, the agreement to buy or sell the assets should be completed:

(a) where the interested-party transaction is entered into at the first launch/offer of the property fund, within 6 months of the close of the first launch/offer; or

(b) where the interested-party transaction is entered into after the first launch/offer and:

(i) the transaction is less than 5% of the property fund’s NAV, within 6 months of the date of the agreement; or

(ii) the transaction is equal to or greater than 5% of the property fund’s NAV, within 6 months of the date of the participants’ approval referred to in paragraph 5.2(b); or

(c) where there is more than one interested-party transaction entered into during the current financial year and the latest transaction results in the 5% threshold referred to in paragraph 5.3(b) being exceeded, within 6 months of the date of participants’ approval in respect of that latest transaction.

5.5 An Independent Expert for the purpose of paragraphs 5.2 should:

(a) not receive payments of more than S$200,000.00 aggregated over the current financial year from the Manager, adviser or other party/parties whom the property fund is transacting with. For the avoidance of doubt, this does not include fees paid by the property fund to the Independent Expert for rendering an opinion on the interested-party transactions;

(b) not be a related corporation as defined in the Interpretation Section of this Code or have a relationship with the Manager, adviser or other party/parties whom the property fund is transacting with which, in the opinion of the trustee, would interfere with the Independent Expert’s ability to render an independent and professional opinion on the fairness and reasonableness of the transactions;

(c) disclose to the trustee any pending business transactions, contracts under negotiation, other arrangements with the Manager, adviser or other party/parties whom the property fund is transacting with and other factors that would interfere with the Independent Expert’s ability to render an independent and professional opinion on the fairness and reasonableness of the transactions. The trustee should then take such disclosure into account when deciding whether the person concerned is sufficiently independent to act as the Independent Expert for the interested-party transactions; and

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\(^{11}\) For this purpose, a company, its subsidiary companies, its associated companies, and all their directors, chief executive officers and substantial shareholders are regarded as one party.
(d) have the necessary expertise and experience, in the opinion of the trustee, to form an opinion on the fairness and reasonableness of such transactions.

5.6 A property fund is not prohibited from engaging an interested party as property management agent or marketing agent for the scheme’s properties provided that any fees or commissions paid to the interested party are at not more than market rates.

5.7 In instances where the Manager receives a percentage-based fee when the property fund acquires and disposes of real estate assets from/to interested parties, such a fee should be in the form of units issued by the property fund at prevailing market price(s). The units should not be sold within one year from their date of issuance.

6. Permissible Investments

6.1 Subject to the restrictions and requirements in paragraph 7, a property fund may only invest in:

(a) Real estate, whether freehold or leasehold, in or outside Singapore. An investment in real estate may be by way of direct ownership or a shareholding in an unlisted SPV constituted to hold/own real estate;

(b) Real estate-related assets, wherever the issuers/assets/securities are incorporated/located/issued/traded;

(c) Listed or unlisted debt securities and listed shares of or issued by local or foreign non-property corporations;

(d) Government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board; and

(e) Cash and cash equivalent items.

6.2 A property fund may invest in local or foreign assets, subject to the terms of its trust deed. Where an investment in a foreign real estate asset is made, the Manager should ensure that the investment complies with all the applicable laws and requirements in that foreign country, for example, those relating to foreign ownership and good title to that real estate.

6.3 When investing in leasehold properties, the Manager should consider the remaining term of the lease, the objectives of the property fund, and the lease profile of the property fund’s existing property portfolio.

6.4 When investing in real estate as a joint owner, the property fund should make such investment by acquiring shares or interests in an unlisted SPV constituted to hold/own the real estate and the property fund should have freedom to dispose of such investment. The joint venture agreement, memorandum and articles of association and/or other constitutive document of the SPV should provide for:

(a) a specified minimum percentage of distributable profits of the SPV that will be distributed. The property fund should be entitled to receive its pro rata share of such distributions;

12 Other ownership arrangements may be allowed if the arrangements are necessary for the purposes of meeting legal or regulatory
(b) veto rights over key operational issues of the SPV, including:
   (i) amendment of the joint venture agreement, memorandum and articles of association or other constitutive document of the SPV;
   (ii) cessation or change of the business of the SPV;
   (iii) winding up or dissolution of the SPV;
   (iv) changes to the equity capital structure of the SPV;
   (v) changes to the dividend distribution policy of the SPV;
   (vi) issue of securities by the SPV;
   (vii) incurring of borrowings by the SPV;
   (viii) creation of security over the assets of the SPV;
   (ix) transfer or disposal of the assets of the SPV;
   (x) approval of asset enhancement and capital expenditure plans for the assets of the SPV;
   (xi) entry into interested party transactions;
(c) a mode for the resolution of disputes between the property fund and joint venture partners.

6.5 Financial derivatives may only be used for the purpose of:
   (a) hedging existing positions in a portfolio; or
   (b) EPM, provided that derivatives are not used to gear the overall portfolio.

7. Restrictions and Requirements on Investments/Activities

7.1 A property fund should comply with the following restrictions/requirements:
   (a) Subject to paragraph 7.3, at least 35% of the property fund’s deposited property should be invested in real estate. A new scheme will be given 24 months from the close of the first launch/offer to comply with this requirement;
   (b) At least 70% of the property fund’s deposited property should be invested, or proposed to be invested, in real estate and real estate-related assets;
   (c) A property fund should not undertake property development activities whether on its own, in a joint venture with others, or by investing in unlisted property development companies, unless the property fund intends to hold the developed property upon completion. For this purpose, property development activities do not include refurbishment, retrofitting and renovations.
   (d) A property fund should not invest in vacant land and mortgages (except for mortgage-backed securities). This prohibition does not prevent a property fund from investing in real estate to be built on vacant land that has been approved for development or other uncompleted\textsuperscript{13} property developments.

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\textsuperscript{13} An uncompleted property is one that has not been granted a Temporary Occupation Permit or equivalent by the relevant authorities.
(e) The total contract value of property development activities undertaken and investments in uncompleted property developments\textsuperscript{14} should not exceed 10% of the property fund's deposited property; and

(f) For investments in listed or unlisted debt securities and listed shares of or issued by property and non-property corporations (local or foreign) and other locally-registered property funds, not more than 5% of the property fund's deposited property can be invested in any one issuer's securities or any one manager's funds. A corporation and its subsidiary companies are regarded as one issuer or manager. Investments in other property funds should not be made with a view to circumventing the letter or spirit of the prohibition on interested-party transactions set out in paragraph 5.

7.2 The investment restrictions/requirements in paragraphs 7.1 (e) and (f) are applicable at the time the transactions are entered into. A property fund is not required to divest any assets that breach the restrictions/requirements if such breaches were a result of:

(a) the appreciation or depreciation of the value of the property fund's assets;
(b) any redemption of units or distributions made from the property fund; or
(c) in respect of investments in listed shares of or issued by property and non-property corporations (local or foreign), any changes in the total issued nominal amount of securities arising from rights, bonuses or other benefits that are capital in nature.

7.3 Where as a result of divestment or new issue of units by the property fund, a scheme's investments in real estate fall below 35% of its deposited property, the scheme should increase the proportion of its real estate investments to 35% within:

(a) 12 months if the real estate investments fall to a level between 20% and 35% of the property fund's deposited property; or
(b) 24 months if the real estate investments fall below 20% of the property fund's deposited property.

7.4 Para 7.3 would not apply if:

(a) in the case of divestment, the property fund offers to return (by way of redemption) or distributes \textit{at least} 70% of the proceeds of the divestment in cash within 12 months [in the case of paragraph 7.3(a)] or 24 months [in the case of paragraph 7.3(b)];

(b) in the case of a new issue of units, the property fund offers to return \textit{at least} 70% of the subscription moneys received from such new issue within 12 months [in the case of paragraph 7.3(a)] or 24 months [in the case of paragraph 7.3(b)]; or

(c) in the case of either divestment or new issue of units, the property fund is in the process of being wound up.

