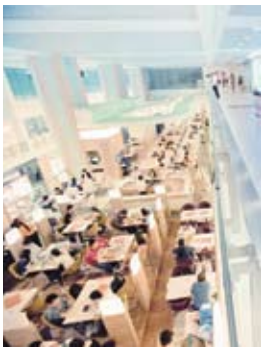
CIRCULAR DATED 7 JANUARY 2010

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.



FRASERS CENTREPOINT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 June 2006 (as amended))

MANAGED BY
FRASERS CENTREPOINT ASSET MANAGEMENT LTD.

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

Approval in-principle has been obtained from the SGX-ST for the Equity Fund Raising (as defined herein) and the listing and quotation of the new units in Frasers Centrepoint Trust ("**FCT**") to be issued for the purpose of the Equity Fund Raising (the "**New Units**") on the Main Board of the SGX-ST. The SGX-ST's approval in-principle is not an indication of the merits of the Northpoint 2 Acquisition, the YewTee Point Acquisition, the Equity Fund Raising (each as defined herein), the New Units and the proposed subscription of New Units by the FCL Group under the Private Placement (as defined herein).

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

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

CIRCULAR TO UNITHOLDERS IN RELATION TO:

(1) THE PROPOSED NORTHPOINT 2 ACQUISITION;

(2) THE PROPOSED YEWTEE POINT ACQUISITION;

(3) THE PROPOSED ISSUE OF UP TO 152.0 MILLION NEW UNITS UNDER THE EQUITY FUND RAISING; AND

(4) THE PROPOSED SUBSCRIPTION OF NEW UNITS BY THE FCL GROUP UNDER THE PRIVATE PLACEMENT.

Sole Financial Adviser

DBS

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

PricewaterhouseCoopers Corporate Finance Pte Ltd

Important Dates and Times for Unitholders

(The following is qualified by, and should be read in conjunction with, the section entitled "Indicative Timetable")

Last date and time for lodgement of Proxy Forms	:	23 January 2010 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	25 January 2010 at 3.00 p.m.
Place of Extraordinary General Meeting	:	Level 2, Alexandra Point 438 Alexandra Road Singapore 119958

This section is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. The meaning of each capitalised term is found in the Glossary of this Circular.

OVERVIEW OF THE PROPERTIES

	NORTHPOINT 2	YEWTEE POINT
Property Description	A 6-storey retail mall comprising two basement levels and four storeys above ground	A 2-storey retail mall comprising one basement level and one storey above ground
Title	99-year leasehold from 1 April 1990	99-year leasehold from 3 January 2006
Net Lettable Area(1)	85,530 sq ft	72,382 sq ft
Number of Committed Leases(1)	68	82
Car Park Lots(1)	47	83(2)
Valuation(3)	S$165.9 million (Knight Frank) S$163.2 million (JLL)	S$126.5 million (Knight Frank) S$124.8 million (JLL)
Purchase Consideration	S$164.55 million	S$125.65 million
Occupancy(1)	100.0%	98.3%

(1) As at 31 October 2009
(2) Part of the limited common property for the exclusive benefit of YewTee Point
(3) As at 16 November 2009

COMPETITIVE STRENGTHS OF THE PROPERTIES

STRATEGIC LOCATIONS

Northpoint 2 and YewTee Point are strategically located in the town centres of established high-density housing estates.

ACCESS TO PUBLIC TRANSPORT

Northpoint 2 and YewTee Point are located in the immediate vicinities of the Yishun and Yew Tee MRT stations respectively. In addition, Northpoint 2 is located next to the Yishun Bus Interchange.

CAPTIVE SHOPPER CATCHMENTS

The Enlarged Northpoint Mall serves an estimated resident population of 187,200 in its primary trade area and a further 223,100 in its secondary trade area.

YewTee Point serves an estimated resident population of 66,600 in its primary trade area and a further 113,500 in its secondary trade area.

HIGH SHOPPER TRAFFIC

Enlarged Northpoint Mall: 22.6 million(1)

YewTee Point: 10.9 million(2)

(1) Aggregate shopper traffic in the 12 months ended 31 October 2009 based on data recorded by electronic traffic counters

(2) Annualised shopper traffic based on data recorded over a four-month period by electronic traffic counters installed in July 2009

HIGH OCCUPANCY RATES AND DIVERSE TENANT BASES

As at 31 October 2009, Northpoint 2 and YewTee Point have committed occupancy rates of 100% and 98.3% respectively.

Northpoint 2's anchor tenant is the National Library Board. Its tenant base includes well-established brands such as Bakerzin, Xin Wang Hong Kong Café, Ishi Mura, Suki Sushi, Eu Yan Sang, Spectacle Hut, Levi's, G2000 and City Chain.

YewTee Point's anchor tenant is NTUC FairPrice (the largest supermarket retailer in Singapore). Its diverse tenant base includes well-established brands such as Koufu food court, Toast Box, Xin Wang Hong Kong Café, Sushi Deli, Four Leaves, Watson's, Home-Fix The D.I.Y. Store and Citispa.

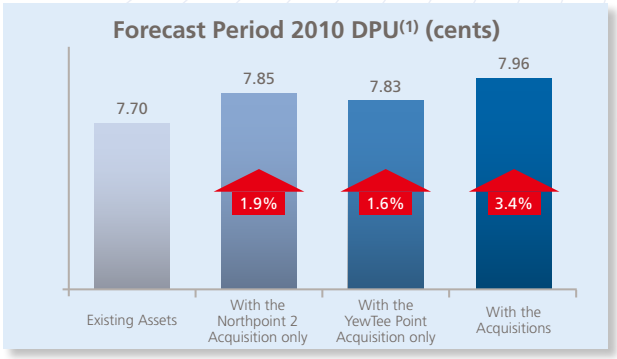
EXPOSURE TO THE RESILIENT SUBURBAN PROPERTY MARKET

Both Northpoint 2 and YewTee Point will strengthen FCT's exposure to Singapore's resilient suburban retail property market, where controlled new supply and robust demand have contributed to steady growth in market rents in recent years. In addition, the trade mix in both Northpoint 2 and YewTee Point have considerable emphasis on daily necessities and basic and essential types of goods and services, which is expected to lower the volatility of the retail malls' business volume and income. (See **Appendix F** of this Circular for further details.)

BENEFITS TO UNITHOLDERS

DPU ACCRETION

Based on the assumptions as set out in Appendix B, the forecast DPU as a result of the Acquisitions, taking into account the illustrative debt and equity financing plan, is as shown:



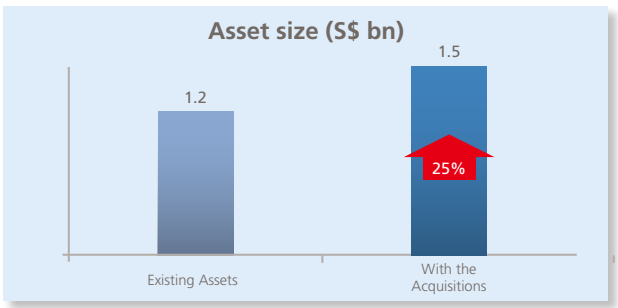
(1) Based on an illustrative Issue Price of S$1.30 and other assumptions as set out in this Circular

GREATER TRADING LIQUIDITY AND INVESTOR INTEREST

The issue of the New Units to part finance the Acquisitions is expected to significantly increase the free float of Units on the Main Board of the SGX-ST, thereby increasing the liquidity and trading volume of the Units. This could potentially lead to a diversification in FCT's unitholder base, greater investor interest in FCT and an increase in FCT's weighting in certain benchmark equity indices. However, the unitholding interest of existing Unitholders may be diluted in certain circumstances.

GREATER ASSET SIZE AND FLEXIBILITY FOR FUTURE ACQUISITIONS

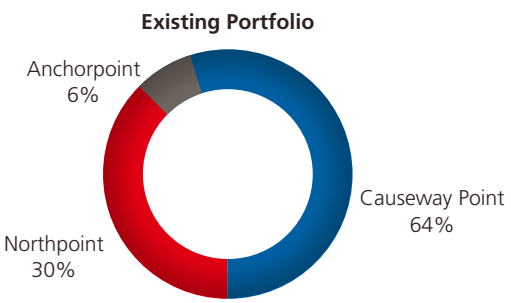
Immediately following the Acquisitions, the value of the Deposited Property is expected to increase by 25.2% from S$1,167.2 million as at 1 January 2010 to S$1,461.9 million. The larger asset base and number of Units are expected to enhance FCT's overall capital management flexibility and debt and equity fund raising capacities, which will, among others, facilitate future acquisitions by FCT.

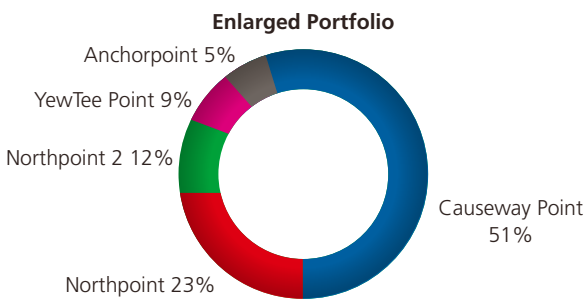


GREATER INCOME DIVERSIFICATION AND ENLARGED TENANT BASE

The Acquisitions are expected to improve FCT's income diversification, reducing asset and tenant concentration risks in the Enlarged Portfolio. Following the Acquisitions, it is also expected that FCT's tenant base will be enlarged and further diversified with the addition of more than 70 new tenants, including NTUC FairPrice and the National Library Board, which were not tenants in the Existing Portfolio as at 31 October 2009. The Gross Rental Income contribution from the top 10 committed tenants as at 31 October 2009 will also be reduced from 32.7% to 25.7%.

Net Property Income Contribution for the Forecast Period 2010(2)





(2) Based on the forecast, together with the accompanying assumptions, as set out in this Circular

OVERVIEW OF FRASERS CENTREPOINT TRUST

Frasers Centrepoint Trust is a leading developer-sponsored REIT focused on growing shareholder value for its Unitholders through active asset management, sound financial management and strategic investments.

FCT's existing portfolio consists of three quality suburban malls in Singapore with a combined appraised value of S$1.1 billion as at 30 September 2009. The well-established malls of Causeway Point, Northpoint and Anchorpoint enjoy wide captive markets, good connectivity, high occupancy and a strong and sustainable income stream.

Listed on the Main Board of the SGX-ST since 5 July 2006, FCT is managed by Frasers Centrepoint Asset Management Ltd., a division of property company Frasers Centrepoint Limited, which is a wholly-owned subsidiary of Fraser and Neave, Limited.

PROPOSED ACQUISITIONS

NORTHPOINT 2

Northpoint 2 complements, and is physically integrated with, the adjacent Northpoint Shopping Centre, one of the three properties in the existing portfolio of properties currently held by FCT.

Northpoint and Northpoint 2 together form an enlarged integrated retail development (the "**Enlarged Northpoint Mall**") which is strategically located in the town centre of the Yishun housing estate in the northern region of Singapore, and has direct pedestrian linkages to the Yishun MRT Station and the Yishun Bus Interchange, which are both located in its immediate vicinity.

YEWTEE POINT

YewTee Point is strategically located in the town centre of the Yew Tee housing estate, and is adjacent to the Yew Tee MRT Station. It is the only fully enclosed and air-conditioned retail mall in the Yew Tee town centre.

YewTee Point serves an estimated resident population of 66,600 in its primary trade area and a further 113,500 in its secondary trade area. In addition, it also draws shoppers from schools and military camps located in and around Yew Tee housing estate, as well as from the large Sungei Kadut Industrial Estate located nearby.

PORTFOLIO OVERVIEW

EXISTING PORTFOLIO

	Causeway Point	Northpoint	Anchorpoint
Gross Floor Area[1] (sq ft)	629,160	231,624	102,736
Net Lettable Area[1] (sq ft)	418,543	149,367	71,610
Number of Committed Leases[1]	184	121	70
Car Park Lots[1]	915	187	130[2]
Title	99-year leasehold from 30 October 1995	99-year leasehold from 1 April 1990	Freehold
Valuation[3] (S$'000)	714,000	318,000	68,000
Percentage of Aggregate Existing Portfolio	64.9%	28.9%	6.2%
Committed Occupancy[1]	100.0%	98.0%	97.0%
Net Property Income for Forecast Period 2010 (S$'000)[4]	30,523	14,024	3,060

(1) As at 31 October 2009

(2) Located at Anchorpoint, but are part of the common property of Anchorpoint Development managed by the Anchorpoint Management Corporation

(3) Valued as at 30 September 2009

(4) Based on the forecast, together with the accompanying assumptions, as set out in this Circular

ENLARGED PORTFOLIO

	Existing Portfolio	Northpoint 2	YewTee Point	Enlarged Portfolio
Gross Floor Area[1] (sq ft)	963,520	132,971	113,508	1,209,999
Net Lettable Area[1] (sq ft)	639,520	85,530	72,382	797,432
Number of Committed Leases[1]	375	68	82	525
Car Park Lots[1]	1,232[2]	47	83[3]	1,362
Valuation (S$'000)	1,100,000[4]	164,550[5]	125,650[6]	1,390,200
Committed Occupancy[1]	99.2%	100%	98.3%	99.2%
Net Property Income for Forecast Period 2010 (S$'000)[7]	47,607	7,143	5,535	60,285

(1) As at 31 October 2009

(2) Including 130 car park lots located at Anchorpoint which are part of Anchorpoint Development's common property managed by the Anchorpoint Management Corporation

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

(4) Valued as at 30 September 2009

(5) The Northpoint 2 Purchase Consideration

(6) The YewTee Point Purchase Consideration

(7) Based on the forecast, together with the accompanying assumptions, as set out in this Circular

TABLE OF CONTENTS

		Page
CORPORATE INFORMATION		ii
SUMMARY		1
INDICATIVE TIMETABLE		11
LETTER TO UNITHOLDERS		
1.	Summary of Approvals Sought	12
2.	Resolution 1: The Proposed Northpoint 2 Acquisition	13
3.	Resolution 2: The Proposed YewTee Point Acquisition	17
4.	The Rationale for the Acquisitions of Northpoint 2 and YewTee Point	22
5.	Competitive Strengths of Northpoint 2 and YewTee Point	28
6.	Details of the Northpoint 2 Acquisition and the YewTee Point Acquisition	30
7.	Resolution 3: The Proposed Issue of up to 152.0 million New Units under the Equity Fund Raising	46
8.	Resolution 4: The Proposed Subscription of New Units by the FCL Group under the Private Placement	50
9.	Recommendations	51
10.	Extraordinary General Meeting	53
11.	Abstentions from Voting	53
12.	Action to be Taken by Unitholders	54
13.	Directors' Responsibility Statement	54
14.	Responsibility Statement of the Sole Financial Adviser	54
15.	Consents	54
16.	Documents on Display	55
IMPORTANT NOTICE		56
GLOSSARY		57
APPENDICES		
Appendix A	Northpoint 2, YewTee Point, the Existing Portfolio and the Enlarged Portfolio	A-1
Appendix B	Profit Forecast	B-1
Appendix C	Independent Accountants' Report on the Profit Forecast	C-1
Appendix D	Valuation Certificate and Valuation Summary	D-1
Appendix E	Letter from PricewaterhouseCoopers Corporate Finance Pte Ltd to the Independent Directors of Frasers Centrepoint Asset Management Ltd.	E-1
Appendix F	Singapore Retail Market Overview Report	F-1
NOTICE OF EXTRAORDINARY GENERAL MEETING		G-1
PROXY FORM		

CORPORATE INFORMATION

Directors of Frasers Centrepoint Asset Management Ltd. (as manager of Frasers Centrepoint Trust)	:	Mr Philip Eng Heng Nee (Independent Non-Executive Chairman) Mr Christopher Tang Kok Kai (Chief Executive Officer and Executive Director) Mr Bobby Chin Yoke Choong (Independent Non-Executive Director) Mr Soh Kim Soon (Independent Non-Executive Director) Mr Lim Ee Seng (Non-Executive Director) Mr Anthony Cheong Fook Seng (Non-Executive Director) Mr Chia Khong Shoong (Non-Executive Director)
Registered Office of Frasers Centrepoint Asset Management Ltd.	:	438 Alexandra Road #21-00 Alexandra Point Singapore 119958
Trustee of Frasers Centrepoint Trust (the "Trustee")	:	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320
Sole Financial Adviser	:	DBS Bank Ltd. 6 Shenton Way DBS Building Tower One Singapore 068809
Legal Adviser for the Acquisitions and the Equity Fund Raising, and to the Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Sole Financial Adviser	:	Allen & Overy LLP 24 Raffles Place #22-00 Clifford Centre Singapore 048621
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 3 Church Street #08-01 Samsung Hub Singapore 049483
Independent Financial Adviser to the Independent Directors of the Manager (the "IFA")	:	PricewaterhouseCoopers Corporate Finance Pte Ltd 8 Cross Street #17-00 PWC Building Singapore 048424
Independent Accountants	:	Ernst & Young LLP Level 18 North Tower One Raffles Quay Singapore 048583

Independent Valuers	:	Knight Frank Pte Ltd 16 Raffles Quay #30-00 Hong Leong Building Singapore 048581 Jones Lang LaSalle Property Consultants Pte Ltd 9 Raffles Place #39-00 Republic Plaza Singapore 048619
Independent Property Consultant for Singapore Retail Market Overview Report (the "Independent Property Consultant")	:	Urbis Pty Ltd Level 12, 120 Collins Street Melbourne VIC 3000 Australia

This page has been intentionally left blank.

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 57 to 65 of this Circular. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

SUMMARY OF APPROVALS SOUGHT

The Manager is seeking approvals from unitholders of FCT ("**Unitholders**") in relation to the following resolutions:

(i) Resolution 1: The Proposed Northpoint 2 Acquisition (Ordinary Resolution)

The Manager is seeking Unitholders' approval for the proposed acquisition of the whole of Lot 2985X of Mukim 19, together with the building erected thereon ("**Northpoint 2**", and the proposed acquisition of Northpoint 2, the "**Northpoint 2 Acquisition**").

(ii) Resolution 2: The Proposed YewTee Point Acquisition (Ordinary Resolution)

The Manager is seeking Unitholders' approval for the proposed acquisition of the property known as YewTee Point, located at 21 Choa Chu Kang North 6, Singapore 689578[1] ("**YewTee Point**", and the proposed acquisition of YewTee Point, the "**YewTee Point Acquisition**").

(iii) Resolution 3: The Proposed Issue of up to 152.0 million New Units under the Equity Fund Raising (Ordinary Resolution)

The Manager is seeking Unitholders' approval for the proposed issue of up to 152.0 million[2] New Units pursuant to an equity fund raising[3] (the "**Equity Fund Raising**") to part finance the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost (each as defined herein), with the balance thereof to be funded by borrowings, which may include the FCT Loan Facilities (as defined herein).

(iv) Resolution 4: The Proposed Subscription of New Units by the FCL Group under the Private Placement (Ordinary Resolution)

To enable Frasers Centrepoint Limited ("**FCL**") and its subsidiaries (collectively, the "**FCL Group**") to be in a position to support FCT, the Manager is seeking Unitholders' approval for the FCL Group to be given the right, in the event that the Private Placement is not fully subscribed for by other

---

1 YewTee Point comprises strata lot numbers U45192P (including accessory lots A1W, A2V, A3P and A4T), U45193T and U45194A, all of Mukim 11.

2 Assuming that Unitholders' approval is obtained for both the Northpoint 2 Acquisition and the YewTee Point Acquisition. In the event that approval of Unitholders for only one of the Northpoint 2 Acquisition or the YewTee Point Acquisition is obtained, the amount of gross proceeds to be raised from, and the number of New Units to be issued under, the Equity Fund Raising will be determined according to the funding structure to be adopted by the Manager. However, the number of New Units to be issued under the Equity Fund Raising will in any event not exceed 152.0 million, which represents 24.3% of the 626,565,443 Units in issue as at the Latest Practicable Date. (See paragraph 7 of the Letter to Unitholders for further details.)

3 The Equity Fund Raising may (at the Manager's absolute discretion) comprise any one or a combination of two or more of the Private Placement, the ATM Offering and the Preferential Offering (each as defined herein), which the Manager deems appropriate in the circumstances and after having considered the prevailing market conditions. (See paragraph 7.1 of the Letter to Unitholders for further details.)

investors, to subscribe under the Private Placement for up to the number of New Units which the FCL Group would be required to subscribe for if it intends to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising (the "**FCL Group Placement**"). However, in the event that the demand for the New Units under the Private Placement is fully met by investors other than the FCL Group, the FCL Group will not subscribe for any New Units under the Private Placement. In the event that the FCL Group subscribes for New Units under the Private Placement, the New Units will be issued to the FCL Group at the same price as the New Units issued to other investors under the Private Placement.

Unitholders should note that:

(i) Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition) are NOT inter-conditional upon each other being passed;

(ii) Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition) are each conditional upon Resolution 3 (the Equity Fund Raising) being passed;

(iii) Resolution 3 (the Equity Fund Raising) is conditional upon at least one of Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition) being passed; and

(iv) Resolution 4 (the FCL Group Placement) is conditional upon Resolution 3 (the Equity Fund Raising) being passed.