8. Valuation of the Property Fund’s Real Estate Investments
8.1 A full valuation of each of the property fund's real estate assets should be conducted by a valuer \textit{at least} once a year, in accordance with any applicable Code of Practice for such valuations.

\textsuperscript{14} For the purpose of this paragraph, the value of the investment refers to the contracted purchase price and not the value of progress payments made to date
8.2 Where the Manager proposes to issue new units for subscription or redeem existing units, a desktop valuation of all the scheme’s real estate assets should be conducted by a valuer unless the assets have been valued not more than 6 months ago (based on the date of the valuation report).

8.3 A valuer for the purpose of paragraph 8, be it for a full or desktop valuation, should:
(a) not receive payments of more than S$200,000.00 aggregated over the current financial year from the Manager, adviser or the other party/parties whom the property fund is contracting with. For the avoidance of doubt, this does not include fees paid by the property fund to the valuer for valuation work undertaken for the scheme;
(b) not be a related corporation of or have a relationship with the Manager, adviser or other party/parties whom the property fund is contracting with which, in the opinion of the trustee, would interfere with the valuer’s ability to give an independent and professional valuation of the property;
(c) disclose to the trustee any pending business transactions, contracts under negotiation, other arrangements with the Manager, adviser or other party/parties whom the property fund is contracting with and other factors that would interfere with the valuer’s ability to give an independent and professional valuation of the property. The trustee should then take such disclosure into account when deciding whether the person concerned is sufficiently independent to act as the valuer for the property fund;
(d) be authorised under any law of the state or country where the valuation takes place to practice as a valuer;
(e) have the necessary expertise and experience in valuing properties of the type in question and in the relevant area; and
(f) not value the same property for more than 2 consecutive years.

8.4 For the avoidance of doubt, an adviser appointed by the Manager pursuant to paragraph 2.2(b) should not value the properties that it recommends to be bought or sold by the property fund. However, that adviser may value the property after it has been acquired by the scheme.

8.5 Subject to paragraph 5.1(d) in respect of interested-party transactions, a property fund should purchase or sell real estate assets at a reasonable price. A “reasonable price” means:
(a) in the case of acquisitions, a price not more than 110% of the assessed value (valuer to be commissioned by the scheme) and which assessment is not more than 6 months old; or
(b) in the case of disposals, a price not less than 90% of the assessed value assessed (valuer to be commissioned by the scheme) and which assessment is not more than 6 months old.

8.6 For the purpose of paragraph 8.5, the date of acquisition or disposal means the date of the sale and purchase agreement. Where there is more than one valuation conducted by more than one valuer for the same real estate asset, the Manager should use the average of the assessed values.

8.7 Where a real estate asset is to be bought or sold at a price other than that specified in paragraph 8.5, prior approval should be obtained from the trustee.
8.8 Notwithstanding paragraphs 8.1 and 8.2, a valuation of the property fund’s real estate assets may be conducted if the trustee or Manager is of the opinion that it is in the best interest of participants to do so.

9. **Aggregate Leverage Limit**

9.1 Borrowings\(^{15}\) may be used for investment or redemption purposes. A property fund may mortgage its assets to secure such borrowings.

9.2 The total borrowings and deferred payments\(^{16}\) (together the “aggregate leverage”) of a property fund should not exceed 35% of the fund’s deposited property. The aggregate leverage of a property fund may exceed 35% of the fund’s deposited property (up to a maximum of 60%) only if a credit rating of the property fund from Fitch Inc., Moody’s or Standard and Poor’s is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its aggregate leverage exceeds 35% of the fund’s deposited property.

9.3 If borrowings are to be used to fund partly or wholly the purchase of a new property, the value of the deposited property used for determining the aggregate leverage may include the value of the new property that is being purchased, provided that:

(a) the borrowings are incurred on the same day as that on which the purchase of the property is completed; OR if the borrowings are incurred before the purchase of the property is completed, those borrowings are kept in a separate bank account that is established and kept by the property fund solely for the purpose of depositing such monies;

(b) the monies raised by such borrowings are utilised solely for the purchase of the property including related expenses such as stamp duties, legal fees and fees of experts and advisers (all of which must be determined on an arm’s length basis) and for no other purpose; and

(c) if borrowings are incurred before the new property is purchased and the manager subsequently becomes aware or ought reasonably to have become aware that the purchase will not take place, the manager must return the monies raised by such borrowings as soon as practicable.

9.4 The aggregate leverage limit is not considered to be breached if due to circumstances beyond the control of the manager the following occurs:

(a) a depreciation in the asset value of the property fund; or

(b) any redemption of units or payments made from the property fund.

If the aggregate leverage limit is exceeded as a result of (a) or (b) above, the manager should not incur additional borrowings or enter into further deferred payment arrangements.

9.5 For the purpose of calculating the aggregate leverage to determine compliance with the aggregate leverage limit, if a property fund invests in real estate through shareholdings in unlisted SPVs, the aggregate leverage of all SPVs held by the property fund shall be aggregated on a proportionate basis based on the property

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\(^{15}\) Bonds, notes, syndicated loans, bilateral loans or other debt. Bonds/notes may be issued, directly by the fund or indirectly via an SPV.

\(^{16}\) Deferred payments include deferred payments for assets whether to be settled in cash or in units of the property fund.
fund's share of each SPV. For the avoidance of doubt, the assets of such SPVs should also be aggregated on a proportionate basis based on the property fund’s share of each SPV.

9.6 An existing property fund with aggregate leverage exceeding 35% of the fund’s deposited property should comply with paragraph 9.2 by 20 April 2006.

10. Redemption Requirements for Unlisted Property Funds

10.1 In respect of unlisted property funds, Managers should offer to redeem units at least once a year in accordance with paragraphs 10.2 and 10.3.

10.2 Any offer to redeem units pursuant to paragraph 10.1 should be sent to participants with adequate notice, and should state:

(a) the indicative price at which each unit will be redeemed;

(b) the period during which the offer will remain open (this period should last for at least 21 calendar days, but in no case should it remain open for more than 35 calendar days, after the offer is made);

(c) the assets and/or borrowings that will be used to satisfy the minimum amount of redemption requests stipulated in paragraph 10.3 or a greater amount proposed by the Manager, as the case may be. In the case of noncash assets, the amount of money that is expected to be available from the sale of such assets should be stated;

(d) subject to the minimum amount stipulated in paragraph 10.3, that if the money available (from cash, sale of non-cash assets and/or borrowings earmarked in sub-paragraph (c)), is insufficient to satisfy all redemption requests, the requests are to be satisfied on a pro-rata basis. For this purpose, no redemption requests made pursuant to the offer may be satisfied until after the close of the offer period;

(e) that the actual price at which the units will eventually be redeemed (as determined by reference to the latest valuations available of the property fund’s portfolio of assets after deducting appropriate transaction costs) may differ from the indicative price in sub-paragraph (a) due to changes in the values of the property fund’s assets during the offer period;

(f) that the participant should elect, at the same time, whether or not he wishes to proceed with the redemption if his entire redemption request cannot be met; and

(g) that redemption requests made pursuant to the offer will be satisfied within 30 calendar days after the closing date of the offer. Such period may be extended to 60 calendar days after the closing date of the offer if the Manager satisfies the trustee that such extension is in the best interest of the property fund. The redemption period may be extended beyond 60 calendar days after the closing date of the offer if such extension is approved by participants.

10.3 In respect of any offer to redeem units pursuant to paragraph 10.1, at least 10% of the property fund’s deposited property should be offered. Where the total amount of redemption requests received by the Manager is for less than 10%, all redemption requests should be met in full.
11. Disclosure Requirements

11.1 Paragraph 3.3(b), 4.2(b), 7.1 and 7.2 of this Code (in respect of the sending, preparation and content of semi-annual reports) will not apply to a property fund. Revised
22 Dec 2003

11.2 An annual report should be prepared by the manager at the end of each financial year, disclosing:

(a) details of all real estate transactions entered into during the year, including the identity of the buyers/sellers, purchase/sale prices, and their valuations (including the methods used to value the assets);

(b) details of all the property fund’s real estate assets, including the location of such assets, their purchase prices and latest valuations, rentals received and occupancy rates, and/or the remaining terms of the property fund’s leasehold properties17 (where applicable);

(c) the tenant profile of the property fund’s real estate assets, including the:
   (i) total number of tenants;
   (ii) top ten tenants, and the percentage of total gross rental income attributable to each of these top ten tenants;
   (iii) trade sector mix of tenants, in terms of the percentage of total gross rental income attributable to major trade sectors; and
   (iv) lease maturity profile, in terms of the percentage of total gross rental income, for each of the next five years.

(d) in respect of the other assets of a property fund, details of the:
   (i) 10 most significant holdings (including the amount and percentage of fund size at market valuation); and
   (ii) distribution of investments in dollar and percentage terms by country, asset class (e.g. equities, mortgage-backed securities, bonds, etc.) and by credit rating of all debt securities (e.g. “AAA”, “AA”, etc.);

(e) details of the property fund’s exposure to derivatives, including the amount (i.e. net total aggregate value of contract prices) and percentage of derivatives investment of total fund size and at market valuation;

(f) details of the property fund’s investment in other property funds, including the amount and percentage of total fund size invested in;

(g) details of borrowings of the property fund;

(h) details of deferred payment arrangements entered into by the property fund (if applicable);

(i) the total operating expenses of the property fund, including all fees and charges paid to the Manager, adviser and interested parties (if any), and taxation incurred in relation to the scheme’s real estate assets;

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17 In order to facilitate more meaningful comparisons between different REITs, the annual report should disclose details of the property fund’s investments in leasehold properties. The disclosure should be informative and meaningful, so that participants are provided details of the unexpired lease terms of leasehold properties. One approach would be to provide the proportion of the property fund invested in leasehold properties and the weighted average unexpired lease term of these assets.
(j) the performance of the property fund in a consistent format, covering various periods of time (e.g. 1-year, 3-year, 5-year or 10-year) whereby:

(i) in the case of an unlisted property fund, such performance is calculated on an “offer to bid” basis over the period\(^{18}\); or

(ii) in the case of a listed property fund, such performance is calculated on the change in the unit price transacted on the stock exchange over the period\(^{19}\).

Calculation of scheme performance should include any dividends/distributions made assuming that they were reinvested into the property fund on the day they were paid out\(^{20}\);

(k) its NAV per unit at the beginning and end of the financial year; and

(l) where the property fund is listed, the unit price quoted on the exchange at the beginning and end of the financial year, the highest and lowest unit price and the volume traded during the financial year.

11.3 The Third Schedule of the SFR requires the prospectus to disclose the risks specific to investing in property funds. Some examples of such risks (list is not exhaustive; to be explained in relation to the property fund being offered, where appropriate) include the following:

(a) *Diversification* — Property funds tend to be less well-diversified than general securities funds.

(b) *High gearing* — Property funds tend to be more highly geared than general securities funds. This could be risky if interest rates rise sharply.

(c) *Valuation* — Property valuation, which affects the offer price of units in a property fund, is subjective.

(d) *Iliquidity of properties* — The underlying properties in a property fund are often illiquid. Property may have to be sold to make distributions if market conditions change, or to meet redemptions if the fund is unlisted or delisted; the property fund may be unable to do this expediently where the need arises.

11.4 Where the Manager intends to charge or has received a fee upon the property fund’s acquisition of real estate assets, the following should be disclosed, in percentage terms and/or dollar value and in tabular form, in the offering document, circular to unitholders or other appropriate medium:

(a) acquisition fee payable to the REIT manager; and

(b) if a profit forecast is made,

(i) the expected incremental income to the REIT; and

(ii) the expected incremental base and performance fee payable to the REIT manager.

\(^{18}\) For the purpose of comparing the property trust’s performance with an index or other property funds, such comparisons should be made based on the requirements set out in Regulation 26 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005.

\(^{19}\) This should be based on the closing price on the last day of the preceding reporting period (or in the case of a new fund, the opening price on the first day of trading) compared with the closing price on the last day of the current period.

\(^{20}\) The price at which dividends/distributions are assumed to be reinvested should be the bid price (in the case of an unlisted property fund) or the closing price of the unit traded on SGX (in the case of a listed property fund) on the ex-dividend or ex-distribution date.
11.5 Where the Manager intends to charge or has received a fee upon the property fund's disposal of real estate assets, such fee (in percentage terms and/or dollar value) should be disclosed in the offering document, circular to unitholders or other appropriate medium. An explanation of how the disposal would be in the interests of participants should also be included.

11.6 Where forecasts of distribution yields are provided in offering documents, circulars, announcements and marketing materials of a property fund, and deferred payment arrangements have been or will be entered into by the property fund, clear and prominent disclosure of the details of the deferred payment arrangements entered into should be made, including forecasts of distribution yields assuming all deferred payments are settled in full.

12. Consultation with Authority

12.1 Where the Manager intends to incorporate features which may lead to inequality of treatment of participants or potential participants (e.g. the provision of volume discounts\(^{21}\)) or which may make less apparent the value of a proposed transaction, the Authority should be consulted in advance.

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\(^{21}\) Volume discounts refer to discounts given to investors when they subscribe for a specified minimum number of units in the property fund.
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LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIP OF
DIRECTORS AND EXECUTIVE OFFICERS

(A) Directors of the Manager

(1) Dr Han Cheng Fong

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
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</thead>
<tbody>
<tr>
<td>Anchor Developments Pte Ltd</td>
<td>Fairbriar PLC</td>
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<tr>
<td>Asia Dairies (S) Pte Ltd</td>
<td>Prime Malls Limited (struck off)</td>
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<td>Asia Pacific Breweries Limited</td>
<td>Saigon Apartments Joint Venture Co.</td>
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<td>Asia Pacific Breweries (Singapore) Pte Ltd</td>
<td>Singapore Management University</td>
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<td>Asia Pacific Investment Pte Ltd</td>
<td>Singapore-Suzhou Township Development Pte Ltd</td>
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<td>Beijing Sin Hua Yan Real Estate Dev. Co. Ltd</td>
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<td>Brampton Holdings Sdn Bhd</td>
<td>Unilac Dairy Products Pte Ltd (struck off)</td>
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<td>Chempaka Development Pte Ltd</td>
<td>Yong Hua Investments Pte Ltd (struck off)</td>
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<td>DB Breweries Limited</td>
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<td>Emerald Hill Developments Pte Ltd</td>
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<td>FCL Sophia Pte. Ltd</td>
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<td>FCL Tampines Pte. Ltd</td>
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</tbody>
</table>
Current Directorships