In the event that Unitholders do not approve both Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition), the Manager will not proceed with Resolution 3 (the Equity Fund Raising). In the event that Unitholders approve at least one of Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition), the Manager may proceed with Resolution 3 (the Equity Fund Raising).

In the event that Unitholders do not approve Resolution 3 (the Equity Fund Raising), the Manager will not proceed with any of Resolution 1 (the Northpoint 2 Acquisition), Resolution 2 (the YewTee Point Acquisition) and Resolution 4 (the FCL Group Placement).

OVERVIEW OF THE NORTHPOINT 2 ACQUISITION

Pursuant to the put and call option agreement dated 22 October 2007 (as amended, varied and/or supplemented by the supplemental agreement dated 10 November 2009 and the second supplemental agreement dated 7 January 2010) made between the Trustee and Yishun Development Pte Ltd ("**YDPL**") (the "**Northpoint 2 Put and Call Option Agreement**"), (i) the Trustee was granted a call option which, if exercised by the Trustee, will require YDPL to enter into a sale and purchase agreement (the "**Northpoint 2 Sale and Purchase Agreement**") with the Trustee and (ii) YDPL was granted a put option which, if exercised by YDPL, will require the Trustee to enter into the Northpoint 2 Sale and Purchase Agreement with YDPL.

(See paragraph 2.3 of the Letter to Unitholders for further details.)

Description of Northpoint 2

The table below sets out a summary of selected information on Northpoint 2 as at 31 October 2009:

Gross Floor Area (sq ft)	132,971
Net Lettable Area (sq ft)	85,530
Number of Storeys	6 (including 2 basement levels)
Number of Committed Leases (as defined herein)	68
Car Park Lots	47
Title	Leasehold estate of 99 years commencing from 1 April 1990
Committed Occupancy	100%

Northpoint 2 complements, and is physically integrated with, the adjacent Northpoint Shopping Centre ("**Northpoint**") which is one of the three properties in the existing portfolio of properties currently held by FCT, comprising Northpoint, Causeway Point and Anchorpoint (the "**Existing Portfolio**"). Northpoint 2's main retail levels at Basement 1 and Levels 1 to 3 are fully connected to the corresponding levels of Northpoint. Northpoint and Northpoint 2 together form an enlarged integrated retail development (the "**Enlarged Northpoint Mall**") with approximately 234,900 sq ft of Net Lettable Area (as defined herein) and 234 car park lots as at 31 October 2009. The Enlarged Northpoint Mall is strategically located in the town centre of the Yishun housing estate in the northern region of Singapore, and has direct pedestrian linkages to the Yishun Mass Rapid Transit ("**MRT**") Station and the Yishun Bus Interchange, which are both located in its immediate vicinity.

Valuations and Purchase Consideration for Northpoint 2

The Manager has commissioned an independent property valuer, Knight Frank Pte Ltd ("**Knight Frank**"), and the Trustee has commissioned an independent property valuer, Jones Lang LaSalle Property Consultants Pte Ltd ("**JLL**"), to value Northpoint 2.

The open market value of Northpoint 2 as at 16 November 2009 determined by Knight Frank and JLL is S$165,900,000 and S$163,200,000, respectively. In arriving at the open market value, Knight Frank relied on the investment method and discounted cash flow method and JLL relied on the discounted cash flow method and the direct capitalisation method (see **Appendix D** of this Circular for further details).

Pursuant to the terms and subject to the conditions of the Northpoint 2 Put and Call Option Agreement (including the approval of Unitholders), Northpoint 2 shall be acquired at a purchase consideration of S$164,550,000 (the "**Northpoint 2 Purchase Consideration**").

The Northpoint 2 Purchase Consideration was arrived at on a willing-buyer and willing-seller basis and is the average of the two independent valuations of Northpoint 2 by Knight Frank and JLL as set out above.

Estimated Acquisition Cost of the Northpoint 2 Acquisition

The current estimated total acquisition cost of the Northpoint 2 Acquisition (the "**Northpoint 2 Acquisition Cost**") is approximately S$167.0 million, comprising:

(i) the Northpoint 2 Purchase Consideration of S$164,550,000;

(ii) the acquisition fee of S$1,645,500 (being 1.0 per cent. of the Northpoint 2 Purchase Consideration) (the "**Northpoint 2 Acquisition Fee**") payable to the Manager pursuant to Clause 15.2.1 of the trust deed dated 5 June 2006 constituting FCT entered into between the Trustee and the Manager (as amended) (the "**Trust Deed**"); and

(iii) the estimated professional and other fees and expenses of approximately S$0.8 million[1] which will be incurred by FCT in connection with the Northpoint 2 Acquisition.

As the Northpoint 2 Acquisition will constitute an "interested party transaction" under Paragraph 5 of Appendix 2 to the Code on Collective Investment Schemes (the "**Property Funds Guidelines**"), the Northpoint 2 Acquisition Fee payable to the Manager will be in the form of Units, which shall be issued at the Prevailing Market Price[2] and shall not be sold within one year from their date of issuance.

OVERVIEW OF THE YEWTEE POINT ACQUISITION

On 7 January 2010, the Trustee entered into a put and call option agreement (the "**YewTee Point Put and Call Option Agreement**") with YDPL, pursuant to which (i) the Trustee was granted a call option which, if exercised by the Trustee, will require YDPL to enter into a sale and purchase agreement (the "**YewTee Point Sale and Purchase Agreement**") with the Trustee and (ii) YDPL was granted a put option which, if exercised by YDPL, will require the Trustee to enter into the YewTee Point Sale and Purchase Agreement with YDPL.

Description of YewTee Point

The table below sets out a summary of selected information on YewTee Point as at 31 October 2009:

Gross Floor Area (sq ft)	113,508
Net Lettable Area (sq ft)	72,382
Number of Storeys	2 (including 1 basement level)(1)
Number of Committed Leases	82
Car Park Lots	83(2)
Title	Leasehold estate of 99 years commencing from 3 January 2006
Committed Occupancy	98.3%

Notes:

(1) Apart from the retail levels located on Basement 1 and Level 1, a property management office (which is part of the limited common property for the exclusive benefit of YewTee Point) is located on Level 2 of the YewTee Development (as defined herein).

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

YewTee Point forms an integrated mix-use development with YewTee Residences (comprising 139 units of private apartments) (the "**YewTee Development**"). YewTee Point is strategically located in the town centre of the Yew Tee housing estate, and is adjacent to the Yew Tee MRT Station. It is the only fully enclosed and air-conditioned retail mall in the Yew Tee town centre.

---

1 It is expected that most of the professional and other fees and expenses in connection with the Northpoint 2 Acquisition will be incurred by FCT even if the Manager does not proceed with the Northpoint 2 Acquisition.

2 The "**Prevailing Market Price**" of a Unit shall be the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days (or such other period as may be prescribed by the SGX-ST) immediately preceding the relevant business day.

Valuations and Purchase Consideration for YewTee Point

The Manager has commissioned an independent property valuer, Knight Frank, and the Trustee has commissioned an independent property valuer, JLL, to value YewTee Point.

The open market value of YewTee Point as at 16 November 2009 determined by Knight Frank and JLL is S$126,500,000 and S$124,800,000, respectively. In arriving at the open market value, Knight Frank relied on the investment method and discounted cash flow method and JLL relied on the discounted cash flow method and direct capitalisation method (see **Appendix D** of this Circular for further details).

Pursuant to the terms and subject to the conditions of the YewTee Point Put and Call Option Agreement (including the approval of Unitholders), YewTee Point shall be acquired at a purchase consideration of S$125,650,000 (the "**YewTee Point Purchase Consideration**").

The YewTee Point Purchase Consideration was arrived at on a willing-buyer and willing-seller basis and is the average of the two independent valuations of YewTee Point by Knight Frank and JLL as set out above.

Estimated Acquisition Cost of YewTee Point

The current estimated total acquisition cost of the YewTee Point Acquisition (the "**YewTee Point Acquisition Cost**") is approximately S$127.7 million, comprising:

(i) the YewTee Point Purchase Consideration of S$125,650,000;

(ii) the acquisition fee of S$1,256,500 (being 1.0 per cent. of the YewTee Point Purchase Consideration) (the "**YewTee Point Acquisition Fee**") payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed; and

(iii) the estimated professional and other fees and expenses of approximately S$0.8 million[1] which will be incurred by FCT in connection with the YewTee Point Acquisition.

As the YewTee Point Acquisition will constitute an "interested party transaction" under Paragraph 5 of the Property Funds Guidelines, the YewTee Point Acquisition Fee payable to the Manager will be in the form of Units, which shall be issued at the Prevailing Market Price and shall not be sold within one year from their date of issuance.

REQUIREMENT FOR UNITHOLDERS' APPROVAL

Interested Person Transaction and Interested Party Transaction

As at 31 December 2009, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), FCL holds an aggregate deemed interest in 325,435,443 Units (which is equivalent to approximately 51.9 per cent. of the 626,565,443 Units in issue as at the Latest Practicable Date) and is therefore regarded as a "controlling Unitholder" of FCT under the Listing Manual and the Property Funds Guidelines.

As FCL has a 100 per cent. direct interest in YDPL, the vendor of Northpoint 2 and YewTee Point:

(i) for the purposes of Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), each of the Northpoint 2 Acquisition and the YewTee Point Acquisition constitutes an "interested person transaction"; and

1 It is expected that most of the professional and other fees and expenses in connection with the YewTee Point Acquisition will be incurred by FCT even if the Manager does not proceed with the YewTee Point Acquisition.

(ii) for the purposes of Paragraph 5 of the Property Funds Guidelines, each of the Northpoint 2 Acquisition and the YewTee Point Acquisition constitutes an "interested party transaction".

Accordingly, the Manager is seeking Unitholders' approval for each of the Northpoint 2 Acquisition and the YewTee Point Acquisition pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Guidelines.

(See paragraph 6.6 of the Letter to Unitholders for further details.)

RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITIONS

Competitive Strengths of Northpoint 2 and YewTee Point

Northpoint 2 and YewTee Point are strategically located in the town centres of established high-density housing estates and enjoy high levels of connectivity to public transportation facilities. In addition, both properties benefit from captive shopper catchments, high occupancy rates, diverse bases of quality tenants, and exposure to the resilient suburban retail property market in Singapore.

(See "Competitive Strengths of Northpoint 2 and YewTee Point" below for further details.)

Consistent with the Manager's Investment Strategy

The Northpoint 2 Acquisition and the YewTee Point Acquisition (the "**Acquisitions**") are in line with the Manager's principal investment strategy to invest in quality income-producing properties used primarily for retail purposes, so as to deliver regular and stable distributions to Unitholders and to provide Unitholders with a competitive rate of return for their investment.

DPU Accretion

Unitholders are expected to enjoy a higher distribution per Unit ("**DPU**") as a result of the Northpoint 2 Acquisition and the YewTee Point Acquisition at purchase considerations which are reflective of the levels of cash flow which they are expected to generate, in combination with an optimal debt and equity funding plan to be determined by the Manager.

Greater Trading Liquidity and Investor Interest

The issue of the New Units to part finance the Acquisitions is expected to significantly increase the free float of Units on the Main Board of the SGX-ST, thereby increasing the liquidity and trading volume of the Units. This could potentially lead to a diversification in FCT's unitholder base, greater investor interest in FCT and an increase in FCT's weighting in certain benchmark equity indices. It should however be noted that the unitholding interest of existing Unitholders may be diluted by the issue of New Units in certain circumstances (see paragraph 7.1 of the Letter to Unitholders for further details).

Greater Asset Size and Flexibility for Future Acquisitions

Immediately following the Acquisitions, the value of the Deposited Property[1] is expected to increase by 25.2% from S$1,167.2 million as at 1 January 2010 to S$1,461.9 million. The larger asset base and number of Units are expected to enhance FCT's overall capital management flexibility and debt and equity fund raising capacities, which will, among others, facilitate future acquisitions by FCT.

---

1 "**Deposited Property**" refers to all the assets of FCT, including all its authorised investments held or deemed to be held upon the trusts under the Trust Deed.

Greater Income Diversification and Enlarged Tenant Base

The Acquisitions are expected to benefit FCT and Unitholders by improving income diversification and reducing the reliance of FCT's income stream on the contribution from any single asset and any one or more major tenants. Following the Acquisitions, the maximum contribution to FCT's Net Property Income (as defined herein) by any single property within FCT's property portfolio will decrease from 64.1% to 50.6% based on the forecast Net Property Income contribution for the nine-month period ending 30 September 2010 (the "**Forecast Period 2010**"). Following the Acquisitions, it is expected that FCT's tenant base will be enlarged and further diversified with the addition of more than 70 new tenants including NTUC FairPrice Co-operative Ltd ("**NTUC FairPrice**") and the National Library Board, which were not tenants in the Existing Portfolio as at 31 October 2009.

Further Geographical Diversification and Larger Market Share

The Northpoint 2 Acquisition will enable FCT to significantly strengthen its presence and competitive position in and around the Yishun housing estate located in the northern region of Singapore. The YewTee Point Acquisition will allow FCT to diversify its portfolio of properties geographically, and to gain exposure to the market in and around the Yew Tee housing estate located in the north-western region of Singapore. Additionally, the Acquisitions will enlarge FCT's share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants.

Economies of Scale

The addition of Northpoint 2 and YewTee Point to the Existing Portfolio will increase the portfolio's Net Lettable Area as at 31 October 2009 by approximately 24.7% to over 797,400 sq ft. The Manager believes that Northpoint 2, YewTee Point and the Existing Portfolio (collectively, the "**Enlarged Portfolio**") will enjoy greater operating synergies and economies of scale in the long term, thereby resulting in more efficient use of resources and cost competitiveness.

(See paragraph 4 of the Letter to Unitholders for further details.)

COMPETITIVE STRENGTHS OF NORTHPOINT 2 AND YEWTEE POINT

Strategic Locations

Northpoint 2 and YewTee Point are strategically located in the town centres of the Yishun and Yew Tee housing estates, respectively, and are also in the immediate vicinities of MRT stations. In addition, Northpoint 2 is located next to the Yishun Bus Interchange. The Manager believes that these attributes will enhance the properties' ability to draw high volumes of shoppers, thereby sustaining the properties' occupancy rates, rental rates and income.

Captive Shopper Catchments

Both Northpoint 2 and YewTee Point benefit from captive shopper catchments and high shopper traffic.

Northpoint 2, together with Northpoint, forms the Enlarged Northpoint Mall, an integrated enlarged retail development. The Enlarged Northpoint Mall is the dominant shopping, dining and community hub in Yishun, serving an estimated resident population of 187,200 in its primary trade area and a further 223,100 in its secondary trade area. In the 12 months ended 31 October 2009, the Enlarged Northpoint Mall reported an aggregate shopper traffic of 22.6 million[1].

YewTee Point is the only fully enclosed and air-conditioned retail mall in the Yew Tee town centre and serves an estimated resident population of 66,600 in its primary trade area and a further 113,500 in its secondary trade area. In addition, its also draws shoppers from schools and military camps located in

---

1 Based on data recorded by electronic traffic counters.

and around the Yew Tee housing estate, as well as from the large Sungei Kadut Industrial Estate located nearby. In the four months ended 31 October 2009, YewTee Point reported an annualised shopper traffic of 10.9 million[1].

High Occupancy Rates and Diverse Tenant Bases

Northpoint 2 and YewTee Point both enjoy high committed occupancy rates, which stood at 100% and 98.3%, respectively, as at 31 October 2009. Each property also has a diverse base of quality tenants.

Northpoint 2's anchor tenant is the National Library Board[2]. It operates the Yishun Public Library at Northpoint 2, which attracts a considerable number of visitors to the property. Northpoint 2 also features a diverse mix of products, services and food and beverage offered by well-established brands that include Bakerzin, Xin Wang Hong Kong Café, Ishi Mura, Suki Sushi, Eu Yan Sang, Spectacle Hut, Levi's, G2000 and City Chain.

YewTee Point's anchor tenant is NTUC FairPrice (the largest supermarket retailer in Singapore), which operates a supermarket at YewTee Point. YewTee Point's diverse tenant base includes well-established brands such as Koufu food court, Toast Box, Xin Wang Hong Kong Café, Sushi Deli, Four Leaves, Watson's, Home-Fix The D.I.Y. Store and Citispa.

The Manager believes that the high occupancy rates and diverse bases of quality tenants that Northpoint 2 and YewTee Point enjoy will help both properties sustain strong and stable cash flows.

Exposure to the Resilient Suburban Property Market

Both Northpoint 2 and YewTee Point will strengthen FCT's exposure to Singapore's resilient suburban retail property market, where controlled new supply and robust demand have contributed to steady growth in market rents in recent years. In addition, the trade mix in both Northpoint 2 and YewTee Point have considerable emphasis on daily necessities and basic and essential types of goods and services, which is expected to lower the volatility of the retail malls' business volume and income. (See **Appendix F** of this Circular for further details.)

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

METHOD OF PROPOSED FINANCING

Equity Fund Raising

The Manager proposes to issue up to 152.0 million New Units to part finance the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, with the balance to be funded by borrowings, which may include the FCT Loan Facilities.

In the event that Unitholders approve only one of either the Northpoint 2 Acquisition or the YewTee Point Acquisition, the Manager will determine the optimal funding structure for the Northpoint 2 Acquisition or the YewTee Point Acquisition (as the case may be). In such a situation, the amount of gross proceeds to be raised from, and the number of New Units to be issued under, the Equity Fund Raising will be determined according to the funding structure to be adopted by the Manager. However, the number of New Units to be issued under the Equity Fund Raising will in any event not exceed 152.0 million, which represents 24.3% of the 626,565,443 Units in issue as at the Latest Practicable Date.

---

1 Based on data recorded over a four-month period by electronic traffic counters installed in July 2009.

2 The rent payable under this lease is reflective of the Civic and Community Institutional nature of the National Library Board (see page A-1 of this Circular for further details).

In determining the funding structure for the Northpoint 2 Acquisition and/or the YewTee Point Acquisition, the Manager will take into account the prevailing market conditions as well as the impact on FCT's capital structure and DPU, among other things, so that the Northpoint 2 Acquisition and/or the YewTee Point Acquisition will be in the overall interests of FCT and Unitholders.

In the event that the Northpoint 2 Acquisition and/or the YewTee Point Acquisition and the Equity Fund Raising are approved by Unitholders, but market conditions are not conducive to carry out the Equity Fund Raising or the Equity Fund Raising cannot be effected on acceptable terms, the Manager may decide not to proceed with either or both of the Northpoint 2 Acquisition and the YewTee Point Acquisition.

The Manager will work with DBS Bank Ltd., who has been appointed as the sole financial adviser (the "**Sole Financial Adviser**") and any one or more underwriter(s) which may be appointed by the Manager to underwrite the Equity Fund Raising (the "**Underwriter(s)**") to determine the structure of the Equity Fund Raising, the time schedule for the Equity Fund Raising and the issue price of the New Units (the "**Issue Price**"), taking into account market conditions and other factors that the Manager, the Sole Financial Adviser and Underwriter(s) may consider relevant. The Manager will announce details of the Equity Fund Raising at the appropriate time.

(See paragraph 7.1 of the Letter to Unitholders for further details.)

Debt Financing

The Manager has put in place the following loan and debt facilities (the "**FCT Loan Facilities**"), which may be utilised to part finance the Northpoint 2 Acquisition and/or the YewTee Point Acquisition in accordance with the funding structure to be determined by the Manager:

(i) a S$100.0 million multicurrency bridge loan facility with DBS Bank Ltd., which has not been utilised as at the Latest Practicable Date. DBS Bank Ltd. has also granted to FCT an increase of S$75.0 million under this facility for a tenure of six months, subject to certain conditions, effective from the date of first drawdown or 28 February 2010, whichever is the earlier[1];

(ii) a S$20.0 million bridge loan facility with Oversea-Chinese Banking Corporation Limited, of which S$10.0 million has been utilised as at the Latest Practicable Date;

(iii) a S$500.0 million multicurrency medium term note programme established through FCT MTN Pte Ltd., of which S$75.0 million has been issued and fully drawn down as at the Latest Practicable Date. FCT MTN Pte Ltd. is a wholly-owned subsidiary of the Trustee whose main objective is to issue notes under the S$500.0 million multicurrency medium term note programme and to lend the proceeds from the issuance of such notes to FCT; and

(iv) a S$1.0 billion multicurrency secured medium term note programme by Star Topaz Limited ("**Star Topaz**"), of which S$260.0 million has been issued and fully drawn down as at the Latest Practicable Date. Star Topaz is a special purpose company established to issue notes under the S$1.0 billion multicurrency secured medium term note programme and to lend the proceeds from the issuance of such notes to FCT.

The Manager may utilise any one or a combination of the FCT Loan Facilities to part finance the Northpoint 2 Acquisition and/or the YewTee Point Acquisition. The Manager may also convert amounts initially drawn down from one or more facilities to equivalent amounts under one or more other facilities at a later stage.