FCL Tower Pte. Ltd.
FCL Trust Holdings Pte. Ltd.
FCL Ventures Pte Ltd
FCL View Pte. Ltd.
FCL Woodlands Pte. Ltd.
FCL (Xian) Pte. Ltd.
Frasers (Australia) Pte. Ltd.
Frasers Centrepoint Asset Management Ltd.
Frasers Centrepoint Developments Pte Ltd
Frasers Centrepoint Limited
Frasers Chandoos Pty Ltd
Frasers Glebe Point Pty Ltd
Frasers (Greencliff) Developments Pty Ltd
Frasers Mandura Pty Ltd
Fraser & Neave (Malaya) Sdn Bhd
Fraser & Neave (Singapore) Pte. Limited.
Fraser & Neave Holdings Bhd
Fraser & Neave Investments (Hong Kong) Ltd
Fraser and Neave Limited.
Frasers (NZ) Pte. Ltd.
Frasers Papamoa Limited
Frasers Property (China) Limited
Frasers Property Developments Limited
Fraser Residences Ltd
Fraser Serviced Residences Pte Ltd
Fraser Serviced Residences (China) Pte. Ltd.
Frasers (Thailand) Pte. Ltd.
Frasers Town Hall Pte Ltd
Frasers (UK) Pte. Ltd.
F&N Boncafe Beverages Pte Ltd
F&N DCH Holdings Private Limited
F&N Dairies (Malaysia) Sdn Bhd
F&N Dairy Investments Pte Ltd
F&N Foods Pte Ltd
F&N Foods Sdn Bhd
F&N Investments Pte Ltd
F&N United Limited
F&N Vietnam Foods Company Limited
Fung Choi Printing and Packaging Group Ltd
Hainan Asia Pacific Brewery Co. Ltd.
Hainan Jian Feng Tourism Development Co. Ltd
Heineken Trading (Shanghai) Co. Ltd.
Heineken-APB (China) Pte. Ltd.
Heineken-APB (China-Management Scvs Co. Ltd
Hua Li Holdings Pte Ltd
Interflavine Pte Ltd
International Theme Parks (Singapore) Pte Ltd
Kingway Brewery Holdings Limited

Past Directorships (for a period of five years preceding 23 May 2006)
Current Directorships

Kuala Lumpur Glass Manufacturers Co Sdn. Bhd
Klungthep Land Public Company Limited
Lion (Singapore) Pte. Limited.
MLP Co Pte. Ltd.
Malaya Vietnam Glass Ltd
Marine Parade View Pte Ltd
Metro Charm Holdings Limited
Nasidon Investments Pte Ltd
Northspring Development Pte Ltd
Orrick Investments Pte Limited
Phoenix (Singapore) Pte Ltd
Premier Milk (Malaya) Sdn Bhd
Premier Milk (Singapore) Pte Limited
Reaves Limited
River Valley Apartments Pte Ltd
River Valley Properties Pte Ltd
River Valley Shopping Centre Pte Ltd
River Valley Tower Pte Ltd
Riverside Homes Development Co., Ltd.
Riverside Investments Pte Ltd
Riverside Property Pte. Ltd.
Riverside Walk Pte Ltd
Riviera Investment Ltd.
Rodamco Insas Co Ltd
SAJV Co Pte. Ltd.
Shanghai Asia Pacific Brewery Co. Ltd
Shanghai Frasers Management Consultancy Co Ltd
Shanghai Hua Li Real Estate Dev.Co.Ltd
Shanghai Sian Jin Property Development Co. Ltd
Shanghai Zhong Jun Real Estate Devpm Co. Ltd
Sinomax International Pte. Ltd.
Supreme Asia Investments Ltd
Thai Asia Pacific Brewery Co. Ltd
Tiger Marketing Pte Ltd
Times Publishing Limited
Vision Century Limited
Wandsworth Riverside Quarter Ltd
Wimanis Sdn Bhd
Woodlands Complex Pte Ltd
Yishun Development Pte Ltd
Yishun Land Pte Ltd
Yishun Property Pte Ltd

Past Directorships (for a period of five years preceding 23 May 2006)

Kuala Lumpur Glass Manufacturers Co Sdn. Bhd
Klungthep Land Public Company Limited
Lion (Singapore) Pte. Limited.
MLP Co Pte. Ltd.
Malaya Vietnam Glass Ltd
Marine Parade View Pte Ltd
Metro Charm Holdings Limited
Nasidon Investments Pte Ltd
Northspring Development Pte Ltd
Orrick Investments Pte Limited
Phoenix (Singapore) Pte Ltd
Premier Milk (Malaya) Sdn Bhd
Premier Milk (Singapore) Pte Limited
Reaves Limited
River Valley Apartments Pte Ltd
River Valley Properties Pte Ltd
River Valley Shopping Centre Pte Ltd
River Valley Tower Pte Ltd
Riverside Homes Development Co., Ltd.
Riverside Investments Pte Ltd
Riverside Property Pte. Ltd.
Riverside Walk Pte Ltd
Riviera Investment Ltd.
Rodamco Insas Co Ltd
SAJV Co Pte. Ltd.
Shanghai Asia Pacific Brewery Co. Ltd
Shanghai Frasers Management Consultancy Co Ltd
Shanghai Hua Li Real Estate Dev.Co.Ltd
Shanghai Sian Jin Property Development Co. Ltd
Shanghai Zhong Jun Real Estate Devpm Co. Ltd
Sinomax International Pte. Ltd.
Supreme Asia Investments Ltd
Thai Asia Pacific Brewery Co. Ltd
Tiger Marketing Pte Ltd
Times Publishing Limited
Vision Century Limited
Wandsworth Riverside Quarter Ltd
Wimanis Sdn Bhd
Woodlands Complex Pte Ltd
Yishun Development Pte Ltd
Yishun Land Pte Ltd
Yishun Property Pte Ltd
### Directors of the Manager

#### (2) Mr Christopher Tang Kok Kai

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Dairy Group Ltd.</td>
<td>Frasers Centrepoint Retail Concepts Pte. Ltd.</td>
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<tr>
<td>Frasers Centrepoint Asset Management Ltd.</td>
<td>Lavish Strata Sdn Bhd (struck off)</td>
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<tr>
<td>Frasers Property (China) Limited</td>
<td>Bukit Bertajam Specialist Hospital Sdn Bhd</td>
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<tr>
<td>Shanghai Sian Jin Property Development Co. Ltd</td>
<td>(formerly known as Medicare Specialist Centre Holdings Sdn Bhd)</td>
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<td>North I Pte. Ltd.</td>
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<td>Wired 2 Wireless Pte. Ltd. (struck off)</td>
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### Directors of the Manager

#### (3) Mr Anthony Cheong Fook Seng

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<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
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</thead>
<tbody>
<tr>
<td>Asia Dairies (S) Pte Ltd</td>
<td>Archipelago Brewery Co. (1941) Pte. Limited</td>
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<tr>
<td>Asia Pacific Breweries Limited (alternate director)</td>
<td>Carnaudmetalbox Closures Asia Pacific Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>Asia Pacific Breweries (Singapore) Pte Ltd (alternate director)</td>
<td>Crown Cork &amp; Seal (Singapore) Co. Ltd. (dissolved — members’ voluntary winding up)</td>
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<tr>
<td>Asia Pacific Investment Pte Ltd</td>
<td>F&amp;N DCH Holdings Private Limited</td>
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<tr>
<td>Beijing Sin Hua Yan Real Estate Development Co. Ltd</td>
<td>Fraser &amp; Neave (London) Ltd (struck off)</td>
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<td>Brampton Holdings Sdn Bhd</td>
<td>GAPL Pte Ltd</td>
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<td>Chempaka Development Pte Ltd</td>
<td>Guinness Singapore Pte Limited</td>
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<td>Eastern Universities Press (M’sia) Sdn Bhd</td>
<td>Interflavine Pte Ltd (alternate director)</td>
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<td>Educational Associates Limited</td>
<td>Prime Malls Limited (struck off)</td>
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<td>FCL Boon Lay Pte. Ltd.</td>
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<td>FCL China Development Pte. Ltd.</td>
<td>Times Printers Private Limited</td>
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<td>Times-Dharmala Private Limited</td>
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<td>FCL Choa Chu Kang Pte. Ltd.</td>
<td>TPL Digital (UK) Limited (struck off)</td>
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<td>FCL Court Pte. Ltd.</td>
<td>United Publishers Services Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<td>FCL Enterprises Pte. Ltd.</td>
<td>Zeller Plastik (S.E. Asia) Pte. Ltd. (in liquidation — members’ voluntary winding up)</td>
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<td>FCL Sophia Pte. Ltd.</td>
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</table>
Current Directorships