---

1 This is one of several facilities that the Manager has put in place to provide financing flexibility and may not be utilised. If this facility is utilised, it will be repaid with other loan and debt facilities to be raised in due course and/or proceeds from the Equity Fund Raising.

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

(See paragraph 6.1 of the Letter to Unitholders for further details.)

Consequential Adjustment to Distribution Period

FCT's policy is to distribute its distributable income on a quarterly basis to Unitholders. When the Manager decides to carry out the Equity Fund Raising, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution or an advance distribution, or such other plans to ensure fairness to holders of the Units in issue on the day immediately prior to the date on which the New Units are issued under the Equity Fund Raising (the "**Existing Units**"). Further details pertaining to any adjustments to the distribution period, if any, will be announced at the appropriate time.

(See paragraph 7.5 of the Letter to Unitholders for further details.)

THE PROPOSED SUBSCRIPTION OF NEW UNITS BY THE FCL GROUP UNDER THE PRIVATE PLACEMENT

To enable the FCL Group to be in a position to support FCT, the Manager is seeking Unitholders' approval for the FCL Group to be given the right, in the event that the Private Placement is not fully subscribed for by other investors, to subscribe under the Private Placement for up to the number of New Units which the FCL Group would be required to subscribe for if it intends to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising.

However, in the event that the demand for the New Units under the Private Placement is fully met by investors other than the FCL Group, the FCL Group will not subscribe for any New Units under the Private Placement.

The FCL Group is supportive of the Manager's aim to increase the free float of Units on the SGX-ST, thereby increasing the liquidity and trading volume of the Units, which in turn could potentially lead to a diversification in FCT's unitholder base[1], greater investor interest in FCT and an increase in FCT's weighting in certain benchmark equity indices. Assuming that the maximum number of 152.0 million New Units are issued under the Equity Fund Raising, and further assuming that the FCL Group does not subscribe for any New Units under the Equity Fund Raising, the free float of Units on the SGX-ST is expected to increase by approximately 50.5% and FCL's percentage unitholding in FCT is expected to reduce from 51.9% as at the Latest Practicable Date to 42.0%[2], upon the completion of the Equity Fund Raising.

In the event that the FCL Group subscribes for New Units under the Private Placement, the New Units will be issued to the FCL Group at the same price as the New Units issued to other investors under the Private Placement.

(See paragraph 8 of the Letter to Unitholders for further details.)

---

1 The unitholding interest of existing Unitholders may be diluted by the issue of New Units in certain circumstances (see paragraph 7.1 of the Letter to Unitholders for further details).

2 Taking into account the estimated number of Units to be issued to the Manager as payment for the Northpoint 2 Acquisition Fee and the YewTee Point Acquisition Fee pursuant to Clause 15.2.1 of the Trust Deed, but excluding Units to be issued, if any, in part payment of the Manager's management fee for the period commencing from 1 January 2010 to the date of issue of the New Units.

INDICATIVE TIMETABLE

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	23 January 2010 at 3.00 p.m.
Date and time of the Extraordinary General Meeting (the "**EGM**")	:	25 January 2010 at 3.00 p.m.[(1)]
Target date for completion of the Northpoint 2 Acquisition and the YewTee Point Acquisition	:	To be determined (but is expected to be no later than July 2010)

Note:

(1) The EGM will commence at 3.00 p.m., or as soon thereafter following the conclusion or adjournment of the 1st Annual General Meeting of FCT to be held at 2.30 p.m. on the same day and at the same place.

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. If the approvals sought at the EGM are obtained, the Manager will work with the Sole Financial Adviser and Underwriter(s) to determine the most appropriate time to launch the Equity Fund Raising.

FRASERS CENTREPOINT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 June 2006 (as amended))

Directors of the Manager

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

Registered Office

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

7 January 2010

To: Unitholders of Frasers Centrepoint Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager seeks approvals from Unitholders in relation to the following resolutions:

(i) Resolution 1: The Proposed Northpoint 2 Acquisition (Ordinary Resolution);

(ii) Resolution 2: The Proposed YewTee Point Acquisition (Ordinary Resolution);

(iii) Resolution 3: The Proposed Issue of up to 152.0 million New Units under the Equity Fund Raising (Ordinary Resolution); and

(iv) Resolution 4: The Proposed Subscription of New Units by the FCL Group under the Private Placement (Ordinary Resolution).

Unitholders should note that:

(i) Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition) are NOT inter-conditional upon each other being passed;

(ii) Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition) are each conditional upon Resolution 3 (the Equity Fund Raising) being passed;

(iii) Resolution 3 (the Equity Fund Raising) is conditional upon at least one of Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition) being passed; and

(iv) Resolution 4 (the FCL Group Placement) is conditional upon Resolution 3 (the Equity Fund Raising) being passed.

In the event that Unitholders do not approve both Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition), the Manager will not proceed with Resolution 3 (the Equity Fund Raising). In the event that Unitholders

approve at least one of Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition), the Manager may proceed with Resolution 3 (the Equity Fund Raising).

In the event that Unitholders do not approve Resolution 3 (the Equity Fund Raising), the Manager will not proceed with any of Resolution 1 (the Northpoint 2 Acquisition), Resolution 2 (the YewTee Point Acquisition) and Resolution 4 (the FCL Group Placement).

The following paragraphs set forth key information relating to each of the above-mentioned resolutions.

2. RESOLUTION 1: THE PROPOSED NORTHPOINT 2 ACQUISITION

2.1 Description of Northpoint 2

Northpoint 2 is a six-storey multi-tenanted retail mall comprising two basement levels and four storeys above ground. The retail mall has a Net Lettable Area of 85,530 sq ft and a committed occupancy of 100% as at 31 October 2009. Northpoint 2 is held under a leasehold title of 99 years commencing from 1 April 1990, which will expire at the same time as that of the adjacent Northpoint (one of the three properties in the Existing Portfolio).

Northpoint 2 complements, and is physically integrated with, Northpoint. Northpoint 2's main retail levels on Basement 1 and Levels 1 to 3 are fully connected to the corresponding levels of Northpoint.

Northpoint and Northpoint 2 together form the Enlarged Northpoint Mall with approximately 234,900 sq ft of Net Lettable Area and 234 car park lots as at 31 October 2009. The Enlarged Northpoint Mall is strategically located in the town centre of the Yishun housing estate in the northern region of Singapore, and has direct pedestrian linkages to the Yishun MRT Station and the Yishun Bus Interchange, which are both located in its immediate vicinity.

(See **Appendix A** of this Circular for further details on Northpoint 2.)

2.2 Valuations and Purchase Consideration for Northpoint 2

The Manager has commissioned an independent property valuer, Knight Frank, and the Trustee has commissioned an independent property valuer, JLL, to value Northpoint 2.

The open market value of Northpoint 2 as at 16 November 2009 determined by Knight Frank and JLL is S$165,900,000 and S$163,200,000, respectively. In arriving at the open market value, Knight Frank relied on the investment method and discounted cash flow method and JLL relied on the discounted cash flow method and the direct capitalisation method (see **Appendix D** of this Circular for further details).

Pursuant to the terms and subject to the conditions of the Northpoint 2 Put and Call Option Agreement (including the approval of Unitholders), Northpoint 2 shall be acquired at the Northpoint 2 Purchase Consideration of S$164,550,000 (see paragraph 2.3 below for further details).

The Northpoint 2 Purchase Consideration was arrived at on a willing-buyer and willing-seller basis and is the average of the two independent valuations of Northpoint 2 by Knight Frank and JLL as set out above.

2.3 Put and Call Option Agreement

Grant of the Northpoint 2 Put Option and Northpoint 2 Call Option

Pursuant to the Northpoint 2 Put and Call Option Agreement made between the Trustee and YDPL:

(i) the Trustee was granted a call option which, if exercised by the Trustee, will require YDPL to enter into the Northpoint 2 Sale and Purchase Agreement with the Trustee on the date of such exercise for the sale of Northpoint 2 to the Trustee on the terms and subject to the conditions of the Northpoint 2 Sale and Purchase Agreement (the "**Northpoint 2 Call Option**"); and

(ii) YDPL was granted a put option which, if exercised by YDPL, will require the Trustee to enter into the Northpoint 2 Sale and Purchase Agreement with YDPL on the date of such exercise for the acquisition of Northpoint 2 by the Trustee on the terms and subject to the conditions of the Northpoint 2 Sale and Purchase Agreement (the "**Northpoint 2 Put Option**").

Conditions for the exercise of the Northpoint 2 Put Option and Northpoint 2 Call Option

The right of the Trustee to exercise the Northpoint 2 Call Option and the right of YDPL to exercise the Northpoint 2 Put Option are each conditional upon the prior fulfillment or waiver (as the case may be) of, among other conditions, the following conditions (collectively, the "**Northpoint 2 Conditions Precedent**"):

(i) YDPL having obtained the approval of the head lessor (being the President of the Republic of Singapore and its successors in office) in relation to (a) the sale of Northpoint 2 to the Trustee and (b) the lease or license of premises located in Northpoint 2 to third parties[1];

(ii) the open market value of Northpoint 2 (as determined in accordance with the terms of the Northpoint 2 Put and Call Option Agreement) (the "**Northpoint 2 Average Market Price**"):

  (a) falling within the price range as agreed between YDPL and the Trustee under the Northpoint 2 Put and Call Option Agreement (being S$139.5 million to S$170.5 million), unless such condition is waived by YDPL (in the event that the Northpoint 2 Average Market Price is below the minimum of the agreed price range) or the Trustee (in the event that the Northpoint 2 Average Market Price exceeds the maximum of the agreed price range);

  (b) not being greater than the higher of (I) the open market value of Northpoint 2 determined by a licensed valuer appointed by the Trustee in accordance with the terms of the Northpoint 2 Put and Call Option Agreement and (II) the open market value of Northpoint 2 determined by a licensed valuer appointed by the Manager in accordance with the terms of the Northpoint 2 Put and Call Option Agreement; and

(iii) the Trustee having obtained the approval of Unitholders for (I) the acquisition of Northpoint 2 at a purchase consideration equivalent to the Northpoint 2 Average Market Price[2] and (II) an equity fund raising to be carried out by the Manager for the purpose of raising funds to wholly or partially finance the acquisition of Northpoint 2, at an extraordinary general meeting of Unitholders, unless such condition is waived by the Trustee.

---

1 Approval of the head lessor has been obtained (a) on 17 July 2009 in relation to the sale of Northpoint 2 to the Trustee and (b) on 24 November 2009 and 2 December 2009 in relation to the lease or licence of premises located in Northpoint 2 to third parties.

2 Such purchase consideration being the Northpoint 2 Purchase Consideration of S$164,550,000.

In the event that the Northpoint 2 Condition Precedent set out in sub-paragraph (iii) above is not fulfilled or waived, as the case may be, by 31 March 2010 (or such other date as YDPL and the Trustee may agree), the Northpoint 2 Put and Call Option Agreement will terminate in accordance with the terms of the Northpoint 2 Put and Call Option Agreement.

Exercise of the Northpoint 2 Call Option and Northpoint 2 Put Option

The Trustee may only exercise the Northpoint 2 Call Option during the period commencing on (and including) 12 November 2008 and ending at 5.00 p.m. on 11 May 2010 (the "**Northpoint 2 Call Option Notice Period**"), provided that, among other conditions, the Northpoint 2 Conditions Precedent have either been fulfilled or waived by YDPL or the Trustee, as the case may be.

YDPL may only exercise the Northpoint 2 Put Option during the period of 30 days commencing immediately after the expiry of the Northpoint 2 Call Option Notice Period (the "**Northpoint 2 Put Option Notice Period**"), provided that, among other conditions, (i) the Northpoint 2 Conditions Precedent have either been fulfilled or waived by YDPL or the Trustee, as the case may be, and (ii) the Trustee has not exercised the Northpoint 2 Call Option.

In the event that the Northpoint 2 Conditions Precedent have either been fulfilled or waived by YDPL or the Trustee, as the case may be, but neither the Northpoint 2 Call Option nor the Northpoint 2 Put Option is exercised by the expiry of the Northpoint 2 Call Option Notice Period or the Northpoint 2 Put Option Notice Period, respectively, the Northpoint 2 Put and Call Option Agreement shall terminate upon the expiry of the Northpoint 2 Put Option Notice Period.

The Northpoint 2 Sale and Purchase Agreement

Pursuant to the Northpoint 2 Put and Call Option Agreement, the Manager (on behalf of the Trustee) and YDPL have negotiated in good faith with each other on arms' length basis and have agreed on the terms and conditions of the Northpoint 2 Sale and Purchase Agreement, including all other agreements or documents thereunder required to give effect to the Northpoint 2 Sale and Purchase Agreement and facilitate the completion of the Northpoint 2 Acquisition. Upon the exercise of the Northpoint 2 Call Option by the Trustee or the Northpoint 2 Put Option by YDPL, YDPL and the Trustee shall enter into the Northpoint 2 Sale and Purchase Agreement.

In the event that the certificate of statutory completion has not been obtained for Northpoint 2 by the time of completion of the Northpoint 2 Acquisition, the Trustee shall, on completion of the Northpoint 2 Acquisition, pay to:

(i) YDPL the sum of S$151,386,000 (representing 92.0% of the Northpoint 2 Purchase Consideration); and

(ii) Allen & Gledhill LLP, as stakeholders, the sum of S$13,164,000 (representing 8.0% of the Northpoint 2 Purchase Consideration) (the "**Stakeholding Sum**"). Following the issuance of the certificate of statutory completion for Northpoint 2, the Stakeholding Sum will be released in accordance with the provisions of the Northpoint 2 Sale and Purchase Agreement.

In the event that the certificate of statutory completion for Northpoint 2 has been obtained by the time of completion of the Northpoint 2 Acquisition, the Trustee shall, on completion of the Northpoint 2 Acquisition, pay to YDPL the entire Northpoint 2 Purchase Consideration.

The Supplemental Agreements

The Trustee and YDPL entered into the initial put and call option agreement in respect of the Northpoint 2 Acquisition on 22 October 2007. The Trustee and YDPL subsequently entered into the supplemental agreement on 10 November 2009 and the second supplemental agreement on 7 January 2010 in order to make the following amendments to the initial put and call option agreement to facilitate the Northpoint 2 Acquisition and to cater for the financing of the Northpoint 2 Acquisition by an equity fund raising:

(i) extending the expiry date of the Northpoint 2 Call Option Notice Period to 11 May 2010;

(ii) amending the long stop date for fulfilment of the conditions precedent under the initial put and call option agreement to 31 March 2010;

(iii) including the obtaining of Unitholders' approval for an equity fund raising as an additional condition precedent for the exercise of the Northpoint 2 Put Option and the Northpoint 2 Call Option;

(iv) amending the payment structure of the purchase price of Northpoint 2 by deleting the requirement to pay a 10% deposit; and

(v) including various conditions precedent as described in paragraph 2.6 below for the completion of the Northpoint 2 Acquisition.

2.4 Estimated Northpoint 2 Acquisition Cost

The current estimated Northpoint 2 Acquisition Cost is approximately S$167.0 million, comprising:

(i) the Northpoint 2 Purchase Consideration of S$164,550,000;

(ii) the Northpoint 2 Acquisition Fee of S$1,645,500 (being 1.0 per cent. of the Northpoint 2 Purchase Consideration) payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed; and

(iii) the estimated professional and other fees and expenses of approximately S$0.8 million[1] which will be incurred by FCT in connection with the Northpoint 2 Acquisition.

As the Northpoint 2 Acquisition will constitute an "interested party transaction" under Paragraph 5 of the Property Funds Guidelines, the Northpoint 2 Acquisition Fee payable to the Manager will be in the form of Units, which shall be issued at the Prevailing Market Price and shall not be sold within one year from their date of issuance.

2.5 Stamp Duty Remission for the Northpoint 2 Acquisition

The Stamp Duties (Real Estate Investment Trusts) (Remission) Rules 2005 (the "**Stamp Duties Rules**") provides that the stamp duty payable under the Stamp Duties Act, Chapter 312 of Singapore on any contract, agreement or instrument entered into during the period from 1 January 2006 to 17 February 2010 (both dates inclusive) relating to the conveyance, assignment or transfer on sale of properties to a real estate investment trust ("**REIT**") shall be remitted (the "**Stamp Duty Remission**").

---

1 It is expected that most of the professional and other fees and expenses in connection with the Northpoint 2 Acquisition will be incurred by FCT even if the Manager does not proceed with the Northpoint 2 Acquisition.

Subject to the Northpoint 2 Acquisition being approved at the EGM and barring unforeseen circumstances, it is expected that the Northpoint 2 Sale and Purchase Agreement will be entered into on or before 17 February 2010, thereby qualifying for the Stamp Duty Remission. Accordingly, no stamp duty has been provided for in the Northpoint 2 Acquisition Cost in paragraph 2.4 above.

However, in the event that the Northpoint 2 Sale and Purchase Agreement is entered into after 17 February 2010 and the Stamp Duty Remission does not apply, the stamp duty payable by FCT based on the Northpoint 2 Purchase Consideration of S$164,550,000 will be approximately S$4.9 million in accordance with the prevailing rates.

2.6 Conditions Precedent for the Completion

Completion of the sale and purchase of Northpoint 2 shall occur within six months from (and including) the date of the extraordinary general meeting of Unitholders to be convened for the purpose of obtaining the approval of Unitholders for an equity fund raising to be carried out by the Manager for the purpose of raising funds to wholly or partially finance the acquisition of Northpoint 2, and pursuant to the Northpoint 2 Sale and Purchase Agreement, is conditional upon, among others, the following:

(i) there being no written notice having been issued by the Manager to the Trustee before the date fixed for completion of the sale and purchase of Northpoint 2 that, in the Manager's reasonable opinion, the market conditions then prevailing are not conducive for (a) the raising of adequate funds (including any equity fund raising) and/or (b) the raising of funds (including any equity fund raising) on reasonable terms or in a manner that will be beneficial to the overall interests of FCT and Unitholders, for the purpose of completing the purchase of Northpoint 2;

(ii) there being no stop order or similar order having been issued by the Monetary Authority of Singapore (the "**MAS**") or any court or other judicial, governmental or regulatory authority in relation to the equity fund raising;

(iii) the approval in-principle of the SGX-ST for the listing and quotation of the new Units to be issued pursuant to the equity fund raising not having been revoked or withdrawn; and

(iv) (where the equity fund raising is underwritten) the fulfillment of the obligations of the underwriter(s) under the underwriting agreement in relation to the equity fund raising and such underwriting agreement not having been terminated.

3. RESOLUTION 2: THE PROPOSED YEWTEE POINT ACQUISITION

3.1 Description of YewTee Point

YewTee Point is a two-storey multi-tenanted retail mall comprising one basement level and one storey above ground. The property has a Net Lettable Area of 72,382 sq ft and a committed occupancy of 98.3% as at 31 October 2009. YewTee Point is held under a leasehold title of 99 years commencing from 3 January 2006.

YewTee Point is the only fully enclosed and air-conditioned retail mall in the Yew Tee town centre, and together with YewTee Residences (comprising 139 units of private apartments), forms the YewTee Development. The development is located adjacent to the Yew Tee MRT Station.

(See **Appendix A** of this Circular for further details on YewTee Point.)

3.2 Valuations and Purchase Consideration for YewTee Point

The Manager has commissioned an independent property valuer, Knight Frank, and the Trustee has commissioned an independent property valuer, JLL, to value YewTee Point.

The open market value of YewTee Point as at 16 November 2009 determined by Knight Frank and JLL is S$126,500,000 and S$124,800,000, respectively. In arriving at the open market value, Knight Frank relied on the investment method and discounted cash flow method and JLL relied on the discounted cash flow method and the direct capitalisation method (see **Appendix D** of this Circular for further details).

Pursuant to the terms and subject to the conditions of the YewTee Point Put and Call Option Agreement (including the approval of Unitholders), YewTee Point shall be acquired at the YewTee Point Purchase Consideration of S$125,650,000.

The YewTee Point Purchase Consideration was arrived at on a willing-buyer and willing-seller basis and is the average of the two independent valuations of YewTee Point by Knight Frank and JLL as set out above.

3.3 Put and Call Option Agreement

Grant of the YewTee Point Put Option and YewTee Point Call Option

On 7 January 2010, the Trustee entered into the YewTee Point Put and Call Option Agreement with YDPL, pursuant to which:

(i) the Trustee was granted a call option which, if exercised by the Trustee, will require YDPL to enter into the YewTee Point Sale and Purchase Agreement with the Trustee on the date of such exercise for the sale of YewTee Point to the Trustee on the terms and subject to the conditions of the YewTee Point Sale and Purchase Agreement (the "**YewTee Point Call Option**"); and

(ii) YDPL was granted a put option which, if exercised by YDPL, will require the Trustee to enter into the YewTee Point Sale and Purchase Agreement with YDPL on the date of such exercise for the acquisition of YewTee Point by the Trustee on the terms and subject to the conditions of the YewTee Point Sale and Purchase Agreement (the "**YewTee Point Put Option**").

Conditions for the Exercise of the YewTee Point Put Option and the YewTee Point Call Option

The right of the Trustee to exercise the YewTee Point Call Option, and the right of YDPL to exercise the YewTee Point Put Option, are each conditional upon the prior fulfilment or waiver (as the case may be) of, among others, the Trustee having obtained the approval of Unitholders for (I) the acquisition of YewTee Point at the YewTee Point Purchase Consideration and (II) an equity fund raising to be carried out by the Manager for the purpose of raising funds to wholly or partially finance the acquisition of YewTee Point, at an extraordinary general meeting of Unitholders, unless such conditions are waived by the Trustee (the "**YewTee Point Conditions Precedent**").

In the event that the YewTee Point Conditions Precedent are not fulfilled or waived, as the case may be, by 31 March 2010 (or such other date as YDPL and the Trustee may agree), the YewTee Point Put and Call Option Agreement will terminate in accordance with the terms of the YewTee Point Put and Call Option Agreement.

Exercise of the YewTee Point Call Option and YewTee Point Put Option

The Trustee may only exercise the YewTee Point Call Option during the period commencing on (and including) 7 January 2010 and ending at 5.00 p.m. on 7 April 2010 (the "**YewTee Point Call Option Notice Period**"), provided that, among others, the YewTee Point Conditions Precedent have either been fulfilled or waived by the Trustee, as the case may be.

YDPL may only exercise the YewTee Point Put Option during the period of 30 days commencing immediately after the expiry of the YewTee Point Call Option Notice Period (the "**YewTee Point Put Option Notice Period**"), provided that, among others, (i) the YewTee Point Conditions Precedent have either been fulfilled or waived by the Trustee, as the case may be, and (ii) the Trustee has not exercised the YewTee Point Call Option.

In the event that the YewTee Point Conditions Precedent have either been fulfilled or waived by the Trustee, as the case may be, but neither the YewTee Point Call Option nor the YewTee Point Put Option is exercised by the expiry of the YewTee Point Call Option Notice Period or the YewTee Point Put Option Notice Period, respectively, the YewTee Point Put and Call Option Agreement shall terminate upon the expiry of the YewTee Point Put Option Notice Period.

The YewTee Point Sale and Purchase Agreement

Pursuant to the YewTee Point Put and Call Option Agreement, the Manager (on behalf of the Trustee) and YDPL have negotiated in good faith with each other on arms' length basis and have agreed on the terms and conditions of the YewTee Point Sale and Purchase Agreement, including all other agreements or documents thereunder required to give effect to the YewTee Point Sale and Purchase Agreement and facilitate the completion of the YewTee Point Acquisition. Upon the exercise of the YewTee Point Call Option by the Trustee or the YewTee Point Put Option by YDPL, YDPL and the Trustee shall enter into the YewTee Point Sale and Purchase Agreement.

3.4 Estimated YewTee Point Acquisition Cost

The current estimated YewTee Point Acquisition Cost is approximately S$127.7 million, comprising:

(i) the YewTee Point Purchase Consideration of S$125,650,000;

(ii) the YewTee Point Acquisition Fee of S$1,256,500 (being 1.0 per cent. of the YewTee Point Purchase Consideration) payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed; and

(iii) the estimated professional and other fees and expenses of approximately S$0.8 million[1] which will be incurred by FCT in connection with the YewTee Point Acquisition.

As the YewTee Point Acquisition will constitute an "interested party transaction" under Paragraph 5 of the Property Funds Guidelines, the YewTee Point Acquisition Fee payable to the Manager in respect of the YewTee Point Acquisition will be in the form of Units, which shall be issued at the Prevailing Market Price and shall not be sold within one year from their date of issuance.

---

1 It is expected that most of the professional and other fees and expenses in connection with the YewTee Point Acquisition will be incurred by FCT even if the Manager does not proceed with the YewTee Point Acquisition.

3.5 Stamp Duty Remission for the YewTee Point Acquisition

As mentioned in paragraph 2.5 above, the Stamp Duties Rules provides for the Stamp Duty Remission on any contract, agreement or instrument entered into during the period from 1 January 2006 to 17 February 2010 (both dates inclusive) relating to the conveyance, assignment or transfer on sale of properties to a REIT.

Subject to the YewTee Point Acquisition being approved at the EGM and barring unforeseen circumstances, it is expected that the YewTee Point Sale and Purchase Agreement will be entered into on or before 17 February 2010, thereby qualifying for the Stamp Duty Remission. Accordingly, no stamp duty has been provided for in the YewTee Point Acquisition Cost in paragraph 3.4 above.

However, in the event that the YewTee Point Sale and Purchase Agreement is entered into after 17 February 2010 and the Stamp Duty Remission does not apply, the stamp duty payable by FCT based on the YewTee Point Purchase Consideration of S$125,650,000 will be approximately S$3.8 million in accordance with the prevailing rates.

3.6 Conditions Precedent for the Completion

Completion of the sale and purchase of YewTee Point shall occur within six months from (and including) the date of the extraordinary general meeting of Unitholders to be convened for the purpose of obtaining the approval of Unitholders for an equity fund raising to be carried out by the Manager for the purpose of raising funds to wholly or partially finance the acquisition of YewTee Point, and pursuant to the YewTee Point Sale and Purchase Agreement, is conditional upon, among others, the following:

(i) there being no written notice having been issued by the Manager to the Trustee before the date fixed for completion of the sale and purchase of YewTee Point that, in the Manager's reasonable opinion, the market conditions then prevailing are not conducive for (a) the raising of adequate funds (including any equity fund raising) and/or (b) the raising of funds (including any equity fund raising) on reasonable terms or in a manner that will be beneficial to the overall interest of FCT and Unitholders, for the purpose of completing the purchase of YewTee Point;

(ii) there being no stop order or similar order having been issued by the MAS or any court or other judicial, governmental or regulatory authority in relation to the equity fund raising;

(iii) the approval in-principle of the SGX-ST for the listing and quotation of the new Units to be issued pursuant to the equity fund raising not having been revoked or withdrawn; and

(iv) (where the equity fund raising is underwritten) the fulfilment of the obligations of the underwriter(s) under the underwriting agreement in relation to the equity fund raising and such underwriting agreement not having been terminated.

3.7 Subsidiary Strata Certificates of Title for YewTee Point

As mentioned above, YewTee Point forms part of the YewTee Development which includes YewTee Residences (comprising 139 units of private apartments), developed by Choice Homes Alpha Pte. Ltd. (the "**Developer**"), a unit of NTUC Choice Homes Co-operative Ltd. Pursuant to the terms of a definitive agreement entered into by YDPL in 2007 when the YewTee Development was still under construction, the sale and purchase agreement in respect of YDPL's purchase of YewTee Point was entered into between YDPL and the Developer on 10 July 2009 (the "**YDPL-Developer SPA**"), in accordance with the acquisition process contemplated in the definitive agreement. As at the Latest Practicable Date, all units comprised in the YewTee

Development (which obtained temporary occupation permit ("**TOP**") on 30 December 2008) remain under a single title held by the Developer, pending the issuance by the Singapore Land Authority of the subsidiary strata certificates of title for the individual units comprised in the development. Accordingly and pursuant to the terms of the YDPL-Developer SPA, YDPL has retained a final payment of S$9,200,000 (the "**Legal Completion Moneys**") from the purchase consideration payable to the Developer under the YDPL-Developer SPA.

In the event that the subsidiary strata certificates of title for YewTee Point are not issued (and legal completion of the YDPL-Developer SPA has not taken place) by the time of completion of the YewTee Point Acquisition:

(i) completion of the YewTee Point Acquisition will be effected by:

  (a) an assignment by YDPL to the Trustee of the estate, rights, title, benefits and interest of YDPL in and relating to YewTee Point under the YDPL-Developer SPA; and

  (b) the entry into by the Trustee of a sale and purchase agreement with the Developer in respect of YewTee Point (the "**FCT-Developer SPA**"), which will be in the prescribed form under the Sale of Commercial Properties Rules (Chapter 281, Section 10) with amendments thereto approved by the Controller of Housing; and

(ii) the Trustee will pay to YDPL the sum of S$116,450,000 (being the YewTee Point Purchase Consideration less the Legal Completion Moneys).

The Legal Completion Moneys will be paid by the Trustee to the Developer upon the Developer's delivery of the subsidiary strata certificates of title and instrument of transfer for YewTee Point to the Trustee.

In the event that the subsidiary certificates of title for YewTee Point have been issued and legal completion under the YDPL-Developer SPA has taken place by the time of completion of the YewTee Point Acquisition, the entire YewTee Point Purchase Consideration will be paid by the Trustee to YDPL on completion of the YewTee Point Acquisition.

3.8 Master Lease of YewTee Point

Pursuant to the terms of its purchase of YewTee Point from the Developer, YDPL was granted a master lease in respect of YewTee Point (the "**Master Lease**")[1] by the Developer under a master lease agreement (the "**Master Lease Agreement**") dated 19 January 2009. The Master Lease was entered into to facilitate, among other things, the leasing of the retail mall to tenants, interior design works for the retail mall and the start-up and stabilisation of the retail mall's operations prior to the entering into of the YDPL-Developer SPA. YDPL's obligations under the Master Lease, including the payment of rent, are currently suspended with the agreement of the Developer. However, if and when the Legal Completion Moneys become due but there is a default by YDPL in its payment of the Legal Completion Moneys, the Developer has the right to annul the YDPL-Developer SPA and require YDPL to perform its obligations under the Master Lease.

In the event that the subsidiary strata certificates of title for YewTee Point are not issued and legal completion under the YDPL-Developer SPA has not taken place by the time of completion of the YewTee Point Acquisition, the Trustee will enter into the FCT-Developer SPA along with the novation of the Master Lease from YDPL to the Trustee, on the premise that the Trustee will

---

1 The Master Lease is for a period of 10 years commencing on 19 January 2009, with monthly rent payable at a rate of S$36.76 per sq m of Gross Floor Area (as defined herein) of YewTee Point (such rent amounting to a total of approximately S$387,640 per month), subject to market reviews at the third, sixth and ninth anniversary dates of the commencement date.

assume YDPL's obligations and enjoy YDPL's rights described above, including the right to suspension of rent payment and other obligations under the Master Lease.

When the Trustee makes payment of the Legal Completion Moneys (which represent approximately 7.3% of the YewTee Point Purchase Consideration) to the Developer as and when they become due and completes the acquisition of YewTee Point under the FCT-Developer SPA, the Master Lease will end by operation of law.

The Manager will ensure that adequate funds will be set aside by FCT to make full payment of the Legal Completion Moneys, so as to ensure the legal completion of the FCT-Developer SPA and the cessation of the Master Lease.

4. THE RATIONALE FOR THE ACQUISITIONS OF NORTHPOINT 2 AND YEWTEE POINT

4.1 Competitive Strengths of Northpoint 2 and YewTee Point

Northpoint 2 and YewTee Point are strategically located in the town centres of established high-density housing estates and enjoy high levels of connectivity to public transportation facilities. In addition, both properties benefit from captive shopper catchments, high occupancy rates, diverse bases of quality tenants, and exposure to the resilient suburban retail property market in Singapore.

(See paragraph 5 below for further details.)

4.2 Consistent with the Manager's Investment Strategy

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

4.3 DPU Accretion

Unitholders are expected to enjoy a higher DPU as a result of the Northpoint 2 Acquisition and the YewTee Point Acquisition at purchase considerations which are reflective of the levels of cash flow which they are expected to generate, in combination with an optimal debt and equity funding plan to be determined by the Manager.

To illustrate the expected DPU accretions resulting from the Northpoint 2 Acquisition, the YewTee Point Acquisition and the Acquisitions (each in combination with an illustrative debt and equity funding plan), the table (the "**Forecast DPU Table**") presented on pages 25 and 26 below shows FCT's forecast DPU (annualised) in relation to:

(i) the Existing Assets[1];

(ii) the Existing Assets and the Northpoint 2 Acquisition only;

(iii) the Existing Assets and the YewTee Point Acquisition only; and

(iv) the Existing Assets and the Acquisitions,

for the Forecast Period 2010.

---

1 "**Existing Assets**" comprises the Existing Portfolio and other assets held by FCT as at the Latest Practicable Date.

In deriving the information shown in the Forecast DPU Table, it has been assumed, for illustrative purposes only, that FCT will incur the following borrowings to part finance the Northpoint 2 Acquisition Cost and/or the YewTee Point Acquisition Cost:

	Assumed Borrowings (S$ million)
For the Northpoint 2 Acquisition only	74.0
For the YewTee Point Acquisition only	56.5
For the Acquisitions	130.6

The above assumed borrowings are based on a realistic illustrative debt funding levels of 45.0%, in light of current market conditions, for each of the Northpoint 2 Purchase Consideration, the YewTee Point Purchase Consideration and the aggregate of the Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration.

Notwithstanding the above, the actual debt and equity funding plan to be adopted by the Manager will depend on, among others, prevailing market conditions, the demand for New Units, the Issue Price and the terms and interest rates of available debt and loan facilities. The Manager will determine the funding structure taking into account, among others, the above considerations, for the overall benefit of FCT and Unitholders.

In conjunction with the other assumptions as set out in this Circular, the above assumed borrowings will increase FCT's Aggregate Leverage[1] from 30.4% as at 1 January 2010 to (i) 32.1% for the Northpoint 2 Acquisition only, (ii) 31.8% for the YewTee Point Acquisition only and (iii) 33.2% for the Acquisitions (see paragraph 6.1.3 below for further details). In each case, it has been further assumed that the balances of the Northpoint 2 Acquisition Cost and/or the YewTee Point Acquisition Cost (as the case may be) will be funded by the net proceeds[2] from the Equity Fund Raising.

Based on the illustrative debt and equity funding plans as described above, the Forecast DPU Table also shows the estimated number of New Units that will be issued under the Equity Fund Raising for each of the above acquisition scenarios, in relation to various assumed Issue Prices ranging from S$1.10 to S$1.50 per New Unit (for illustrative purposes only).

Using the illustrative Issue Price of S$1.30[3] per New Unit as an example, and based on the assumption that borrowings of S$130.6 million will be incurred to part finance the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, the Forecast DPU Table shows that:

(i) approximately 128.1 million New Units will be issued under the Equity Fund Raising in order to finance the balance of the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost; and

---

1 "**Aggregate Leverage**" refers to the ratio of FCT's total borrowings and deferred payments (if any) to the value of the Deposited Property.

2 Gross proceeds from the Equity Fund Raising after deducting costs and expenses in connection with the Equity Fund Raising (see paragraph 7.4 below for further details).

3 The illustrative Issue Price of S$1.30 is at a discount of 7.1% to the last traded price of S$1.40 per Unit on the SGX-ST on the Latest Practicable Date. The Manager believes that S$1.30 is a realistic illustrative Issue Price for the purposes of this Circular having regard to Rule 811 of the Listing Manual which allows the New Units to be issued at a discount of up to 10.0% to the volume weighted average price for trades done on the SGX-ST for the full market day on which the placement agreement is signed. The actual Issue Price can only be determined at the commencement of the Equity Fund Raising upon discussion with the Underwriter(s), after taking into account the prevailing market conditions and the relevant requirements under Rule 811 of the Listing Manual.

(ii) the Acquisitions (in combination with the illustrative debt and equity funding plan as set out above) are expected to provide a DPU accretion of 0.26 cents (on an annualised basis), which will increase FCT's annualised DPU by approximately 3.4% from 7.70 cents to 7.96 cents for the Forecast Period 2010.

The Forecast DPU Table must be read together with the detailed forecast statement of FCT's Net Income and distribution for the Forecast Period 2010, the accompanying assumptions and sensitivity analysis in **Appendix B** of this Circular (collectively, the "**Profit Forecast**") and the report of Ernst & Young LLP, who has been appointed as the independent accountants (the "**Independent Accountants**") (who have examined the Profit Forecast) in **Appendix C** of this Circular.

Forecast DPU[1] Table

Illustrative Issue Price[4] per New Unit	Estimated Number of New Units[2] ('000)			DPU	Forecast Period 2010 (1 January 2010 to 30 September 2010) (Annualised)[3]			
	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions		Existing Assets	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions
S$1.10	86,775	66,765	151,406	DPU (cents)	7.70	7.70	7.71	7.73
				DPU increase over Existing Assets	—	0.0%	0.1%	0.3%
S$1.15	83,002	63,862	144,823	DPU (cents)	7.70	7.74	7.74	7.79
				DPU increase over Existing Assets	—	0.5%	0.5%	1.1%
S$1.20	79,543	61,201	138,789	DPU (cents)	7.70	7.78	7.77	7.85
				DPU increase over Existing Assets	—	1.0%	0.9%	1.9%
S$1.25	76,362	58,753	133,237	DPU (cents)	7.70	7.82	7.80	7.91
				DPU increase over Existing Assets	—	1.4%	1.3%	2.7%
S$1.30	73,425	56,494	128,113	DPU (cents)	7.70	7.85	7.83	7.96
				DPU increase over Existing Assets	—	1.9%	1.6%	3.4%
S$1.35	70,705	54,401	123,368	DPU (cents)	7.70	7.88	7.85	8.01
				DPU increase over Existing Assets	—	2.3%	1.9%	4.0%
S$1.40	68,180	52,458	118,962	DPU (cents)	7.70	7.91	7.87	8.06
				DPU increase over Existing Assets	—	2.6%	2.2%	4.6%
S$1.45	65,892	50,649	114,860	DPU (cents)	7.70	7.93	7.89	8.11
				DPU increase over Existing Assets	—	3.0%	2.5%	5.2%
S$1.50	63,635	48,961	111,031	DPU (cents)	7.70	7.96	7.91	8.15
				DPU increase over Existing Assets	—	3.3%	2.7%	5.7%

Notes:

(1) For the computation of DPU, the total number of Units issued includes the Existing Units, the New Units and the Units to be issued as payment for (i) the Northpoint 2 Acquisition Fee and/or the YewTee Point Acquisition Fee (as the case may be) payable to the Manager, and (ii) the portion of the Manager's management fee in respect of the Forecast Period 2010 assumed to be paid in the form of Units.

(2) Refers to the estimated number of New Units to be issued under the Equity Fund Raising at the respective illustrative Issue Price, in order to raise the required net proceeds to finance the Northpoint 2 Acquisition Cost, the YewTee Point Acquisition Cost and the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost (as the case may be), taking into account the illustrative assumed borrowings set out on page 23 above.

(3) The forecast DPU will vary to the extent that the New Units are issued on a date other than 1 January 2010.

(4) The actual Issue Price will be determined by the Manager when it decides to carry out the Equity Fund Raising, taking into account the then prevailing market conditions and will be subject to relevant requirements under the Listing Manual and the Trust Deed.

4.4 Greater Trading Liquidity and Investor Interest

The issue of the New Units to part finance the Acquisitions is expected to significantly increase the free float of Units on the Main Board of the SGX-ST, thereby increasing the liquidity and trading volume of the Units. This could potentially lead to a diversification in FCT's unitholder base, greater investor interest in FCT and an increase in FCT's weighting in certain benchmark equity indices. It should however be noted that the unitholding interest of existing Unitholders may be diluted by the issue of New Units in certain circumstances (see paragraph 7.1 below for further details).

4.5 Greater Asset Size and Flexibility for Future Acquisitions

Immediately following the Acquisitions, the value of the Deposited Property is expected to increase by 25.2% from S$1,167.2 million as at 1 January 2010 to S$1,461.9 million. The larger asset base and number of Units are expected to enhance FCT's overall capital management flexibility and debt and equity fund raising capacities, which will, among others, facilitate future acquisitions by FCT.

4.6 Greater Income Diversification and Enlarged Tenant Base

The Acquisitions are expected to benefit FCT and Unitholders by improving income diversification and reducing the reliance of FCT's income stream on the contribution from any single asset and any one or more major tenants.

Following the Acquisitions, the maximum contribution to FCT's Net Property Income by any single property within FCT's property portfolio is expected to decrease from 64.1% to 50.6% based on the forecast Net Property Income contribution for the Forecast Period 2010, as illustrated in the table below.

Net Property Income Contribution for the Forecast Period 2010

	Existing Portfolio	Enlarged Portfolio
Causeway Point	64.1%	50.6%
Northpoint	29.5%	23.3%
Anchorpoint	6.4%	5.1%
Northpoint 2		11.8%
YewTee Point		9.2%
Total	**100%**	**100%**

Following the Acquisitions, it is expected that FCT's tenant base will be enlarged and further diversified with the addition of more than 70 new tenants, including NTUC FairPrice and the National Library Board, which were not tenants in the Existing Portfolio as at 31 October 2009. As at 31 October 2009, the top 10 committed tenants of the Existing Portfolio accounted for 32.7%[1] of the Existing Portfolio's Gross Rental Income[2], whereas the top 10 committed tenants

---

1 A change in the top 10 committed tenants of the Existing Portfolio occurred on 24 December 2009, where the lease to Horizon Foodmalls (Causeway) Pte Ltd was replaced by a lease to Banquet Holdings Pte Ltd. Assuming that this replacement occurred on 31 October 2009, the contribution of the top 10 tenants to the Gross Rental Income of the Existing Portfolio as at 31 October 2009 would be 34.1% on a pro forma basis, due to a larger aggregate contribution by Banquet Holdings Pte Ltd as compared to the contribution by Horizon Foodmalls (Causeway) Pte Ltd. (See page A-8 of **Appendix A** of this Circular for further details.)