FCL Tampines Pte. Ltd.
FCL Trust Holdings Pte. Ltd.
FCL Ventures Pte Ltd
FCL Woodlands Pte. Ltd.
Frasers Centrepoint Developments Pte Ltd
F&N Coca-Cola (Malaysia) Sdn Bhd
F&N Dairy Investments Pte Ltd
F&N Investments Pte Ltd
F&N Services (L) Bhd
Fannet Online Pte Ltd
Four Eights Sdn Bhd
Frasers Centrepoint Asset Management Ltd.
Frasers Centrepoint Limited
Fraser & Neave (Malaya) Sdn Bhd
Fraser & Neave (Singapore) Pte. Limited.
Fraser & Neave Holdings Bhd
Fraser & Neave Investments (Hong Kong) Ltd
Fraser and Neave Limited.
Fraser Serviced Residences Pte Ltd
Fraser Serviced Residences (China) Pte. Ltd.
Frasers (Thailand) Pte. Ltd.
Interflavine Pte Ltd
International Theme Parks (Singapore) Pte Ltd
Lion (Singapore) Pte. Limited.
Marine Parade View Pte Ltd
Marshall Cavendish International Private Limited
Metro Charm Holdings Limited
Myanmar Brewery Limited
Nasidon Investments Pte Ltd
Northspring Development Pte Ltd
Phoenix (Singapore) Pte Ltd
Reaves Limited
River Valley Apartments Pte Ltd
River Valley Properties Pte Ltd
River Valley Shopping Centre Pte Ltd
River Valley Tower Pte Ltd
Riverside Investments Pte Ltd
Riverside Property Pte. Ltd.
Riverside Walk Pte Ltd
Riveria Investment Ltd.
Shanghai Hua Li Real Estate Dev. Co. Ltd
Shanghai Frasers Management Consultancy Co. Ltd
Shanghai Sian Jin Property Development Co. Ltd
Sinomax International Pte. Ltd.
Tiger Tavern Sdn Bhd
Times Corporation Sdn Bhd
Times Education (Hong Kong) Ltd
Vision Century Limited
Wimanis Sdn Bhd
Yishun Land Pte Ltd
Yishun Property Pte Ltd

Past Directorships (for a period of five years preceding 23 May 2006)

FCL Tampines Pte. Ltd.
FCL Trust Holdings Pte. Ltd.
FCL Ventures Pte Ltd
FCL Woodlands Pte. Ltd.
Frasers Centrepoint Developments Pte Ltd
F&N Coca-Cola (Malaysia) Sdn Bhd
F&N Dairy Investments Pte Ltd
F&N Investments Pte Ltd
F&N Services (L) Bhd
Fannet Online Pte Ltd
Four Eights Sdn Bhd
Frasers Centrepoint Asset Management Ltd.
Frasers Centrepoint Limited
Fraser & Neave (Malaya) Sdn Bhd
Fraser & Neave (Singapore) Pte. Limited.
Fraser & Neave Holdings Bhd
Fraser & Neave Investments (Hong Kong) Ltd
Fraser and Neave Limited.
Fraser Serviced Residences Pte Ltd
Fraser Serviced Residences (China) Pte. Ltd.
Frasers (Thailand) Pte. Ltd.
Interflavine Pte Ltd
International Theme Parks (Singapore) Pte Ltd
Lion (Singapore) Pte. Limited.
Marine Parade View Pte Ltd
Marshall Cavendish International Private Limited
Metro Charm Holdings Limited
Myanmar Brewery Limited
Nasidon Investments Pte Ltd
Northspring Development Pte Ltd
Phoenix (Singapore) Pte Ltd
Reaves Limited
River Valley Apartments Pte Ltd
River Valley Properties Pte Ltd
River Valley Shopping Centre Pte Ltd
River Valley Tower Pte Ltd
Riverside Investments Pte Ltd
Riverside Property Pte. Ltd.
Riverside Walk Pte Ltd
Riveria Investment Ltd.
Shanghai Hua Li Real Estate Dev. Co. Ltd
Shanghai Frasers Management Consultancy Co. Ltd
Shanghai Sian Jin Property Development Co. Ltd
Sinomax International Pte. Ltd.
Tiger Tavern Sdn Bhd
Times Corporation Sdn Bhd
Times Education (Hong Kong) Ltd
Vision Century Limited
Wimanis Sdn Bhd
Yishun Land Pte Ltd
Yishun Property Pte Ltd
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<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
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<tr>
<td>Anchor Developments Pte Ltd</td>
<td>Baytex Investments Pte Ltd (In liquidation — members’ voluntary winding up)</td>
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<tr>
<td>Beijing Sin Hua Yan Real Estate Development Co. Ltd</td>
<td>Best Peak Pte. Ltd.</td>
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<tr>
<td>Brampton Holdings Sdn Bhd</td>
<td>Bodenheim Investments Pte Ltd</td>
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<tr>
<td>Building and Construction Authority</td>
<td>Caseldine Investments Pte Ltd</td>
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<td>Centrepoint-Utama Sdn Bhd</td>
<td>Chinese Chamber Realty Private Limited</td>
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<tr>
<td>Chempaka Development Pte Ltd</td>
<td>Enabled Homes Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<td>Emerald Hill Developments Pte Ltd</td>
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<td>Fairbriar PLC</td>
<td>Financial Board of the Singapore Chinese Chamber of Commerce</td>
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<td>FCL Alexandra Point Pte Ltd</td>
<td>Grange Development Pte Ltd</td>
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<td>FCL Assets Pte. Ltd</td>
<td>Kedron Investments Pte Ltd</td>
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<tr>
<td>FCL Boon Lay Pte. Ltd</td>
<td>Malayan Credit (Balmoral) Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<tr>
<td>FCL Bridgepoint Pte. Ltd</td>
<td>Malayan Credit Development Private Limited (dissolved — members’ voluntary winding up)</td>
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<td>FCL Centrepoint Pte. Ltd</td>
<td>Malayan Credit House Private Limited (dissolved — members’ voluntary winding up)</td>
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<tr>
<td>FCL China Development Pte. Ltd</td>
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<td>FCL (China) Pte. Ltd</td>
<td>Masingtai Shanghai Properties Pte Ltd</td>
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<tr>
<td>FCL Choa Chu Kang Pte. Ltd</td>
<td>MCL Land (78SW) Pte Ltd</td>
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<tr>
<td>FCL Court Pte. Ltd</td>
<td>MCL Land (Balmoral 2) Pte Ltd</td>
</tr>
<tr>
<td>FCL Enterprises Pte. Ltd</td>
<td>MCL Land (Bukit Panjang) Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<tr>
<td>FCL Estates Pte. Ltd</td>
<td>MCL Land (Changi 2) Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<tr>
<td>FCL (Fraser) Pte. Ltd</td>
<td>MCL Land (Changi) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>FCL Homes Pte. Ltd</td>
<td>MCL Land (Devonshire) Pte Ltd</td>
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<tr>
<td>FCL Investments Pte. Ltd</td>
<td>MCL Land (Grange) Pte Ltd</td>
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<tr>
<td>FCL Joo Chiat Place Pte. Ltd.</td>
<td>MCL Land (Holland) Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<tr>
<td>FCL (Korea) Pte. Ltd</td>
<td>MCL Land (Holland) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<td>FCL Land Pte. Ltd</td>
<td>MCL Land (Juniper) Pte Ltd</td>
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<td>FCL Loft. Pte. Ltd</td>
<td>MCL Land (Robertson Quay) Ltd</td>
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<td>FCL Lodge Pte. Ltd</td>
<td>MCL Land (Robertson Quay) Ltd</td>
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<tr>
<td>FCL Management Services Pte. Ltd</td>
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<tr>
<td>FCL Peak Pte. Ltd</td>
<td>MCL Land (Robertson Quay) Ltd</td>
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<td>FCL Place Pte. Ltd</td>
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<td>FCL Property Investments Pte. Ltd</td>
<td>MCL Land (Robertson Quay) Ltd</td>
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<tr>
<td>FCL Resort Pte. Ltd</td>
<td>MCL Land (Serangoon) Pte Ltd</td>
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<tr>
<td>FCL Rise Pte. Ltd</td>
<td>MCL Land (Serangoon) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>FCL Sophia Pte. Ltd</td>
<td>MCL Land (Serangoon) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<td>FCL Tampines Pte. Ltd</td>
<td>MCL Land (Serangoon) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<td>FCL Tower Pte. Ltd</td>
<td>MCL Land (Serangoon) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<td>FCL Trust Holdings Pte. Ltd</td>
<td>MCL Land (Serangoon) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<td>FCL Ventures Pte Ltd</td>
<td>MCL Land (Warren) Pte Ltd</td>
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<tr>
<td>FCL View Pte. Ltd</td>
<td>MCL Land Estate Services Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<tr>
<td>FCL Woodlands Pte. Ltd</td>
<td>MCL Land Estate Services Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<td>FCL (Xian) Pte. Ltd</td>
<td>MCL Land Holdings Pte Ltd</td>
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<td>Frasers (Australia) Pte. Ltd</td>
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<td>Frasers Broadview Limited</td>
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<tr>
<td>Frasers Centrepoint Asset Management Ltd</td>
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<tr>
<td>Frasers Centrepoint Developments Pte Ltd</td>
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<tr>
<td>Current Directorships</td>
<td>Past Directorships (for a period of five years preceding 23 May 2006)</td>
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<tr>
<td>Frasers Centrepoint Limited</td>
<td>MCL Land (Property Management) Pte Ltd</td>
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<tr>
<td>Frasers Centrepoint Retail Concepts Pte. Ltd.</td>
<td>Poussain Pte Ltd (dissolved — members’ voluntary winding up)</td>
</tr>
<tr>
<td>Frasers Chandos Pty Ltd</td>
<td>Propbuzz Holdings Pte Ltd (dissolved — members’ voluntary winding up)</td>
</tr>
<tr>
<td>Frasers City Quarter Pty Ltd</td>
<td>Propbuzz.com.sg Pte Ltd (dissolved — members’ voluntary winding up)</td>
</tr>
<tr>
<td>Frasers Glebe Point Pty Ltd</td>
<td>Richdeal Pte Ltd</td>
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<tr>
<td>Frasers (Greencliff) Developments Pty Ltd</td>
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<td>Frasers Lorne Pty Ltd</td>
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<td>Frasers Mandurah Pty Ltd</td>
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<td>Frasers (NZ) Pte. Ltd</td>
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<td>Frasers Papamoa Limited</td>
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<td>Frasers Property Developments Limited</td>
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<td>Frasers Property (China) Limited</td>
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<td>Fraser Serviced Residences (China) Pte. Ltd.</td>
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<td>Fraser Serviced Residences Philippines Inc.</td>
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<td>Me Linh Point Ltd</td>
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<td>Metro Charm Holdings Limited</td>
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<td>Nasidon Investments Pte Ltd</td>
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<td>Northspring Development Pte Ltd</td>
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<td>Reaves Limited</td>
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<td>River Valley Apartments Pte Ltd</td>
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<td>River Valley Properties Pte Ltd</td>
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<td>River Valley Shopping Centre Pte Ltd</td>
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<td>Riverside Homes Development Co., Ltd.</td>
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<td>Saigon Apartments Joint Venture Co.</td>
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<td>Shanghai Sian Jin Property Development Co. Ltd</td>
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<tr>
<td>Singapore-Suzhou Township Development Pte Ltd (alternate director)</td>
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<td>Shanghai Zhong Jun Real Estate Development Co. Ltd</td>
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<td>Supreme Asia Investments Ltd</td>
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<tr>
<td>Wandsworth Riverside Quarter Ltd (alternate director)</td>
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<tr>
<td>Current Directorships</td>
<td>Past Directorships (for a period of five years preceding 23 May 2006)</td>
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<tr>
<td>Wimanis Sdn Bhd</td>
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<td>Woodlands Complex Pte Ltd</td>
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<td>Yishun Development Pte Ltd</td>
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<td>Yishun Land Pte Ltd</td>
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<td>Yishun Property Pte Ltd</td>
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<tr>
<td><strong>(A) Directors of the Manager</strong></td>
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<tr>
<td><strong>(5) Mr Bobby Chin Yoke Choong</strong></td>
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<tr>
<td>AV Jennings Limited</td>
<td>KPMG</td>
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<tr>
<td>Changi Airports International Pte Ltd</td>
<td>KPMG Business Advisory Pte Ltd</td>
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<td>Competition Commission of Singapore</td>
<td>KPMG Corporate Finance Pte Ltd</td>
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<td>Frasers Centrepoint Asset Management Ltd.</td>
<td>KPMG Tax Services Pte Ltd</td>
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<td>Oversea-Chinese Banking Corp Ltd</td>
<td>Nanyang Girls’ High School Ltd</td>
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<td>Singapore Changi Airport Enterprise Pte Ltd</td>
<td>NIHC Holdings Pte Ltd</td>
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<td>Singapore Chinese Chamber of Commerce Foundation</td>
<td>PSB Holdings Pte Ltd</td>
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<td>Singapore Cooperation Enterprise</td>
<td>SPRING Singapore</td>
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<td>Singapore Management University</td>
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<td>Singapore Power Limited</td>
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<td>Singapore Totalisator Board</td>
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<td>Stamford Land Corporation Ltd</td>
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<tr>
<td>The Financial Board of the Singapore Chinese Chamber of Commerce</td>
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<tr>
<td>The Straits Trading Company Ltd</td>
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<tr>
<td>Y C Chin Investment Pte Ltd</td>
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<tr>
<td>Yeo Hiap Seng Limited</td>
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<tr>