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

of the Enlarged Portfolio will account for a reduced 25.7%[1] of the Enlarged Portfolio's Gross Rental Income. This illustrates that the enlarged tenant base as a result of the Acquisitions will diversify FCT's income stream and will reduce FCT's reliance on the income contribution from any one or more major tenants.

4.7 Further Geographical Diversification and Larger Market Share

The Northpoint 2 Acquisition will enable FCT to significantly strengthen its presence and competitive position in and around the Yishun housing estate located in the northern region of Singapore. The YewTee Point acquisition will allow FCT to diversify its portfolio of properties geographically, and to gain exposure to the market in and around the Yew Tee housing estate located in the north-western region of Singapore. Additionally, the Acquisitions will enlarge FCT's share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants.

4.8 Economies of Scale

The addition of Northpoint 2 and YewTee Point to the Existing Portfolio will increase FCT portfolio's Net Lettable Area by approximately 24.7% to over 797,400 sq ft. The Manager believes that the Enlarged Portfolio will enjoy greater operating synergies and economies of scale in the long term, thereby resulting in more efficient use of resources and cost competitiveness.

5 COMPETITIVE STRENGTHS OF NORTHPOINT 2 AND YEWTEE POINT

5.1 Strategic Locations

Northpoint 2 and YewTee Point are strategically located in the town centres of the Yishun and Yew Tee housing estates, respectively, and are also in the immediate vicinities of MRT stations. In addition, Northpoint 2 is located next to the Yishun Bus Interchange. The Manager believes that these attributes will enhance the properties' ability to draw high volumes of shoppers, thereby sustaining the properties' occupancy rates, rental rates and income.

5.2 Captive Shopper Catchments

Both Northpoint 2 and YewTee Point benefit from captive shopper catchments and high shopper traffic.

Northpoint 2, together with Northpoint, forms the Enlarged Northpoint Mall, an integrated enlarged retail development. The Enlarged Northpoint Mall is the dominant shopping, dining and community hub in Yishun, serving an estimated resident population of 187,200 in its primary trade area and a further 223,100 in its secondary trade area. In the 12 months ended 31 October 2009, the Enlarged Northpoint Mall reported an aggregate shopper traffic of 22.6 million[2].

---

1 A change in the top 10 committed tenants of the Enlarged Portfolio occurred on 24 December 2009, where the lease to Horizon Foodmalls (Causeway) Pte Ltd was replaced by a lease to Banquet Holdings Pte Ltd. Assuming that this replacement occurred on 31 October 2009, the contribution of the top 10 tenants to the Gross Rental Income of the Enlarged Portfolio as at 31 October 2009 would be 26.9% on a pro forma basis, due to a larger aggregate contribution by Banquet Holdings Pte Ltd as compared to the contribution by Horizon Foodmalls (Causeway) Pte Ltd. (See page A-10 of **Appendix A** of this Circular for further details.)

2 Based on data recorded by electronic traffic counters.

YewTee Point is the only fully enclosed and air-conditioned retail mall in the Yew Tee town centre and serves an estimated resident population of 66,600 in its primary trade area and a further 113,500 in its secondary trade area. In addition, it also draws shoppers from schools and military camps located in and around the Yew Tee housing estate, as well as from the large Sungei Kadut Industrial Estate located nearby. In the four months ended 31 October 2009, YewTee Point reported an annualised shopper traffic of 10.9 million[1].

The Singapore Retail Market Overview Report is provided as **Appendix F** of this Circular, in which further information on Northpoint 2 and YewTee Point has been provided. These information include the characteristics of the properties' respective trade areas and other major public and private sector retail developments located within their respective trade areas, which may pose as varying degrees of competition to Northpoint 2 and YewTee Point. None of the major private sector retail malls identified in the Singapore Retail Market Overview Report are located within the primary trade areas of Northpoint 2 and YewTee Point. The major private sector retail malls located within the secondary trade areas of Northpoint 2 and YewTee Point identified in the Singapore Retail Market Overview Report include Sembawang Shopping Centre and Sun Plaza in the case of Northpoint 2, and Lot One Shoppers' Mall in the case of YewTee Point.

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

5.3 High Occupancy Rates and Diverse Tenant Base

Northpoint 2 and YewTee Point both enjoy high committed occupancy rates, which stood at 100% and 98.3%, respectively, as at 31 October 2009. Each property also has a diverse base of quality tenants.

Northpoint 2's anchor tenant is the National Library Board[2]. It operates the Yishun Public Library at Northpoint 2, which attracts a considerable number of visitors to the property. Northpoint 2 also features a diverse mix of products, services and food and beverage offered by well-established brands that include Bakerzin, Xin Wang Hong Kong Café, Ishi Mura, Suki Sushi, Eu Yan Sang, Spectacle Hut, Levi's, G2000 and City Chain.

YewTee Point's anchor tenant is NTUC FairPrice (the largest supermarket retailer in Singapore), which operates a supermarket at YewTee Point. YewTee Point's diverse tenant base includes well-established brands such as Koufu food court, Toast Box, Xin Wang Hong Kong Café, Sushi Deli, Four Leaves, Watson's, Home-Fix The D.I.Y. Store and Citispa.

The Manager believes that the high occupancy rates and diverse bases of quality tenants that Northpoint 2 and YewTee Point enjoy will help both properties sustain strong and stable cash flows.

5.4 Exposure to the Resilient Suburban Retail Property Market

Both Northpoint 2 and YewTee Point will strengthen FCT's exposure to Singapore's resilient suburban retail property market, where controlled new supply and robust demand have contributed to steady growth in market rents in recent years. In addition, the trade mix in both Northpoint 2 and YewTee Point have considerable emphasis on daily necessities and basic and essential types of goods and services, which is expected to lower the volatility of the retail malls' business volume and income.

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

---

1 Based on data recorded over a four-month period by electronic traffic counters installed in July 2009.

2 The rent payable under this lease is reflective of the Civic and Community Institutional nature of the National Library Board (see page A-1 of this Circular for further details).

6 DETAILS OF THE NORTHPOINT 2 ACQUISITION AND THE YEWTEE POINT ACQUISITION

6.1 Method of Proposed Financing

6.1.1 Equity Fund Raising

The Manager proposes to issue up to 152.0 million[1] New Units to part finance the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, with the balance to be funded by borrowings, which may include the FCT Loan Facilities.

In the event that Unitholders approve only one of either the Northpoint 2 Acquisition or the YewTee Point Acquisition, the Manager will determine the optimal funding structure for the Northpoint 2 Acquisition or the YewTee Point Acquisition (as the case may be). In such a situation, the amount of gross proceeds to be raised from, and the number of New Units to be issued under, the Equity Fund Raising will be determined according to the funding structure to be adopted by the Manager. However, the number of New Units to be issued under the Equity Fund Raising will in any event not exceed 152.0 million, which represents 24.3% of the 626,565,443 Units in issue as at the Latest Practicable Date.

In determining the funding structure for the Northpoint 2 Acquisition and/or the YewTee Point Acquisition, the Manager will take into account the prevailing market conditions and the impact on FCT's capital structure and DPU, among other things, so that the Northpoint 2 Acquisition and/or the YewTee Point Acquisition are beneficial to the overall interests of FCT and Unitholders.

The illustrative debt and equity funding plan adopted in this Circular is based on a realistic debt funding level of 45.0%, in light of current market conditions, for each of the Northpoint 2 Purchase Consideration, the YewTee Point Purchase Consideration and the aggregate of the Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration. However, the actual debt and equity funding plan to be adopted by the Manager will depend on, among others, prevailing market conditions, the demand for New Units, the Issue Price and the terms and interest rates of available debt and loan facilities. Based on current market conditions, it is expected that following the completion of the Northpoint 2 Acquisition and YewTee Point Acquisition (assuming both are approved) and the Equity Fund Raising, FCT's Aggregate Leverage will not differ materially from the illustration provided in paragraph 4.3 above.

(See paragraph 7.1 below for further details.)

6.1.2 Debt Financing

The Manager has put in place the following FCT Loan Facilities, which may be utilised to part finance the Northpoint 2 Acquisition Cost and/or the YewTee Point Acquisition Cost, in accordance with the funding structure to be determined by the Manager:

(i) a S$100.0 million multicurrency bridge loan facility with DBS Bank Ltd., which has not been utilised as at the Latest Practicable Date. DBS Bank Ltd. has also granted to FCT an increase of S$75.0 million under this facility for a tenure of six

---

1 As shown in the Forecast DPU Table in paragraph 4.3 above, approximately 151,406,000 New Units are estimated to be issued based on the illustrative Issue Price of S$1.10, taking into consideration the illustrative debt and equity funding plan as set out in this Circular and assuming that both the Northpoint 2 Acquisition and the YewTee Point Acquisition are approved at the EGM. The maximum number of 152.0 million New Units was arrived at by rounding up such number.

months, subject to certain conditions, effective from the date of first drawdown or 28 February 2010, whichever is the earlier[1];

(ii) a S$20.0 million bridge loan facility with Oversea-Chinese Banking Corporation Limited, of which S$10.0 million has been utilised as at the Latest Practicable Date;

(iii) a S$500.0 million multicurrency medium term note programme established through FCT MTN Pte Ltd., of which S$75.0 million has been issued and fully drawn down as at the Latest Practicable Date. FCT MTN Pte Ltd. is a wholly-owned subsidiary of the Trustee whose main objective is to issue notes under the S$500.0 million multicurrency medium term note programme and to lend the proceeds from the issuance of such notes to FCT; and

(iv) a S$1.0 billion multicurrency secured medium term note programme by Star Topaz, of which S$260.0 million has been issued and fully drawn down as at the Latest Practicable Date. Star Topaz is a special purpose company established to issue notes under the S$1.0 billion multicurrency secured medium term note programme and to lend the proceeds from the issuance of such notes to FCT.

The following table sets out the interest rates and maturity dates of the FCT Loan Facilities currently being utilised by FCT:

Facility	Amount Utilised (S$'000)	Interest Rate (%)	Maturity Date
S$20.0 million bridge loan facility with Oversea-Chinese Banking Corporation Limited	10,000	2.7100	February 2010
S$500.0 million multicurrency medium term note programme established through FCT MTN Pte Ltd.	75,000	4.8000	June 2012
S$1.0 billion multicurrency secured medium term note programme by Star Topaz	260,000	4.1181(1)	July 2011

Note:

(1) Average interest rate after taking into account an interest rate swap in relation to S$100.0 million out of the S$260.0 million drawn down under this facility.

The Manager may utilise any one or a combination of the FCT Loan Facilities to part finance the Northpoint 2 Acquisition Cost and/or the YewTee Point Acquisition Cost. The Manager may also convert amounts initially drawn down from one or more facilities to equivalent amounts under one or more other facilities at a later stage.

1 This is one of several facilities that the Manager has put in place to provide financing flexibility and may not be utilised. If this facility is utilised, it will be repaid with other loan and debt facilities to be raised in due course and/or proceeds from the Equity Fund Raising.

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

6.1.3 Aggregate Leverage of FCT

As mentioned in paragraph 4.3 above, based on the assumptions that borrowings of S$74.0 million, S$56.5 million and S$130.6 million are incurred to part finance the Northpoint 2 Acquisition Cost, the YewTee Point Acquisition Cost and the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, respectively, with the balances thereof being funded by net proceeds from the Equity Fund Raising, FCT's Aggregate Leverage, immediately following the completion of the Northpoint 2 Acquisition and/or the YewTee Point Acquisition (as the case may be) is expected to increase from 30.4% as at 1 January 2010 to the following:

	FCT's Aggregate Leverage
With the Northpoint 2 Acquisition only	32.1%
With the YewTee Point Acquisition only	31.8%
With the Acquisitions	33.2%

The levels of Aggregate Leverage set out above are all well within the limits allowed under the Property Funds Guidelines. (See paragraph 6.2 below for further details.)

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

6.2 FCT's Corporate Rating

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

The Property Funds Guidelines provide that the aggregate leverage of a REIT may exceed 35.0 per cent. of its deposited property, subject to a cap of 60.0 per cent. of its deposited property, so long as it obtains and discloses a credit rating from S&P, Moody's or Fitch, Inc.

6.3 Certain Financial Information Relating to the Acquisitions

Based on assumptions set out in this Circular, the following table sets out certain selected financial information in relation to (i) the Northpoint 2 Acquisition, (ii) the YewTee Point Acquisition and (iii) the Acquisitions, assuming that each of the Acquisitions is completed on 1 January 2010 and 100% of the income from Northpoint 2 and/or YewTee Point (as the case may be) accrues to FCT from 1 January 2010:

	Forecast Period 2010 (1 January 2010 to 30 September 2010)		
	Northpoint 2	YewTee Point	Northpoint 2 and YewTee Point
Gross Revenue (S$'000)	10,467	8,586	19,053
Property Expenses (S$'000)	(3,325)	(3,051)	(6,375)
Net Property Income[(1)] (S$'000)	7,143	5,535	12,678
Property Yield[(2)]	5.78%	5.87%	5.82%

Notes:

(1) See **Appendix B** of this Circular for the major assumptions relied on in deriving the forecast Net Property Income of Northpoint 2 and YewTee Point for the Forecast Period 2010.

(2) Net Property Income (annualised) of Northpoint 2 and/or YewTee Point for the Forecast Period 2010, divided by the Northpoint 2 Purchase Consideration and/or the YewTee Point Purchase Consideration (as the case may be).

The detailed forecast of Net Income (as defined herein) and distribution in relation to each of the Northpoint 2 Acquisition, the YewTee Point Acquisition and the Acquisitions, and the assumptions for the forecast information included in the table above are set out in **Appendix B** of this Circular.

6.4 Pro Forma Financial Effects of the Acquisitions

The pro forma financial effects of (i) the Northpoint 2 Acquisition, (ii) the YewTee Point Acquisition and (iii) the Acquisitions on the DPU and net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of FCT for the financial year ended 30 September 2009 ("**FY2009**", and the financial statements of FCT for FY2009, the "**FY2009 Audited Financial Statements**"), the annualised Profit Forecast of Northpoint 2 and/or YewTee Point (as the case may be) for the Forecast Period 2010 taking into account the Northpoint 2 Acquisition Cost, the YewTee Point Acquisition Cost and the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, respectively, as well as the estimated costs of the Equity Fund Raising set out in paragraph 7.4 below, and assuming that:

(i) approximately 73.4 million, 56.5 million and 128.1 million New Units are issued at the Issue Price of S$1.30 per New Unit (for illustrative purposes only) to part finance the Northpoint 2 Acquisition Cost, the YewTee Point Acquisition Cost and the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, respectively, with the balances thereof of S$74.0 million, S$56.5 million and S$130.6 million, respectively, being funded by borrowings;

(ii) the Northpoint 2 Acquisition Fee and/or the YewTee Point Acquisition Fee (as the case may be) payable to the Manager are paid in the form of Units issued at the price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date); and

(iii) the number of Units in respect of the portion of the Manager's management fee for the Forecast Period 2010 which is assumed to be paid in the form of Units is computed based on the price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

The annualised Profit Forecasts of Northpoint 2 and/or YewTee Point (as the case may be) for the Forecast Period 2010 have been used in the preparation of the pro forma financial effects of the Northpoint 2 Acquisition, the YewTee Point Acquisition and the Acquisitions. The Manager is of the view that the historical financial information of Northpoint 2 and YewTee Point in respect of FY2009 will not provide Unitholders with accurate or meaningful representations of the performances of Northpoint 2 and YewTee Point.

Northpoint 2 obtained its TOP in October 2008 and YewTee Point obtained its TOP in December 2008. As with newly built multi-tenanted retail malls in general, both Northpoint 2 and YewTee Point only attained operating, occupancy and income stability several months after obtaining TOP.

In light of the above, the pro forma financial effects of the Northpoint 2 Acquisition, the YewTee Point Acquisition and the Acquisitions have been prepared on the basis of the annualised Profit Forecast of Northpoint 2 and/or YewTee Point (as the case may be) for the Forecast Period 2010, which in turn have been prepared with the benefit of, among other things, full or close to full committed occupancies and stabilised trends with respect to operating expenses at both Northpoint 2 and YewTee Point. The Manager believes that this approach in presenting the pro forma financial effects will provide Unitholders with more accurate and meaningful representations of the performances of Northpoint 2 and YewTee Point.

6.4.1 Pro Forma DPU

The following table sets out the pro forma financial effects of (i) the Northpoint 2 Acquisition, (ii) the YewTee Point Acquisition and (iii) the Acquisitions on FCT's DPU for the FY2009, as if the Northpoint 2 Acquisition and/or the YewTee Point Acquisition (as the case may be) had been completed on 1 October 2008, and the property/properties had been held for the full period of FY2009.

	Existing Assets	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions
Net Income Before Tax (S$'000)	39,898	45,900[(1)]	44,572[(2)]	50,574[(3)]
Distributable Income (S$'000)	46,940	53,698	52,194	58,952
Issued Units ('000)	626,565[(4)]	701,706[(5)]	684,371[(6)]	757,706[(7)]
DPU (cents)	7.51[(8)]	7.65	7.63	7.78[(9)]

Notes:

(1) Includes the annualised Profit Forecast of Northpoint 2 for the Forecast Period 2010.

(2) Includes the annualised Profit Forecast of YewTee Point for the Forecast Period 2010.

(3) Includes the annualised Profit Forecasts of Northpoint 2 and YewTee Point for the Forecast Period 2010.

(4) Number of issued and issuable Units as at 30 September 2009.

(5) Includes (i) approximately 73.4 million New Units issued under the Equity Fund Raising at an Issue Price of S$1.30 per New Unit (for illustrative purposes only) and (ii) approximately 1.2 million Units

issued as payment for the Northpoint 2 Acquisition Fee and approximately 0.5 million Units issued as part payment for the Manager's management fee for FY2009, all at an assumed price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

(6) Includes (i) approximately 56.5 million New Units issued under the Equity Fund Raising at an Issue Price of S$1.30 per New Unit (for illustrative purposes only) and (ii) approximately 0.9 million Units issued as payment for the YewTee Point Acquisition Fee and approximately 0.4 million Units issued as part payment for the Manager's management fee for FY2009, all at an assumed price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

(7) Includes (i) approximately 128.1 million New Units issued under the Equity Fund Raising at an Issue Price of S$1.30 per New Unit (for illustrative purposes only) and (ii) approximately 2.1 million Units issued as payment for the Northpoint 2 Acquisition Fee and the YewTee Point Acquisition Fee and approximately 1.0 million Units issued as part payment for the Manager's management fee for FY2009, all at an assumed price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

(8) Computed based on the distributable income of FCT for FY2009 over the number of Units issued and issuable as at 30 September 2009.

(9) Assuming an illustrative Issue Price of S$1.26 (which represents a discount of 10.0% to the last traded price of the Units of S$1.40 per Unit on the SGX-ST on the Latest Practicable Date), the corresponding number of New Units to be issued under the Equity Fund Raising to part finance the Acquisitions in accordance with the illustrative debt and equity funding plan is estimated to be 132.2 million and the resultant pro forma DPU would be 7.74 cents.

6.4.2 Pro Forma NAV

The following table sets out the pro forma financial effects of (i) the Northpoint 2 Acquisition, (ii) the YewTee Point Acquisition and (iii) the Acquisitions on the NAV per Unit as at 30 September 2009, as if the Northpoint 2 Acquisition and/or the YewTee Point Acquisition (as the case may be) had been completed on 30 September 2009.

	Existing Assets	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions
NAV (S$'000)	751,000[1]	845,489[2]	823,529[3]	916,417[4]
Issued Units ('000)	626,565[5]	701,165[6]	683,957[7]	756,751[8]
NAV per Unit (S$)	1.20	1.21	1.20	1.21[9][10]

Notes:

(1) Based on the FY2009 Audited Financial Statements and adjusted for the distribution in November 2009 of FCT's distributable income in respect of the period from 1 July 2009 to 30 September 2009.

(2) Assuming (i) borrowings of S$74.0 million are taken up to part finance the Northpoint 2 Acquisition Cost and (ii) the valuation of Northpoint 2 as at 30 September 2009 was S$164,550,000.

(3) Assuming (i) borrowings of S$56.5 million are taken up to part finance the YewTee Point Acquisition Cost and (ii) the valuation of YewTee Point as at 30 September 2009 was S$125,650,000.

(4) Assuming (i) borrowings of S$130.6 million are taken up to part finance the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost and (ii) the aggregate valuation of Northpoint 2 and YewTee Point as at 30 September 2009 was S$290,200,000.

(5) Number of issued and issuable Units as at 30 September 2009.