<td><strong>(A) Directors of the Manager</strong></td>
<td></td>
</tr>
<tr>
<td><strong>(6) Mr Philip Eng Heng Nee</strong></td>
<td></td>
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<tr>
<td>Accord Customer Care Solutions Limited</td>
<td>Audi Australia Pty Ltd</td>
</tr>
<tr>
<td>Ampang Hotel Sdn Bhd (alternate director)</td>
<td>Autofleet Pacific Pte Ltd</td>
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<tr>
<td>Ampang Investments Pte Ltd (alternate director)</td>
<td>Caseldine Investments Pte Ltd</td>
</tr>
<tr>
<td>Asia General Holdings Ltd</td>
<td>CCL (Cyclecarri) Properties Sdn Bhd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>Chinese Development Assistance Council</td>
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<tr>
<td>CityGas China Pte Ltd</td>
<td>CCL Group Properties Sdn Bhd (in liquidation — members’ voluntary winding up)</td>
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<td>City Gas Pte Ltd</td>
<td>CCL Indo-China Investments Pte Ltd</td>
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<tr>
<td>Frasers Centrepoint Asset Management Ltd.</td>
<td>CCL Properties (Hillview) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>MCL Land Limited</td>
<td>CCL Properties (Holdings) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>MTQ Corporation Limited (formerly known as Metalock (Singapore) Limited)</td>
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<tr>
<td>Current Directorships</td>
<td>Past Directorships (for a period of five years preceding 23 May 2006)</td>
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<td>--------------------------------------------------------------------------------------</td>
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</tbody>
</table>
| PT Bank Danamon Indonesia                                                            | CCL Properties (Holland Village) Pte Ltd  
(dissolved — members’ voluntary winding up)                                                                                   |
<p>| Singapore Computer Systems Limited                                                   | CCL (Weld) Properties Sdn Bhd                                                                                            |
|                                                                                        | CCL (Malaysia) Properties Sdn Bhd (in liquidation — members’ voluntary winding up)                                            |
|                                                                                        | CCL Myanmar Pte Ltd (struck off)                                                                                             |
|                                                                                        | Cycle &amp; Carriage Bintang Bhd                                                                                                |
|                                                                                        | Cycle &amp; Carriage (Australia) Pte Ltd                                                                                         |
|                                                                                        | Cycle &amp; Carriage Automotive Pte Limited                                                                                      |
|                                                                                        | Cycle &amp; Carriage Automotive Services Pty Ltd (formerly known as CJADA Pty Ltd) (in liquidation — members’ voluntary winding up) |
|                                                                                        | Cycle &amp; Carriage Auto Services Pte Ltd                                                                                       |
|                                                                                        | Cycle &amp; Carriage Industries Pte Limited                                                                                     |
|                                                                                        | Cycle &amp; Carriage Kia Pte Ltd                                                                                               |
|                                                                                        | Cycle &amp; Carriage (Malaysia) Sdn Bhd                                                                                         |
|                                                                                        | Cycle &amp; Carriage (Mauritius) Ltd                                                                                             |
|                                                                                        | Cycle &amp; Carriage Pte Limited                                                                                               |
|                                                                                        | Cycle &amp; Carriage Properties Pty Ltd (formerly known as Astre Properties Pty Ltd) (in liquidation — members’ voluntary winding up) |
|                                                                                        | DaimlerChrysler Malaysia Sdn Bhd                                                                                           |
|                                                                                        | DaimlerChrysler Singapore Pte Ltd (in liquidation — members’ voluntary winding up)                                         |
|                                                                                        | debis Capital Services Singapore Pte Ltd (in liquidation — members’ voluntary winding up)                                  |
|                                                                                        | Gazley &amp; Tulloch Motors Ltd (formerly known as Cycle &amp; Carriage (Wellington) Limited)                                       |
|                                                                                        | HospitalityCity Pte Ltd (in liquidation, creditors’ voluntary winding up)                                                     |
|                                                                                        | Hyundai Motors Company Australia Pty Ltd (formerly known as Hyundai Automotive Distributors Australia Pty Ltd)             |
|                                                                                        | Infinity Automotive Ltd (formerly known as Cycle &amp; Carriage (City) Limited)                                                   |
|                                                                                        | Jardine Cycle &amp; Carriage Limited (formerly known as Cycle &amp; Carriage Limited)                                                 |
|                                                                                        | Kedron Investments Pte Ltd                                                                                                |
|                                                                                        | Landmarks Land &amp; Properties Sdn Bhd                                                                                         |
|                                                                                        | Malayan Credit (Balmoral) Pte Ltd (dissolved — members’ voluntary winding up)                                                 |
|                                                                                        | Malayan Credit Development (dissolved — members’ voluntary winding up)                                                      |
|                                                                                        | Malayan Credit House Private Limited (dissolved — members’ voluntary winding up)                                            |
|                                                                                        | MCL Land (78 SW) Pte Ltd                                                                                                |
|                                                                                        | MCL Land Acreage Pte Ltd (in liquidation — members’ voluntary winding up)                                                  |</p>
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<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
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<td>MCL Land (Belmont) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
<td>MCL Land (Belmont) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>MCL Land (Bukit Panjang) Pte Ltd (dissolved, members’ voluntary winding up)</td>
<td>MCL Land (Bukit Panjang) Pte Ltd (dissolved, members’ voluntary winding up)</td>
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<tr>
<td>MCL Land (Changi) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
<td>MCL Land (Changi) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>MCL Land (Changi 2) Pte Ltd (dissolved — members’ voluntary winding up)</td>
<td>MCL Land (Changi 2) Pte Ltd (dissolved — members’ voluntary winding up)</td>
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<tr>
<td>MCL Land (Devonshire) Pte Ltd</td>
<td>MCL Land (Devonshire) Pte Ltd</td>
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<tr>
<td>MCL Land Estate Services Pte Ltd (dissolved, members’ voluntary winding up)</td>
<td>MCL Land Estate Services Pte Ltd (dissolved, members’ voluntary winding up)</td>
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<tr>
<td>MCL Land (Grange) Pte Ltd</td>
<td>MCL Land (Grange) Pte Ltd</td>
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<tr>
<td>MCL Land Holdings Pte Ltd</td>
<td>MCL Land Holdings Pte Ltd</td>
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<tr>
<td>MCL Land (Holland) Pte Ltd (dissolved, members’ voluntary winding up)</td>
<td>MCL Land (Holland) Pte Ltd (dissolved, members’ voluntary winding up)</td>
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<tr>
<td>MCL Land (Juniper) Pte Ltd</td>
<td>MCL Land (Juniper) Pte Ltd</td>
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<tr>
<td>MCL Land (Property Management) Pte Ltd</td>
<td>MCL Land (Property Management) Pte Ltd</td>
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<tr>
<td>MCL Land (Robertson Quay) Ltd</td>
<td>MCL Land (Robertson Quay) Ltd</td>
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<tr>
<td>MCL Land (Seletar Springs) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
<td>MCL Land (Seletar Springs) Pte Ltd (in liquidation — members’ voluntary winding up)</td>
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<tr>
<td>MCL Land (Serangoon) Pte Ltd</td>
<td>MCL Land (Serangoon) Pte Ltd</td>
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<tr>
<td>Motor Trucks Distributors (NZ) Ltd (formerly known as Truck Investments Ltd)</td>
<td>Motor Trucks Distributors (NZ) Ltd (formerly known as Truck Investments Ltd)</td>
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<tr>
<td>MTU Asia Pte Ltd</td>
<td>MTU Asia Pte Ltd</td>
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<tr>
<td>Neville Motors Ltd (formerly known as Cycle &amp; Carriage (Pakuranga) Limited)</td>
<td>Neville Motors Ltd (formerly known as Cycle &amp; Carriage (Pakuranga) Limited)</td>
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<tr>
<td>Pantai View Sdn Bhd</td>
<td>Pantai View Sdn Bhd</td>
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<tr>
<td>Perry’s Automotive Group (North Shore) Ltd (formerly known as Cycle &amp; Carriage (Northshore) Limited)</td>
<td>Perry’s Automotive Group (North Shore) Ltd (formerly known as Cycle &amp; Carriage (Northshore) Limited)</td>
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<tr>
<td>Poussain Pte Ltd (dissolved — members’ voluntary winding up)</td>
<td>Poussain Pte Ltd (dissolved — members’ voluntary winding up)</td>
</tr>
<tr>
<td>P T Astra International Tbk</td>
<td>P T Astra International Tbk</td>
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<tr>
<td>P T Astra Graphia Tbk</td>
<td>P T Astra Graphia Tbk</td>
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<tr>
<td>P T Astra Honda Motor</td>
<td>P T Astra Honda Motor</td>
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<tr>
<td>P T Toyota Astra Motor</td>
<td>P T Toyota Astra Motor</td>
</tr>
<tr>
<td>P T United Tractors Tbk</td>
<td>P T United Tractors Tbk</td>
</tr>
<tr>
<td>Sunrise MCL Land Sdn Bhd (formerly known as Tropical Terrain Sdn Bhd)</td>
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</tr>
<tr>
<td>UD Truck Distributors (NZ) Limited</td>
<td>UD Truck Distributors (NZ) Limited</td>
</tr>
<tr>
<td>UMF (Singapore) Limited</td>
<td>UMF (Singapore) Limited</td>
</tr>
</tbody>
</table>
### Directors of the Manager