(6) Includes (i) approximately 73.4 million New Units issued under the Equity Fund Raising at an Issue Price of S$1.30 per New Unit (for illustrative purpose only) and (ii) approximately 1.2 million Units issued as payment for the Northpoint 2 Acquisition Fee at an assumed price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

(7) Includes (i) approximately 56.5 million New Units issued under the Equity Fund Raising at an Issue Price of S$1.30 per New Unit (for illustrative purpose only) and (ii) approximately 0.9 million Units issued as payment for the YewTee Point Acquisition Fee at an assumed price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

(8) Includes (i) approximately 128.1 million New Units issued under the Equity Fund Raising at an Issue Price of S$1.30 per New Unit (for illustrative purpose only) and (ii) approximately 2.1 million Units issued as payment for the Northpoint 2 Acquisition Fee and the YewTee Point Acquisition Fee at an assumed price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

(9) In the event that the maximum of 152.0 million New Units are issued at an Issue Price of S$1.10, the NAV per Unit will be diluted from S$1.20 for the Existing Assets to S$1.17 for the Existing Assets and the Acquisitions.

(10) Assuming an illustrative Issue Price of S$1.26 (which represents a discount of 10.0% to the last traded price of the Units of S$1.40 per Unit on the SGX-ST on the Latest Practicable Date), the corresponding number of New Units to be issued under the Equity Fund Raising to part finance the Acquisitions in accordance with the illustrative debt and equity funding plan is estimated to be 132.2 million and the resultant pro forma NAV per Unit would be S$1.20.

6.4.3 Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of FCT as at 30 September 2009, as if (i) the Northpoint 2 Acquisition, (ii) the YewTee Point Acquisition and (iii) the Acquisitions had been completed on 30 September 2009 and adjusted to reflect the following assumptions:

(i) approximately 73.4 million, 56.5 million and 128.1 million New Units are issued to part finance the Northpoint 2 Acquisition Cost, the YewTee Point Acquisition Cost and the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, respectively, at the Issue Price of S$1.30 per New Unit (for illustrative purposes only); and

(ii) approximately 1.2 million, 0.9 million and 2.1 million Units are issued as payment for the Northpoint 2 Acquisition Fee, the YewTee Point Acquisition Fee and the aggregate of the Northpoint 2 Acquisition Fee and the YewTee Point Acquisition Fee, respectively, at an assumed price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

The information in this table should be read in conjunction with paragraph 6.5 below.

	As at 30 September 2009			
	Actual	As adjusted for the Northpoint 2 Acquisition	As adjusted for the YewTee Point Acquisition	As adjusted for the Acquisitions
	(S$'000)	(S$'000)	(S$'000)	(S$'000)
Short-term debt:				
Secured debt	—	—	—	—
Unsecured debt	14,000	14,000	14,000	14,000
Total short-term debt	14,000	14,000	14,000	14,000
Long-term debt:				
Secured debt	260,000	260,000	260,000	260,000
Unsecured debt[(1)]	75,000	149,048	131,543	205,591
Total long-term debt	335,000	409,048	391,543	465,591
Total debt:	349,000	423,048	405,543	479,591

	As at 30 September 2009			
	Actual	As adjusted for the Northpoint 2 Acquisition	As adjusted for the YewTee Point Acquisition	As adjusted for the Acquisitions
	(S$'000)	(S$'000)	(S$'000)	(S$'000)
Unitholders' funds	751,000[2]	848,098[3]	825,698[4]	920,448[5]
Expenses relating to the Equity Fund Raising	—	(2,609)	(2,169)	(4,031)
Total Unitholders' funds	751,000	845,489	823,529	916,417
Total Capitalisation	1,100,000	1,268,537	1,229,072	1,396,008

Notes:

(1) Based on the assumption that borrowings of approximately S$74.0 million, S$56.5 million and S$130.6 million are incurred to part finance (i) the Northpoint 2 Acquisition Cost, (ii) the YewTee Point Acquisition Cost and (iii) the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, respectively. For ease of presentation in this Circular, it has further been assumed that the foregoing borrowings are in the form of unsecured debt.

(2) Based on the FY2009 Audited Financial Statements and adjusted for the distribution in November 2009 of FCT's distributable income in respect of the period from 1 July 2009 to 30 September 2009.

(3) Based on the assumption that the valuation of Northpoint 2 as at 30 September 2009 was S$164,550,000.

(4) Based on the assumption that the valuation of YewTee Point as at 30 September 2009 was S$125,650,000.

(5) Based on the assumption that the aggregate valuation of Northpoint 2 and YewTee Point as at 30 September 2009 was S$290,200,000.

6.5 Profit Forecast

The following table sets out FCT's forecast consolidated statement of net income and distribution for the Forecast Period 2010, which has been prepared in accordance with the accounting policies adopted by FCT for FY2009. In the preparation of the forecast consolidated statement of net income and distribution for the Forecast Period 2010, specific non-cash items which have no impact on distributable income have been excluded in the presentation of the distributable income to Unitholders. The Profit Forecast is set out in **Appendix B** of this Circular.

The Profit Forecast must be read together with the report of the Independent Accountants (who have examined the Profit Forecast) in **Appendix C** of this Circular.

FORECAST CONSOLIDATED STATEMENT OF NET INCOME AND DISTRIBUTION OF FCT – EXISTING ASSETS, NORTHPOINT 2 AND YEWTEE POINT

S$'000	FY2009	Forecast Period 2010[1] (1 January 2010 to 30 September 2010)					
					Total		
	Actual 2009	Existing Assets	The Northpoint 2 Acquisition	The YewTee Point Acquisition	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions
Gross rent	74,608	61,654	9,784	7,994	71,438	69,648	79,432
Other revenue	12,016	7,265	683	592	7,948	7,857	8,540
Gross revenue	**86,624**	**68,919**	**10,467**	**8,586**	**79,386**	**77,505**	**87,972**
Property Manager's fee	(3,312)	(2,634)	(398)	(318)	(3,032)	(2,952)	(3,350)
Property tax	(7,234)	(5,608)	(894)	(729)	(6,502)	(6,337)	(7,231)
Maintenance expenses	(10,066)	(8,363)	(1,283)	(600)	(9,646)	(8,963)	(10,246)
Other property expenses	(6,151)	(4,707)	(749)	(1,404)	(5,456)	(6,111)	(6,860)
Property expenses	**(26,763)**	**(21,312)**	**(3,324)**	**(3,051)**	**(24,636)**	**(24,363)**	**(27,687)**
Net property income	**59,861**	**47,607**	**7,143**	**5,535**	**54,750**	**53,142**	**60,285**
Interest income	8	—			—	—	—
Borrowing costs	(12,520)	(11,249)			(13,107)	(12,668)	(14,525)
Trust expenses	(981)	(1,144)			(1,200)	(1,196)	(1,252)
Manager's management fees	(6,470)	(5,012)			(5,739)	(5,571)	(6,299)
Net income	**39,898**	**30,202**			**34,704**	**33,707**	**38,209**
Net tax adjustments[2]	3,388	3,221			3,788	3,656	4,223
Distribution from associate	3,654	2,918			2,918	2,918	2,918
Income currently available for distribution	**46,940**	**36,341**			**41,410**	**40,281**	**45,350**
Distributable income to Unitholders[3]	**46,940**	**36,341**			**41,410**	**40,281**	**45,350**
Units in issue ('000)[4]	626,565	628,952			703,957	686,654	759,854
Basic DPU (cents)	**7.51**	**7.70[5]**			**7.85[5]**	**7.83[5]**	**7.96[5]**

Notes:

(1) The forecast DPU will vary to the extent that the New Units under the Equity Fund Raising are issued on a date other than 1 January 2010.

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

(3) Distributions for the Forecast Period 2010 are based on 100 per cent. of the total income available for distribution.

(4) Units in issue at the end of the Forecast Period 2010 includes the forecast number of Units and the assumed number of New Units (as the case may be) to be issued (i) pursuant to the Equity Fund Raising, (ii) as payment for the Northpoint 2 Acquisition Fee and/or the YewTee Point Acquisition Fee payable (as the case may be) and (iii) as part payment of the Manager's management fee for the Forecast Period 2010 which is assumed to be paid in the form of Units. For (i), an illustrative Issue Price of S$1.30 per New Unit has been assumed; for (ii) and (iii), a price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date) has been assumed. The assumed number of New Units to be issued under the Equity Fund Raising to part finance the Northpoint 2 Acquisition Cost, the YewTee Point Acquisition Cost and the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost are 73.4 million, 56.5 million and 128.1 million, respectively.

(5) Annualised figure.

6.6 Requirement for Unitholders' Approval

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

The relative figures for the Northpoint 2 Acquisition and the YewTee Point Acquisition computed using the bases as set out in Rules 1006(b) and 1006(c) of the Listing Manual are set out in the tables below.

Northpoint 2

Comparison of:	Northpoint 2	FCT	Relative figure (%)
Net Property Income[(1)] (S$'000)	7,143	47,607	15.0%
Purchase Consideration against market capitalisation (S$'000)	164,550	877,191[(2)]	18.8%

Notes:

(1) Forecast Net Property Income in respect of the Forecast Period 2010.

(2) Market capitalisation computed based on 626,565,443 Units in issue as at the Latest Practicable Date and the price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

YewTee Point

Comparison of:	YewTee Point	FCT	Relative figure (%)
Net Property Income (S$'000)	5,535	47,607	11.6%
Purchase Consideration against market capitalisation (S$'000)	125,650	877,191[(2)]	14.3%

Notes:

(1) Forecast Net Property Income in respect of the Forecast Period 2010.

(2) Market capitalisation computed based on 626,565,443 Units in issue as at the Latest Practicable Date and the price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date).

The Manager is of the view that each of the Northpoint 2 Acquisition and the YewTee Point Acquisition is in the ordinary course of FCT's business and is therefore not subject to Chapter 10 of the Listing Manual.

6.6.2 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where FCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0 per cent. of FCT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the audited consolidated financial statements of FCT for the financial year ended 30 September 2009, the NTA of FCT was S$763.8 million. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year ending on 30 September 2010 ("**FY2010**") by FCT with an interested person is, either in itself or

in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$38.2 million, such a transaction would be subject to Unitholders' approval. The Northpoint 2 Purchase Consideration of S$164,550,000[1] (which is 21.5% of the NTA of FCT as at 30 September 2009), the YewTee Point Purchase Consideration of S$125,650,000[2] (which is 16.5% of the NTA of FCT as at 30 September 2009) and the aggregate of the Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration (which is 38.0% of the NTA of FCT as at 30 September 2009) exceed the said threshold.

Paragraph 5 of the Property Funds Guidelines also imposes a requirement for Unitholders' approval for an interested party transaction by FCT whose value exceeds 5.0 per cent. of FCT's latest audited NAV. Based on the FY2009 Audited Financial Statements, the NAV of FCT was S$763.8 million. Accordingly, if the value of a transaction which is proposed to be entered into by FCT with an interested party is equal to or greater than S$38.2 million, such a transaction would be subject to Unitholders' approval. The Northpoint 2 Purchase Consideration of S$164,550,000 (which is 21.5% of the NAV of FCT as at 30 September 2009), the YewTee Point Purchase Consideration of S$125,650,000 (which is 16.5% of the NAV of FCT as at 30 September 2009) and the aggregate of the Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration (which is 38.0% of the NAV of FCT as at 30 September 2009) exceed the said threshold.

As at the Latest Practicable Date, FCL holds an aggregate deemed interest in 325,435,443 Units (which is equivalent to approximately 51.9 per cent. of the 626,565,443 Units in issue as at the Latest Practicable Date) and is therefore regarded as a "controlling Unitholder" of FCT under the Listing Manual and the Property Funds Guidelines.

As FCL has a 100 per cent. direct interest in YDPL, the vendor of Northpoint 2 and YewTee Point:

(i) for the purposes of Chapter 9 of the Listing Manual, YDPL (being an associate of a controlling Unitholder) is an "interested person" of FCT and each of the Northpoint 2 Acquisition and the YewTee Point Acquisition constitutes an "interested person transaction"; and

(ii) for the purposes of Paragraph 5 of the Property Funds Guidelines, YDPL (being an associate of a controlling Unitholder) is an "interested party" of FCT and each of the Northpoint 2 Acquisition and the YewTee Point Acquisition constitutes an "interested party transaction".

Accordingly, the Manager is seeking Unitholders' approval for each of the Northpoint 2 Acquisition and the YewTee Point Acquisition pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Guidelines.

---

1 The Manager is also entitled to receive, in the form of Units, the Northpoint 2 Acquisition Fee of S$1,645,500 in respect of the Northpoint 2 Acquisition.

2 The Manager is also entitled to receive, in the form of Units, the YewTee Point Acquisition Fee of S$1,256,500 in respect of the YewTee Point Acquisition.

6.7 Existing Interested Person Transactions

6.7.1 Expenses Sharing Agreement

As mentioned above, YDPL (being an associate of a controlling Unitholder) is an "interested person" of FCT.

The Trustee and YDPL have in place an agreement to jointly procure/incur certain property operating expenses for Northpoint and Northpoint 2 and share such expenses according to a pre-agreed basis of allocation (the "**Expenses Sharing Agreement**"). Northpoint 2 and Northpoint are highly integrated with each other, including in respect of certain common areas and building systems and facilities. The Expenses Sharing Agreement was entered into as a result of operating requirements (for expenses which are not able to be split at source) and to enjoy economies of scale in certain property expenses.

The Manager estimates that the aggregate value of property operating expenses for Northpoint and Northpoint 2 which are subject to the Expenses Sharing Agreement and incurred during the course of FY2010 up to the Latest Practicable Date does not exceed S$2.0 million, which is less than 0.3% of FCT's latest audited NTA.

The shared property operating expenses for Northpoint and Northpoint 2 are apportioned based on the proportion that the Gross Floor Area of each of Northpoint and Northpoint 2 bears to the aggregate Gross Floor Area of the Enlarged Northpoint Mall, which results in Northpoint and Northpoint 2 bearing approximately 63.5% and 36.5% of the shared property operating expenses, respectively.

The Expenses Sharing Agreement has been subject to the internal control procedures established by the Manager to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of FCT or its minority Unitholders. These procedures include the review by the Manager's audit committee of the basis on which the allocation of shared expenses between Northpoint and Northpoint 2 was determined. The Expenses Sharing Agreement complies with the requirements of Chapter 9 of the Listing Manual.

Upon the completion of the Northpoint 2 Acquisition, the Expenses Sharing Agreement will be terminated by operation of law since the Trustee will own both Northpoint and Northpoint 2.

6.7.2 Property Management Agreement

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

Pursuant to a property management agreement entered into on 5 June 2006 by the Trustee, the Manager and the Property Manager, supplemented by the supplemental agreement dated 4 October 2006 (the "**Property Management Agreement**"), the properties of FCT will, in general, be managed by the Property Manager. The Property Management Agreement provides that in respect of each property acquired by FCT, the Trustee, the Manager and the Property Manager will enter into a separate property management agreement 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 relevant terms of the Property Management Agreement.

If FCT acquires Northpoint 2 and/or YewTee Point, each of the properties will be managed by the Property Manager, and the Trustee, the Manager and the Property Manager will enter into a 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 respect of each of Northpoint 2 and/or YewTee Point (in the case of Northpoint 2, the "**Northpoint 2 PMA**", and in the case of YewTee Point, the "**YewTee Point PMA**") (as the case may be). Under the terms of the Northpoint 2 PMA and/or the YewTee Point PMA (as the case may be), the Property Manager will be paid certain fees for property management, lease management, project management, property tax services and marketing and marketing co-ordination services rendered in relation to the respective properties.

Under the Northpoint 2 PMA and the YewTee Point PMA, the Property Manager is entitled to receive, in relation to Northpoint 2 and YewTee Point,, fees determined as follows:

(i) 2.0% per annum of the Gross Revenue of the respective properties;

(ii) 2.0% per annum of the Net Property Income (calculated before accounting for the Property Manager's fees payable under the Property Management Agreement in that Fiscal Year (as defined herein)) of the respective properties; and

(iii) 0.5% per annum of the Net Property Income (calculated before accounting for the Property Manager's fees payable under the Property Management Agreement in that Fiscal Year) of the respective properties, in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

As disclosed in the table in paragraph 6.5 above, the forecast Property Manager's fee for Northpoint 2 and YewTee Point in respect of the Forecast Period 2010 is approximately S$398,000 and S$318,000, respectively.

The Property Management Agreement is deemed to have been specifically approved by the Unitholders upon subscription of the Units at the initial public offering of FCT. The Northpoint 2 PMA and the YewTee Point PMA, which will be in the form set out in a schedule to the Property Management Agreement, are also deemed to have been specifically approved by the Unitholders upon subscription of the Units at the initial public offering of FCT. Therefore, the Property Management Agreement, the Northpoint 2 PMA and the YewTee Point PMA are not subject to Rules 905 and 906 of the Listing Manual as there have been (i) no subsequent changes to the basis of determining the fees charged or terms or (ii) no extension after the initial period since the date on which FCT was listed on the Main Board of the SGX-ST.

Other than the transactions disclosed above, FCT has not entered into any other "interested person transaction" and/or "interested party transaction" with entities within the FCL Group during the course of FY2010 up to the Latest Practicable Date.

6.8 Advice of the Independent Financial Adviser

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

Accordingly, as the Acquisitions involve the purchases of Northpoint 2 and YewTee Point where (i) the Northpoint 2 Purchase Consideration and YewTee Point Purchase Consideration will be payable in cash, (ii) independent valuations have been obtained from Knight Frank and JLL for the purpose of the purchases of Northpoint 2 and YewTee Point and (iii) the valuations by Knight Frank and JLL are disclosed in this Circular, a letter from an independent financial adviser is strictly not required, notwithstanding that the Acquisitions are both "interested person transactions".

However, for purposes of good corporate governance and to ensure that there is an independent analysis of each of the Northpoint 2 Acquisition and the YewTee Point Acquisition, the Manager has appointed an independent financial adviser to review each of the Northpoint 2 Acquisition and the YewTee Point Acquisition. The Manager has appointed PricewaterhouseCoopers Corporate Finance Pte Ltd as the independent financial adviser (the "**IFA**") to advise the independent directors of the Manager (the "**Independent Directors**")[1] in relation to each of the Northpoint 2 Acquisition and the YewTee Point Acquisition. A copy of the non-mandatory letter from the IFA to the Independent Directors (the "**Non-Mandatory IFA Letter**"), containing its advice in full, is set out in **Appendix E** of this Circular.

Unitholders are advised to read the Non-Mandatory IFA Letter carefully. In addition, as recommended by the IFA in the Non-Mandatory IFA Letter, the Independent Directors advise Unitholders to read paragraphs 2 to 6 of this Letter to Unitholders carefully.

Having considered the factors and made the assumptions set out in the Non-Mandatory IFA Letter, and subject to the qualifications set out therein, from a financial point of view, the IFA is of the opinion that each of the Northpoint 2 Acquisition and the YewTee Point Acquisition is based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders. **From a financial point of view, the IFA is of the opinion that the Independent Directors may recommend that Unitholders vote in favour of Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition) to be proposed at the EGM.**

6.9 Interests of Directors of the Manager

As at the Latest Practicable Date, the interests of the directors of the Manager (the "**Directors**") in the Acquisitions are as follows:

(i) Mr Christopher Tang Kok Kai is the Chief Executive Officer and an Executive Director of the Manager, a director of entities within the F&N Group (as defined herein) other than the Manager and has (I) a direct and deemed interest in an aggregate of 670,000 Units (which is equivalent to 0.11% of the 626,565,443 Units in issue as at the Latest Practicable Date) and (II) a deemed interest in 76,000 shares and a direct interest in 1,304,690 options to acquire shares in Fraser and Neave, Limited ("**F&NL**")[2];

(ii) Mr Bobby Chin Yoke Choong is an Independent Non-Executive Director of the Manager and has a deemed interest in 100,000 Units (which is equivalent to 0.02% of the 626,565,443 Units in issue as at the Latest Practicable Date);

(iii) Mr Soh Kim Soon is an Independent Non-Executive Director of the Manager and has a direct interest in 100,000 Units (which is equivalent to 0.02% of the 626,565,443 Units in issue as at the Latest Practicable Date);

---

1 The Independent Directors are Mr Philip Eng Heng Nee, Mr Bobby Chin Yoke Choong and Mr Soh Kim Soon.

2 F&NL has an indirect 100 per cent. interest in YDPL.

(iv) Mr Lim Ee Seng is a Non-Executive Director of the Manager, a director of YDPL, FCL and other entities within the FCL Group other than the Manager and has (I) a direct interest in 200,000 Units (which is equivalent to 0.03% of the 626,565,443 Units in issue as at the Latest Practicable Date) and (II) a deemed interest in 204,396 shares and a direct interest in 2,709,000 options to acquire shares in F&NL;

(v) Mr Anthony Cheong Fook Seng is a Non-Executive Director of the Manager, a director of YDPL and other entities within the F&N Group other than the Manager and has (I) a direct interest in 50,000 Units (which is equivalent to 0.01% of the 626,565,443 Units in issue as at the Latest Practicable Date) and (II) a direct and deemed interest in an aggregate of 147,705 shares and a direct interest in 3,563,495 options to acquire shares in F&NL; and

(vi) Mr Chia Khong Shoong is a Non-Executive Director of the Manager, a director of YDPL, FCL and other entities within the FCL Group other than the Manager and has a deemed interest in 45,000 shares in F&NL.