#### Mr Soh Kim Soon

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EnGro Corporation Limited (formerly known as Ssanyong Cement (Singapore) Ltd)</td>
<td>Gul Technologies Singapore Ltd</td>
</tr>
<tr>
<td>Frasers Centrepoint Asset Management Ltd.</td>
<td>Prime Malls Limited (struck off)</td>
</tr>
<tr>
<td>Juniper Capital Ventures (Pte) Ltd</td>
<td>Speedy-Tech Electronics Ltd</td>
</tr>
<tr>
<td>National Healthcare Group Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>ORIX Investment &amp; Management Pte Ltd</td>
<td></td>
</tr>
<tr>
<td>ORIX Leasing Singapore Limited</td>
<td></td>
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<tr>
<td>Singamas Container Holdings Ltd</td>
<td></td>
</tr>
</tbody>
</table>

### Executive Officers of the Manager

#### Mr Christopher Tang Kok Kai

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>See “List of Present and Past Principal Directorships of Directors and Executive Officers — Directors of the Manager — Mr Christopher Tang Kok Kai”</td>
<td>See “List of Present and Past Principal Directorships of Directors and Executive Officers — Directors of the Manager — Mr Christopher Tang Kok Kai”</td>
</tr>
</tbody>
</table>

#### Teo Siaw Shien

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

#### Mr Jack Lam Juck Ngai

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

#### Ms Lim Poh Tin

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tagligent International Pte Ltd</td>
<td>None</td>
</tr>
</tbody>
</table>

#### Mr Fu Yu-Cheng Clarence

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding 23 May 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pimpernel Investments Limited</td>
<td>None</td>
</tr>
</tbody>
</table>
Key Investment Highlights

■ Exposure to robust retail property market
The retail sector for the mall industry in Singapore remains positive. FCL provides investors with access to Singapore’s resilient retail property market. The average rental rate for the Properties is forecast to grow between 2.0% to 3.0% in the short term, according to Knight Frank Pte Ltd.

■ Investment in a portfolio of strong and well-established retail properties with large catchment areas and stable cash flow
- Gateway Point and Northpoint are both strategically located within densely occupied residential areas of Woodlands and Tampines, respectively. Both are located in large mixed-use areas where they form strong competitor barriers due to their unique mix of retail, office and residential units. The properties attract a high percentage of staff and students from several schools in the vicinity, workers from nearby car showrooms, industrial estates and office buildings as well as residents in the area.
- The Properties are conveniently located near transportation hubs such as MRT stations and bus interchanges.
- The Properties enjoy strong tenant demand and stable cash flow, with a weighted average occupancy rate of 99.1% for the three months ended 31 December 2005.
- The Properties also benefit from a larger and diverse tenant base and are not dependent on any one tenant or trade sub-sector.

■ Benefits of FCL as the Sponsor
- FCL, a wholly owned subsidiary of Fraser & Neave, Limited, is leading international diversified business group with a market capitalisation of approximately S$4.5 billion, as at 31 May 2006. FCL is one of the foremost owners and developers of property development, property investment and serviced residences in Singapore. In the same industries, FCL also has development projects in overseas markets, such as the PRC, Thailand, the Philippines, France, United Kingdom and serviced residences operating in South Korea, the PRC, Thailand, the Philippines, France and the United Kingdom. FCL owns beneficially the following:
  - Contribute to the future expansion of FCL's retail properties. New properties are being established to extend the reach of FCL's retail properties.
  - Acquire and/or develop assets with good growth potential and enhance FCL's value per Unit.
  - Anchorpoint is located in Queenstown, and benefits from the patronage of staff and students from several schools in the vicinity, workers from nearby car showrooms, industrial estates and office buildings as well as residents in the area.

■ Benefits of FCL as the Sponsor
- FCL has extensive experience and track record in the real estate industry in Singapore, Thailand, France and the United Kingdom and has acquired a number of successful shopping centres in Singapore.
- FCL's diversified business platform and strong brand reputation enable it to continue to develop and acquire new properties, and offer them to FCT when appropriate.
- FCL enjoys strong relationships with prominent developers in the Asia region that could potentially be offered to FCT.

■ The Sponsor’s interests are aligned with those of Unitholders
- The Sponsor will receive 57.4% of the total number of Units in issue immediately after completion of the Offering, subject to the exercise of the Over-allocation Option. As such, the Sponsor’s interests will be substantially aligned with those of Unitholders.

■ Stable distributions
- FCT will distribute 100% of its taxable income, for the period commencing from the Listing Date to 30 September 2006 and for the Projection Year 2007. Therefore, FCT will distribute at least 60% of its taxable income in each fiscal year.
- The objective in providing Unitholders with stable distributions is on a quarterly basis, FCT’s forecast and projected distribution yield, based on the Offering Price of S$1.03, is outlined below:

<table>
<thead>
<tr>
<th>Forecast Period</th>
<th>Distribution Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Apr 2006 to 30 June 2006</td>
<td>5.50%</td>
</tr>
<tr>
<td>1 Jul 2006 to 30 Sep 2007</td>
<td>5.68%</td>
</tr>
</tbody>
</table>

■ Capital structure that provides future financing flexibility
- FCT’s relatively low gearing of 28.6% gives FCT financial flexibility when considering future acquisitions and capital expenditure for asset enhancement works.

■ Opportunities for growth through active asset management and acquisitions
- The Properties currently enjoy high occupancy rates. However, with asset enhancement initiatives, the pool of FCT’s property portfolio and net asset value per Unit is expected to grow.
- FCT aims to maintain an attractive cash flow and yield profile for Unitholders through planned acquisition opportunities available to FCT that will enhance its asset portfolio.

■ Experienced and professional management
- The Manager of FCT consists of a dedicated team of professionals who have extensive experience and track records in the real estate industry in Singapore and the region. The Manager will apply Singapore commercial acumen and property market dynamics as complemented by their commercial property and equity market experience to other markets.

■ Tax benefits
- Individuals who hold FCT Units as investment assets will not be taxed on the distributions received from FCT.
CENTREPOINT TRUST
FRASERS
FRASERS CENTREPOINT TRUST

Price by DBS Bank Ltd (the "Units"), to investors, including institutional and other investors in Singapore (the "Public Offer").

The information contained herein reflects the Prospectus as at 31 December 2005. The information in this Prospectus is not to be taken as an indication of the merits of the Offering, FCT, the Manager or the Units. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus.

The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

FCT has an initial portfolio of three well-established suburban malls, namely, Causeway Point, Northpoint and Anchorpoint (collectively, the "Properties"). They have a combined Appraised Value of S$915.2 million as at 31 December 2005.

FCT is a developer-sponsored REIT with the ability to tap into a strong pipeline of quality assets and offers investors greater investment potential through its acquisition growth strategy and active asset enhancement initiatives.

This overview section is qualified in its entirety by, and should be read in conjunction with, the full text of this Prospectus.

Frasers Centrepoint Trust ("FCT") is a real estate investment trust ("REIT") established in Singapore with the investment objective of owning and investing in real estate and real estate-related assets. The strategy of the Manager of FCT, Frasers Centrepoint Asset Management Ltd., is to invest in income-producing properties or properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes, in Singapore and overseas.