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

6.10 Interests of Substantial Unitholders

As at the Latest Practicable Date, the interests of the Substantial Unitholders (as defined herein) in the Acquisitions are as follows:

(i) FCL has a direct 100 per cent. interest in YDPL, the vendor of Northpoint 2 and YewTee Point, and has a deemed interest in 325,435,443[1] Units;

(ii) F&NL has an indirect 100 per cent. interest in YDPL and has a deemed interest in 325,435,443[2] Units;

(iii) FCL Trust Holdings Pte. Ltd. is a related company (as defined in the Companies Act, Chapter 50 of Singapore) of YDPL and has a direct interest in 313,500,000 Units; and

(iv) Frasers Centrepoint Asset Management Ltd., the manager of FCT, is a related company (as defined in the Companies Act, Chapter 50 of Singapore) of YDPL and has a direct interest in 11,935,443 Units.

While FCT has other Substantial Unitholders (details of which have been announced on SGXNET[3]), based on information available to the Manager as at the Latest Practicable Date, none of these Substantial Unitholders has an interest, direct or indirect, in the Acquisitions, and therefore their details have not been disclosed in this Circular as such details are not relevant.

6.11 Directors' Service Contracts

No person is proposed to be appointed as a Director in connection with the Northpoint 2 Acquisition, the YewTee Point Acquisition, the Northpoint 2 Put and Call Option Agreement, the Northpoint 2 Sale and Purchase Agreement, the YewTee Point Put and Call Option Agreement, the YewTee Point Sale and Purchase Agreement or any other transaction contemplated in relation to the Northpoint 2 Acquisition or the YewTee Point Acquisition.

---

1 FCL is deemed to be interested in 313,500,000 Units held by FCL Trust Holdings Pte. Ltd. and 11,935,443 Units held by the Manager.

2 Fraser and Neave, Limited is deemed to be interested in 325,435,443 Units indirectly held by FCL.

3 An internet-based corporate announcement submission system maintained by the SGX-ST.

6.12 Capital Markets Services Licence

The Manager has applied for a capital markets services licence to carry on REIT management activities, as required under the new licensing regime for REIT managers which was put in place under the Securities and Futures Act, Chapter 289 of Singapore. The Manager's application is currently being processed by MAS.

7 RESOLUTION 3: THE PROPOSED ISSUE OF 152.0 MILLION NEW UNITS UNDER THE EQUITY FUND RAISING

7.1 Overview of the Equity Fund Raising and Use of Proceeds

The Manager is seeking Unitholders' approval for the issue of up to 152.0 million[1] New Units pursuant to the Equity Fund Raising to part finance the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost, with the balance to be funded by borrowings, which may include the FCT Loan Facilities.

In the event that Unitholders approve only one of either the Northpoint 2 Acquisition or the YewTee Point Acquisition, the Manager will determine the optimal funding structure for the Northpoint 2 Acquisition or the YewTee Point Acquisition (as the case may be). In such a situation, the amount of gross proceeds to be raised from, and the number of New Units to be issued under, the Equity Fund Raising will be determined according to the funding structure to be adopted by the Manager. However, the number of New Units to be issued under the Equity Fund Raising will in any event not exceed 152.0 million, which represents 24.3% of the 626,565,443 Units in issue as at the Latest Practicable Date.

In determining the funding structure for the Northpoint 2 Acquisition and/or the YewTee Point Acquisition, the Manager will take into account the prevailing market conditions as well as the impact on FCT's capital structure and DPU, among other things, so that the Northpoint 2 Acquisition and/or the YewTee Point Acquisition are beneficial to the overall interests of FCT and Unitholders.

The illustrative debt and equity funding plan adopted in this Circular is based on a realistic illustrative debt funding level of 45.0%, in light of current market conditions, for each of the Northpoint 2 Purchase Consideration, the YewTee Point Purchase Consideration and the aggregate of the Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration. However, the actual debt and equity funding plan to be adopted by the Manager will depend on, among others, prevailing market conditions, the demand for New Units, the Issue Price and the terms and interest rates of available debt and loan facilities. Based on current market conditions, it is expected that following the completion of the Northpoint 2 Acquisition and the YewTee Point Acquisition (assuming both are approved) and the Equity Fund Raising, FCT's Aggregate Leverage will not differ materially from the illustration provided in paragraph 4.3 above.

The structure and timing of the Equity Fund Raising have not been determined. If and when the Manager decides to carry out the Equity Fund Raising, the Equity Fund Raising may (at the Manager's absolute discretion) comprise any one or a combination of two or more of the following: (i) a private placement of New Units to institutional and other investors (the "**Private Placement**"), (ii) an offering of New Units to retail investors in Singapore through the automated teller machines ("**ATMs**") of participating banks (the "**ATM Offering**") and (iii) a non-renounceable preferential offering of New Units to the then Unitholders on a pro rata basis (the

---

1 As shown in the Forecast DPU Table in paragraph 4.3 above, approximately 151,406,000 New Units are estimated to be issued based on the illustrative Issue Price of S$1.10, taking into consideration the illustrative debt and equity funding plan as set out in this Circular and assuming that both the Northpoint 2 Acquisition and the YewTee Point Acquisition are approved at the EGM. The maximum number of 152.0 million New Units was arrived at by rounding up such number.

"**Preferential Offering**"), which the Manager deems appropriate in the circumstances and after having considered the then prevailing market conditions.

As the Northpoint 2 Acquisition and the YewTee Point Acquisition may be completed at different times, the Manager may carry out the Equity Fund Raising in different tranches to coordinate with the timing of the completion of the Northpoint 2 Acquisition and the YewTee Point Acquisition.

In the event that the Northpoint 2 Acquisition and/or the YewTee Point Acquisition and the Equity Fund Raising are approved by Unitholders, but market conditions are not conducive to carry out the Equity Fund Raising or the Equity Fund Raising cannot be effected on acceptable terms, the Manager may decide not to proceed with either or both of the Northpoint 2 Acquisition and the YewTee Point Acquisition.

The Manager will work with the Sole Financial Adviser and Underwriter(s) to determine the structure of the Equity Fund Raising, the time schedule for the Equity Fund Raising and the Issue Price, taking into account market conditions, and other factors that the Manager, the Sole Financial Adviser and Underwriter(s) consider relevant. The structure and time schedule of the Equity Fund Raising and the Issue Price will be determined in accordance with Chapter 8 of the Listing Manual. The Manager will announce details of the Equity Fund Raising at the appropriate time.

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

In the event that the Private Placement is carried out:

(i) in accordance with Rule 803 of the Listing Manual, the Manager has undertaken to the SGX-ST that it will not, and the Sole Financial Adviser has undertaken to the SGX-ST that it will ensure that the Manager will not, pursuant to the Private Placement, issue the New Units to transfer a controlling interest without the prior approval of Unitholders in a general meeting; and

(ii) in accordance with Rule 812 of the Listing Manual, based on the information available to the Manager and the Sole Financial Adviser, the Manager and the Sole Financial Adviser have each undertaken to the SGX-ST that it will not place the New Units to any of the connected persons listed under Rule 812(1) of the Listing Manual (other than one that fulfils the criteria set out in Rule 812(3) of the Listing Manual), save for the placement of New Units under the FCL Group Placement, which is subject to the prior approval of Unitholders in a general meeting.

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

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

The information contained in this paragraph 7.1 is subject to change. When the Manager finalises its plans in relation to the Equity Fund Raising, it will make an announcement in relation to such details at the appropriate time.

The Equity Fund Raising is subject to, among others, prevailing market conditions and agreement to the terms of and execution of the Underwriting Agreement (as defined herein).

7.2 Rationale for the Equity Fund Raising

Given the current market conditions and the borrowing limit imposed by MAS on property funds such as FCT, the Manager believes that the Equity Fund Raising is an efficient and overall beneficial method of raising funds to finance the Acquisitions.

7.3 Underwriting by Underwriters

It is anticipated that the Equity Fund Raising will be underwritten by one or more Underwriter(s) on the terms and subject to the conditions of the management and underwriting agreement to be entered into between the Manager and the Underwriter(s) (the "**Underwriting Agreement**").

In the event that the Manager carries out the Preferential Offering, the Underwriter(s) may also negotiate with one or more Substantial Unitholder(s) to:

(i) provide an undertaking to the Manager and the Underwriter(s) (the "**Pro Rata Undertaking**"), pursuant to which the relevant Substantial Unitholder will subscribe, and/or procure that its subsidiaries subscribe, either directly or indirectly, for the New Units provisionally allotted to it and/or its subsidiaries under the Preferential Offering; and/or

(ii) enter into a sub-underwriting agreement (the "**Sub-Underwriting Agreement**") with the Underwriter(s), pursuant to which the relevant Substantial Unitholder will agree to sub-underwrite, either directly or indirectly through its subsidiaries, a percentage of the total number of New Units offered under the Preferential Offering.

The commission payable to the relevant Substantial Unitholder(s) pursuant to the Pro Rata Undertaking(s) and/or Sub-Underwriting Agreement(s) (if any) (the "**Commitment Fees**") will be paid by the Underwriter(s) to the relevant Substantial Unitholder(s) out of the underwriting commission which the Underwriter(s) will receive under the Underwriting Agreement (the "**Underwriting Commission**") and the Commitment Fees will not be more than the Underwriting Commission.

The terms of the Pro Rata Undertaking and the Sub-Underwriting Agreement will be determined in accordance with the requirements in relation to sub-underwriting arrangements as set out under the measures introduced by the SGX-ST in its news release dated 12 January 2009 titled "SGX Introduces Measures to Facilitate Equity Fund Raising through Rights Issue".

7.4 Costs of the Equity Fund Raising

Costs and expenses in connection with the Equity Fund Raising which are to be borne by FCT comprise the following:

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

(ii) the underwriting and selling commission and related expenses payable to the Underwriter(s) in relation to the Equity Fund Raising; and

(ii) professional and other fees and expenses to be incurred by FCT in connection with the Equity Fund Raising.

The costs and expenses in connection with the Equity Fund Raising will vary according to the amount of gross proceeds to be raised. Based on the illustrative Issue Price of S$1.30 per New Unit and assuming that the maximum number of 152.0 million New Units are issued under the Equity Fund Raising to raise gross proceeds of S$197.6 million, the Manager estimates that the costs and expenses to be incurred by FCT in connection with the Equity Fund Raising will be approximately S$4.7 million (including fixed costs of approximately S$0.7 million).

7.5 Consequential Adjustment to Distribution Period

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

Further details pertaining to any adjustments to the distribution period, if any, will be announced at the appropriate time.

7.6 Status of the New Units

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

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

7.7 Requirement for Unitholders' Approval

In the absence of a general mandate from Unitholders given to the Manager in accordance with Rule 887(1)(b) of the Listing Manual, any issue of new Units and/or Convertible Securities (as defined herein) by the Manager which (together with any other issue of new Units or Convertible Securities in the same financial year) exceeds 10.0 per cent. of the total number of Units in issue as at the end of the last financial year shall require the prior specific approval of Unitholders by Ordinary Resolution at a general meeting.

It is expected that the number of New Units will, immediately after issue, exceed 10.0 per cent. of the total number of Units in issue as at the end of FY2009. Accordingly, the Manager is seeking the approval of Unitholders for the issue of New Units pursuant to the Equity Fund Raising.

8 RESOLUTION 4: THE PROPOSED SUBSCRIPTION OF NEW UNITS BY THE FCL GROUP UNDER THE PRIVATE PLACEMENT

8.1 Overview and Key Benefits of, and Rationale for, the Subscription of New Units by the FCL Group under the Private Placement

To enable the FCL Group to be in a position to support FCT, the Manager is seeking Unitholders' approval for the FCL Group to be given the right, in the event that the Private Placement is not fully subscribed for by other investors, to subscribe under the Private Placement for up to the number of New Units which the FCL Group would be required to subscribe for if it intends to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising.

However, in the event that the demand for the New Units under the Private Placement is fully met by investors other than the FCL Group, the FCL Group will not subscribe for any New Units under the Private Placement.

The FCL Group is supportive of the Manager's aim to increase the free float of Units on the SGX-ST, thereby increasing the liquidity and trading volume of the Units, which in turn could potentially lead to a diversification in FCT's unitholder base[1], greater investor interest in FCT and an increase in FCT's weighting in certain benchmark equity indices. Assuming that the maximum number of 152.0 million New Units are issued under the Equity Fund Raising, and further assuming that the FCL Group does not subscribe for any New Units under the Equity Fund Raising, the free float of Units on SGX-ST is expected to increase by approximately 50.5% and FCL's percentage unitholding in FCT is expected to reduce from 51.9% as at the Latest Practicable Date to 42.0%[2], upon the completion of the Equity Fund Raising.

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

	Interest in Units		
Name	**Direct Interest in Units**	**Deemed Interest in Units**	**Percentage of total number of Units in issue(1)**
FCL	—	325,435,443(2)	51.9%
FCL Trust Holdings Pte. Ltd.	313,500,000	—	50.0%
The Manager	11,935,443	—	1.9%

Notes:

(1) Based on 626,565,443 Units in issue as at the Latest Practicable Date.

(2) FCL is deemed to be interested in 313,500,000 Units held by FCL Trust Holdings Pte. Ltd. and 11,935,443 Units held by the Manager.

The number of New Units proposed to be placed to the FCL Group shall be no more than such number as would be required to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising.

---

1 The unitholding interest of existing Unitholders may be diluted by the issue of New Units in certain circumstances (see paragraph 7.1 above for further details).

2 Taking into account the estimated number of Units to be issued to the Manager in payment of the Northpoint 2 Acquisition Fee and the YewTee Point Acquisition Fee pursuant to Clause 15.2.1 of the Trust Deed, but excluding Units to be issued, if any, in part payment of the Manager's management fee for the period commencing 1 January 2010 to the date of issue of the New Units.

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

8.2 Requirement for Unitholders' Approval

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

Rule 812(1) of the Listing Manual prohibits a placement of New Units to substantial shareholders of the Manager as well as related companies of the Manager's substantial shareholders pursuant to the Private Placement, except where the approval of Unitholders by way of an Ordinary Resolution is obtained pursuant to Rule 812(2) of the Listing Manual. As FCL wholly-owns the Manager and FCL Trust Holdings Pte. Ltd., and FCL's subsidiaries are deemed to be related parties of FCL, Rule 812(1) of the Listing Manual therefore applies to the placement of New Units to the FCL Group pursuant to the Private Placement.

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

8.2.2 Interested Person Transaction

FCL, being a controlling Unitholder, and its subsidiaries, being associates of a controlling Unitholder, are deemed to be "interested persons" of FCT for the purposes of Chapter 9 of the Listing Manual. The FCL Group Placement therefore constitutes an "interested person transaction" under Chapter 9 of the Listing Manual. If such number of New Units are placed to the FCL Group pursuant to the Private Placement in order for the FCL Group to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising, there is a possibility (depending on the actual Issue Price and the number of New Units the FCL Group subscribes for) that the value of New Units placed to the FCL Group may exceed 5.0 per cent. of the value of FCT's latest audited NTA. In such circumstances, under Rule 906 of the Listing Manual, the Manager is required to seek Unitholders' approval for the placement of New Units to the FCL Group.

9 RECOMMENDATIONS

9.1 On the Proposed Northpoint 2 Acquisition

Based on the opinion of the IFA (as set out in the Non-Mandatory IFA Letter in **Appendix E** of this Circular) and having regard to the rationale for and key benefits of the Northpoint 2 Acquisition set out in paragraph 4 above, the Independent Directors believe that the Northpoint 2 Acquisition is based on normal commercial terms and would not be prejudicial to the interests of FCT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of Resolution 1 relating to the Northpoint 2 Acquisition.

9.2 On the Proposed YewTee Point Acquisition

Based on the opinion of the IFA (as set out in the Non-Mandatory IFA Letter in **Appendix E** of this Circular) and having regard to the rationale for and key benefits of the YewTee Point Acquisition set out in paragraph 4 above, the Independent Directors believe that the YewTee Point Acquisition is based on normal commercial terms and would not be prejudicial to the interests of FCT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of Resolution 2 relating to the YewTee Point Acquisition.

9.3 On the Proposed Equity Fund Raising

Having regard to the rationale for the Equity Fund Raising as set out in paragraph 7.2 above, the Manager believes that the Equity Fund Raising would be beneficial to, and is in the interests of, FCT and its Unitholders.

Accordingly, the Manager recommends that Unitholders vote at the EGM in favour of Resolution 3 relating to the Equity Fund Raising.

9.4 On the Proposed Subscription of New Units by the FCL Group under the Private Placement

Having regard to the rationale for and key benefits of the subscription of New Units by the FCL Group under the Private Placement as set out in paragraph 8 above, the Independent Directors believe that such a placement of New Units to the FCL Group is based on normal commercial terms and would not be prejudicial to the interests of FCT and its minority Unitholders on the basis that:

(a) the proposed subscription of New Units by the FCL Group under the Private Placement is intended to enable the FCL Group to be in a position to support the Private Placement;

(b) in the event that the demand for New Units under the Private Placement is fully met by investors other than the FCL Group, the FCL Group does not intend to subscribe for any New Units under the Private Placement;

(c) in the event that the FCL Group subscribes for New Units under the Private Placement, the New Units will be issued to the FCL Group at the same price as the New Units issued to other investors under the Private Placement; and

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

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of Resolution 4 relating to the subscription of New Units by the FCL Group under the Private Placement.

10 EXTRAORDINARY GENERAL MEETING

The EGM will be held at 3.00 p.m.[1] on 25 January 2010 at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages G-1 to G-2 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about each of these resolutions.

Approval by way of an Ordinary Resolution is required in respect of each of Resolution 1 (the Northpoint 2 Acquisition), Resolution 2 (the YewTee Point Acquisition), Resolution 3 (the Equity Fund Raising) and Resolution 4 (the FCL Group Placement).

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

11 ABSTENTIONS FROM VOTING

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

As at the Latest Practicable Date, FCL Trust Holdings Pte. Ltd. and the Manager are direct wholly-owned subsidiaries of FCL. Through FCL Trust Holdings Pte. Ltd. and the Manager, FCL has a deemed interest in 325,435,443 Units, comprising approximately 51.9 per cent. of the 626,565,443 Units in issue as at the Latest Practicable Date.

11.2 Undertakings to Abstain from Voting

Resolution 1 (Northpoint 2 Acquisition) and Resolution 2 (YewTee Point Acquisition)

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

Given that YDPL, a direct wholly-owned subsidiary of FCL, is the vendor of Northpoint 2 and YewTee Point, FCL has undertaken to abstain, and will ensure that FCL Trust Holdings Pte. Ltd. abstains, from voting at the EGM on each of Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition).

The Manager hereby undertakes to abstain from voting at the EGM on each of Resolution 1 (the Northpoint 2 Acquisition) and Resolution 2 (the YewTee Point Acquisition).

Resolution 4 (The Proposed Subscription of New Units by the FCL Group under the Private Placement)

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

FCL has undertaken to abstain, and will ensure that FCL Trust Holdings Pte. Ltd. abstains, from voting at the EGM on Resolution 4 relating to the FCL Group Placement.

---

1 The EGM will commence at 3.00 p.m., or as soon thereafter following the conclusion or adjournment of the 1st Annual General Meeting of FCT to be held at 2.30 p.m. on the same day and at the same place.

The Manager hereby undertakes to abstain from voting at the EGM on Resolution 4 relating to the FCL Group Placement.

12 ACTION TO BE TAKEN BY UNITHOLDERS

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

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Manager's registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not later than 3.00 p.m. on 23 January 2010, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

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

13 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

The forecast consolidated financial information set out in **Appendix B** of this Circular have been stated by the Directors after due and careful enquiry.

14 RESPONSIBILITY STATEMENT OF THE SOLE FINANCIAL ADVISER

The Sole Financial Adviser confirms that, having made all reasonable enquiries and to the best of its knowledge and belief, based on information made available by the Manager, the information about the Equity Fund Raising contained in paragraph 7.1 above constitutes true disclosure of all material facts about the Equity Fund Raising as at the date of this Circular and that there are no material facts the omission of which would make any statement about the Equity Fund Raising contained in the said paragraphs misleading in any material respect as at the date of this Circular.

15 CONSENTS

Each of the Independent Accountants, the Independent Valuers, the Independent Property Consultant and the IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the Independent Accountants' Report on the Profit Forecast, the Valuation Certificate and Valuation Summary, the Singapore Retail Market Overview Report and the Non-Mandatory IFA Letter, and all references thereto, in the form and context in which they are included in this Circular.

16 DOCUMENTS ON DISPLAY

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

(i) the full valuation reports on Northpoint 2 and YewTee Point issued by Knight Frank;

(ii) the full valuation reports on Northpoint 2 and YewTee Point issued by JLL;

(iii) the Singapore Retail Market Overview Report;

(iv) the Northpoint 2 Put and Call Option Agreement (including the form of the Northpoint 2 Sale and Purchase Agreement);

(v) the YewTee Point Put and Call Option Agreement (including the form of the YewTee Point Sale and Purchase Agreement);

(vi) the Master Lease Agreement;

(vii) the Property Management Agreement;

(viii) the Northpoint 2 PMA;

(ix) the YewTee Point PMA;

(x) the Independent Accountants' Report on the Profit Forecast;

(xi) the Non-Mandatory IFA Letter;

(xii) the FY2009 Audited Financial Statements; and

(xiii) the written consents of each of the Independent Accountants, the Independent Property Consultant, the Independent Valuers and the IFA.

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

Yours faithfully
for and on behalf of
FRASERS CENTREPOINT ASSET MANAGEMENT LTD.
(as manager of Frasers Centrepoint Trust)
Company Registration No. 200601347G

Philip Eng Heng Nee
Independent Non-Executive Chairman

---

1 Prior appointment with the Manager will be appreciated.

IMPORTANT NOTICE

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

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

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

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

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

This Circular is not for distribution, directly or indirectly, in or into U.S.. It is not an offer of securities for sale into the U.S.. The New Units have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the U.S. or other jurisdiction, and the New Units may not be offered or sold within the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of FCT in the U.S. would be made by means of a prospectus that would contain detailed information about FCT and the Manager, as well as financial statements. The Manager does not intend to register any portion of the offering in the U.S. or to conduct a public offering of securities in the U.S..

GLOSSARY

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

Acquisitions	:	The proposed acquisitions of Northpoint 2 and YewTee Point
Aggregate Leverage	:	The ratio of the total borrowings and deferred payments (if any) to the value of the Deposited Property
Anchorpoint Development	:	The strata sub-divided mix-use development of which Anchorpoint forms part of together with The Anchorage (a condominium)
Anchorpoint Management Corporation	:	The Management Corporation Strata Title Plan No. 2304, being the management corporation of the Anchorpoint Development established under the BMSMA
ATM	:	Automated teller machine
ATM Offering	:	The offering of New Units to the public in Singapore through the ATMs of participating banks under the Equity Fund Raising
BMSMA	:	Building Maintenance and Strata Management Act, Chapter 30C of Singapore
CDP	:	The Central Depository (Pte) Limited
Commitment Fees	:	The commission payable to the relevant Substantial Unitholder(s) pursuant to the Pro Rata Undertaking(s) and/or Sub-Underwriting Agreement(s) (if any)
Committed Leases or **Committed Lease**	:	Leases in respect of which definitive agreements have been entered into between the lessor and lessee
Convertible Securities	:	Has the meaning ascribed to it in the Listing Manual
CPF	:	Central Provident Fund
CPFIS	:	CPF Investment Scheme
Deposited Property	:	All the assets of FCT, including all its authorised investments held or deemed to be held upon the trusts under the Trust Deed
Developer	:	Choice Homes Alpha Pte. Ltd., being the developer of the YewTee Development
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EGM	:	The extraordinary general meeting of Unitholders to be held at 3.00 p.m.[1] on 25 January 2010 at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, to approve the matters set out in the Notice of Extraordinary General Meeting on pages G-1 to G-2 of this Circular

1 The EGM will commence at 3.00 p.m., or as soon thereafter following the conclusion or adjournment of the 1st Annual General Meeting of FCT to be held at 2.30 p.m. on the same day and at the same place.

Enlarged Northpoint Mall	:	The enlarged integrated retail development formed by Northpoint and Northpoint 2
Enlarged Portfolio	:	Comprises the Existing Portfolio, Northpoint 2 and YewTee Point
Equity Fund Raising	:	The Equity Fund Raising may (at the Manager's absolute discretion) comprise any one or a combination of two or more of the following: (i) the Private Placement, (ii) the ATM Offering and (iii) the Preferential Offering, which the Manager deems appropriate in the circumstances and after having considered the then prevailing market conditions
Existing Assets	:	Comprises the Existing Portfolio and other assets held by FCT as at the Latest Practicable Date
Existing Portfolio	:	The portfolio of properties currently held by FCT, comprising Northpoint, Causeway Point and Anchorpoint
Existing Units	:	The Units in issue on the day immediately prior to the date on which the New Units are issued under the Equity Fund Raising
Expenses Sharing Agreement	:	The agreement entered into between the Trustee and YDPL to jointly procure/incur certain property operating expenses for Northpoint and Northpoint 2 and share such expenses according to a pre-agreed basis of allocation as described in paragraph 6.7.1 of the Letter to Unitholders
F&N Group	:	F&NL and its subsidiaries, related corporations and associates (as defined in the Listing Manual) (including FCL)
F&NL	:	Fraser and Neave, Limited
FCL	:	Frasers Centrepoint Limited
FCL Group	:	FCL and its subsidiaries
FCL Group Placement	:	The placement of New Units to the FCL Group pursuant to the Private Placement, in the event that the Private Placement is not fully subscribed by other investors, for up to the number of New Units which the FCL Group would be required to subscribe for if it intends to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising
FCT	:	Frasers Centrepoint Trust
FCT-Developer SPA	:	The sale and purchase agreement to be entered into between the Trustee and the Developer in respect of YewTee Point in the event that the subsidiary strata certificates of title for YewTee Point are not issued by the time of completion of the YewTee Point Acquisition
FCT Loan Facilities	:	The loan and debt facilities put in place to part finance the Northpoint 2 Acquisition Cost and/or the YewTee Point Acquisition Cost (as the case may be), as described in paragraph 6.1.2 of the Letter to Unitholders
Fiscal Year	:	In respect of FCT, any period of 12 months commencing on 1 October and ending on 30 September

Forecast DPU Table	:	The table showing FCT's forecast DPU for the Forecast Period 2010 as set out in paragraph 4.3 of the Letter to Unitholders
Forecast Period 2010 or **FP 2010**	:	The nine-month period ending 30 September 2010
FY2009	:	The financial year ended 30 September 2009
FY2009 Audited Financial Statements	:	The audited financial statements of FCT for FY2009
FY2010	:	The financial year ending 30 September 2010
Gross Floor Area	:	The gross floor area of a building measured in accordance with guidelines issued by the relevant authorities
Gross Rental Income	:	Comprises base rental income (after rent rebates, refunds, credits or discounts and rebates for rent-free periods, where applicable, but excluding turnover rent), service charge and advertising & promotion levy payable by tenants
Gross Revenue	:	Comprises Gross Rental Income and Other Revenue earned from a property, including revenue from car parks, turnover rents, license fees, casual leasing income and other miscellaneous income
GST	:	Goods and services tax
IFA	:	PricewaterhouseCoopers Corporate Finance Pte Ltd
Independent Accountants	:	Ernst & Young LLP
Independent Directors	:	The independent directors of the Manager, being Mr Philip Eng Heng Nee, Mr Bobby Chin Yoke Choong and Mr Soh Kim Soon
Independent Property Consultant	:	Urbis Pty Ltd
Independent Valuers	:	Knight Frank and JLL
Issue Price	:	The issue price of the New Units
JLL	:	Jones Lang LaSalle Property Consultants Pte Ltd
Knight Frank	:	Knight Frank Pte Ltd
Latest Practicable Date	:	31 December 2009, being the latest practicable date prior to the printing of this Circular
Legal Completion Moneys	:	S$9,200,000, being the final instalment in respect of the purchase consideration payable to the Developer under the YDPL-Developer SPA
Listing Manual	:	The Listing Manual issued by the SGX-ST
Manager	:	Frasers Centrepoint Asset Management Ltd., as manager of FCT
Market Day	:	A day on which the SGX-ST is open for trading in securities
MAS	:	Monetary Authority of Singapore
Master Lease	:	The master lease in respect of YewTee Point granted by the Developer to YDPL pursuant to the Master Lease Agreement

Master Lease Agreement	:	The master lease agreement entered into between the Developer and YDPL on 19 January 2009
Moody's	:	Moody's Investors Service
MRT	:	Mass Rapid Transit
NAV	:	Net asset value
Net Income	:	Comprises Net Property Income and any other income of FCT (comprising mainly investment income and interest income, if any, but excluding any non-operating income such as gains on disposal or revaluation of properties) less finance costs, the Manager's management fees, and trust expenses (comprising recurring operating expenses such as the Trustee's fee, annual listing fees, registry fees, accounting, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expenses relating to FCT) (before tax, if any)
Net Lettable Area	:	Comprises the floor area in a building that is to be leased and in respect of which a rent is payable, which generally excludes common areas (such as corridors, public atrium and toilets) and areas used to accommodate building and property management facilities and services
Net Property Income	:	Comprises Gross Revenue less Property Operating Expenses
New Units	:	The new Units proposed to be issued under the Equity Fund Raising
Non-Mandatory IFA Letter	:	The non-mandatory letter from the IFA to the Independent Directors set out in **Appendix E** of this Circular
Northpoint	:	Northpoint Shopping Centre
Northpoint 2	:	The whole of Lot 2985X of Mukim 19, together with the building erected thereon
Northpoint 2 Acquisition	:	The proposed acquisition of Northpoint 2
Northpoint 2 Acquisition Cost	:	Approximately S$167.0 million, being the total acquisition cost of the Northpoint 2 Acquisition, comprising the Northpoint 2 Purchase Consideration, the Northpoint 2 Acquisition Fee payable to the Manager pursuant to the Trust Deed and the estimated professional and other fees and expenses incurred by FCT in connection with the Northpoint 2 Acquisition
Northpoint 2 Acquisition Fee	:	The acquisition fee of S$1,645,500 payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed
Northpoint 2 Average Market Price	:	The open market value of Northpoint 2 (as determined in accordance with the terms of the Northpoint 2 Put and Call Option Agreement)
Northpoint 2 Call Option	:	The call option granted to the Trustee which, if exercised by the Trustee, will require YDPL to enter into the Northpoint 2 Sale and Purchase Agreement with the Trustee for the sale of Northpoint 2 to the Trustee

Northpoint 2 Call Option Notice Period	:	The period commencing on (and including) 12 November 2008 and ending at 5.00 p.m. on 11 May 2010
Northpoint 2 Conditions Precedent	:	The conditions precedent on which completion is subject to and conditional upon under the Northpoint 2 Put and Call Option Agreement
Northpoint 2 PMA	:	The property management agreement to be entered into between the Trustee, the Manager and the Property Manager in respect of Northpoint 2
Northpoint 2 Purchase Consideration	:	S$164,550,000, being the purchase consideration for Northpoint 2 in relation to the Northpoint 2 Acquisition
Northpoint 2 Put and Call Option Agreement	:	The put and call option agreement entered into between YDPL and the Trustee on 22 October 2007 (as amended, varied and/or supplemented by the supplemental agreement dated 10 November 2009 and the second supplemental agreement dated 7 January) in respect of the grant of the Northpoint 2 Call Option to the Trustee and the Northpoint 2 Put Option to YDPL
Northpoint 2 Put Option	:	The put option granted to YDPL which, if exercised by the YDPL, will require the Trustee to enter into the Northpoint 2 Sale and Purchase Agreement with YDPL for the Northpoint 2 Acquisition
Northpoint 2 Put Option Notice Period	:	The period of 30 days commencing immediately after the expiry of the Northpoint 2 Call Option Notice Period
Northpoint 2 Sale and Purchase Agreement	:	The sale and purchase agreement to be entered into between the Trustee and YDPL for the sale of Northpoint 2 to the Trustee
NTA	:	Net tangible assets
NTUC FairPrice	:	NTUC FairPrice Co-operative Ltd
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Other Revenue	:	In respect of the Properties, includes revenue from car parks, turnover rents, license fees, causal leasing income and other miscellaneous income
per cent. or **%**	:	Per centum or percentage
Preferential Offering	:	A non-renounceable preferential offering of New Units to the then Unitholders on a pro rata basis under the Equity Fund Raising
Prevailing Market Price	:	The volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days (or such other period as may be prescribed by the SGX-ST) immediately preceding the relevant business day

Private Placement	:	The placement of New Units to institutional and other investors under the Equity Fund Raising
Pro Rata Undertaking	:	The undertaking which may be given by one or more Substantial Unitholder(s) to the Manager and the Underwriter(s), pursuant to which the relevant Substantial Unitholder will subscribe, and/or procure that its subsidiaries subscribe, either directly or indirectly, for the New Units provisionally allotted to it and/or its subsidiaries under the Preferential Offering
Profit Forecast	:	The forecast statement of FCT's Net Income and distribution for the Forecast Period 2010, and the accompanying key assumptions and sensitivity analysis set out in **Appendix B** of this Circular
Property or **Properties**	:	Refers to any one or more of Northpoint, Causeway Point, Anchorpoint, Northpoint 2 and YewTee Point (as the case may be)
Property Funds Guidelines	:	The Property Funds Guidelines in Appendix 2 of the Code on Collective Investment Schemes issued by the MAS
Property Management Agreement	:	The property management agreement dated 5 June 2006 entered into between the Trustee, the Manager and the Property Manager, as supplemented by the supplemental agreement dated 4 October 2006
Property Manager	:	Frasers Centrepoint Property Management Services Pte. Ltd. (formerly known as Frasers Centrepoint Retail Concepts Pte. Ltd.)
Property Operating Expenses	:	Comprises property tax, the Property Manager's fee and other property operating expenses (including utilities expenses, reimbursement of salaries and related manpower expenses, marketing expenses, repairs and maintenance expenses, general and administrative expenses and other miscellaneous expenses)
REIT	:	Real estate investment trust
S$ and **cents**	:	Singapore dollars and cents
S&P	:	Standard & Poor's Rating Services
Securities Act	:	U.S. Securities Act of 1933, as amended
SGX-ST	:	Singapore Exchange Securities Trading Limited
Sole Financial Adviser	:	DBS Bank Ltd.
sq ft	:	Square foot/feet
sq m	:	Square metre/metres
Stakeholding Sum	:	S$13,164,000, representing 8.0% of the Northpoint 2 Purchase Consideration
Stamp Duties Rules	:	Stamp Duties (Real Estate Investment Trusts) (Remission) Rules 2005

Stamp Duty Remission	:	The remission of stamp duty payable under the Stamp Duties Act, Chapter 312 of Singapore, on any contract, agreement or instrument executed during the period from 1 January 2006 to 17 February 2010 (both dates inclusive) relating to the conveyance, assignment or transfer on sale of properties to a REIT
Star Topaz	:	Star Topaz Limited
Substantial Unitholder	:	A person with an interest in one or more Units constituting not less than 5.0 per cent. of the total number of Units in issue
Sub-Underwriting Agreement	:	The sub-underwriting agreement which may be entered into between one or more Substantial Unitholder(s) and the Underwriter(s), pursuant to which the relevant Substantial Unitholder will agree to sub-underwrite, either directly or indirectly through its subsidiaries, a percentage of the total number of New Units offered under the Preferential Offering
TOP	:	Temporary occupation permit issued by the Building and Construction Authority, permitting a newly-constructed building to be occupied
Trust Deed	:	The trust deed dated 5 June 2006 constituting FCT entered into between the Trustee and the Manager, as amended and/or supplemented by a first supplemental deed dated 4 October 2006 and a first amending restating deed dated 7 May 2009, and as may be amended, varied or supplemented from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, as trustee of FCT
U.S.	:	United States of America
Underwriter(s)	:	Refers to any one or more underwriter(s) which may be appointed by the Manager to underwrite the Equity Fund Raising
Underwriting Agreement	:	The management and underwriting agreement to be entered into between the Manager and the Underwriter(s)
Underwriting Commission	:	The underwriting commission which the Underwriter(s) will receive under the Underwriting Agreement
Unit	:	A unit representing an undivided interest in FCT
Unitholder	:	The registered holder for the time being of a Unit, including a person so registered as a joint holder, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, a depositor with CDP whose securities account with CDP is credited with Units
YDPL	:	Yishun Development Pte Ltd
YDPL-Developer SPA	:	The sale and purchase agreement entered into between YDPL and the Developer on 10 July 2009 in respect of YewTee Point

YewTee Development	:	The mix-use development comprising YewTee Point and YewTee Residences
YewTee Development Management Corporation	:	The management corporation for the YewTee Development
YewTee Point	:	The property known as YewTee Point, located at 21 Choa Chu Kang North 6, Singapore 689578, comprising strata lot numbers U45192P (including accessory lots A1W, A2V, A3P and A4T), U45193T and U45194A, all of Mukim 11
YewTee Point Acquisition	:	The proposed acquisition of YewTee Point
YewTee Point Acquisition Cost	:	Approximately S$127.7 million, being the total acquisition cost of the YewTee Point Acquisition, comprising the YewTee Point Purchase Consideration, the YewTee Point Acquisition Fee payable to the Manager pursuant to the Trust Deed and the estimated professional and other fees and expenses incurred by FCT in connection with the YewTee Point Acquisition
YewTee Point Acquisition Fee	:	The acquisition fee of S$1,256,500 payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed
YewTee Point Call Option	:	The call option granted to the Trustee which, if exercised by the Trustee, will require YDPL to enter into the YewTee Point Sale and Purchase Agreement with the Trustee for the sale of YewTee Point to the Trustee
YewTee Point Call Option Notice Period	:	The period commencing on (and including) 7 January 2010 and ending at 5.00 p.m. on 7 April 2010 during which the Trustee may exercise the YewTee Point Call Option
YewTee Point Conditions Precedent	:	The conditions precedent on which completion is subject to and conditional upon under the YewTee Point Put and Call Option Agreement
YewTee Point PMA	:	The property management agreement to be entered into between the Trustee, the Manager and the Property Manager in respect of YewTee Point
YewTee Point Purchase Consideration	:	S$125,650,000, being the purchase consideration for YewTee Point in relation to the YewTee Point Acquisition
YewTee Point Put and Call Option Agreement	:	The put and call option agreement entered into between YDPL and the Trustee on 7 January 2010 in respect of the grant of the YewTee Point Call Option to the Trustee and the YewTee Point Put Option to YDPL
YewTee Point Put Option	:	The put option granted to YDPL which, if exercised by the YDPL, will require the Trustee to enter into the YewTee Point Sale and Purchase Agreement with YDPL for the YewTee Point Acquisition
YewTee Point Put Option Notice Period	:	The period of 30 days commencing immediately after the expiry of the YewTee Point Call Option Notice Period during which the Trustee may exercise the YewTee Point Put Option
YewTee Point Sale and Purchase Agreement	:	The sale and purchase agreement to be entered into between the Trustee and YDPL for the sale of YewTee Point to the Trustee

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

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

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

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

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to an appropriate number of decimal places.

This page has been intentionally left blank.

NORTHPOINT 2, YEWTEE POINT, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

The following sections set out selected information in respect of Northpoint 2, YewTee Point, the Existing Portfolio and the Enlarged Portfolio (comprising the Existing Portfolio, Northpoint 2 and YewTee Point). Any discrepancies in the tables, charts or diagrams between the listed figures and totals thereof are due to rounding.

This Circular contains certain information with respect to the trade sectors of the tenants of Northpoint 2, YewTee Point, the Existing Portfolio and the Enlarged Portfolio. The Manager has determined the trade sectors in which these tenants are primarily involved based upon the Manager's general understanding of the business activities conducted by these tenants in the premises occupied by them. The Manager's knowledge of the business activities of these tenants is necessarily limited and these tenants may conduct business activities that are in addition to, or different from, those shown herein.

1. NORTHPOINT 2

Northpoint 2 is a six-storey multi-tenanted retail mall comprising two basement levels and four storeys above ground. As at 31 October 2009, the retail mall has a Net Lettable Area of 85,530 sq ft and a committed occupancy of 100%. Northpoint 2 is held under a leasehold title of 99 years commencing from 1 April 1990, which will expire at the same time as that of Northpoint (one of the three properties in the Existing Portfolio).

The building has 47 car park lots located at Basement 2, shop units located at Basement 1 and Levels 1 to 3, as well as a community library (the Yishun Public Library operated by the National Library Board) located on Level 4. This lease of space to the Yishun Public Library satisfies the requirement under the lease granted by the President of the Republic of Singapore in respect of the land constituting Northpoint 2 for the development to have a Civic and Community Institutional Gross Floor Area of 2,000 sq m (approximately 21,528 sq ft). The rent payable under this lease is reflective of the Civic and Community Institutional nature of the National Library Board.

The retail mall features a diverse mix of products, services and food and beverage offerings by well-established brands that include Bakerzin, Xin Wang Hong Kong Café, Ishi Mura, Suki Sushi, Eu Yan Sang, Spectacle Hut, Levi's, G2000 and City Chain.

Northpoint 2 complements, and is physically integrated with, Northpoint. Northpoint 2's main retail levels at Basement 1 and Levels 1 to 3 are fully connected to the corresponding levels of Northpoint. The car park levels of the two buildings are also connected by internal driveways.

Northpoint 2, together with Northpoint, forms the Enlarged Northpoint Mall, an integrated enlarged retail development. The Enlarged Northpoint Mall has approximately 234,900 sq ft of Net Lettable Area and 234 car park lots as at 31 October 2009. The Enlarged Northpoint Mall is strategically located in the town centre of the Yishun housing estate in the northern region of Singapore, and has direct pedestrian linkages to the Yishun MRT Station and the Yishun Bus Interchange, which are both located in its immediate vicinity.

The Enlarged Northpoint Mall is the dominant shopping, dining and community hub in Yishun, and serves an estimated resident population of 187,200 in its primary trade area and a further 223,100 in its secondary trade area. In the 12 months ended 31 October 2009, the Enlarged Northpoint Mall reported a shopper traffic of 22.6 million[1].

---

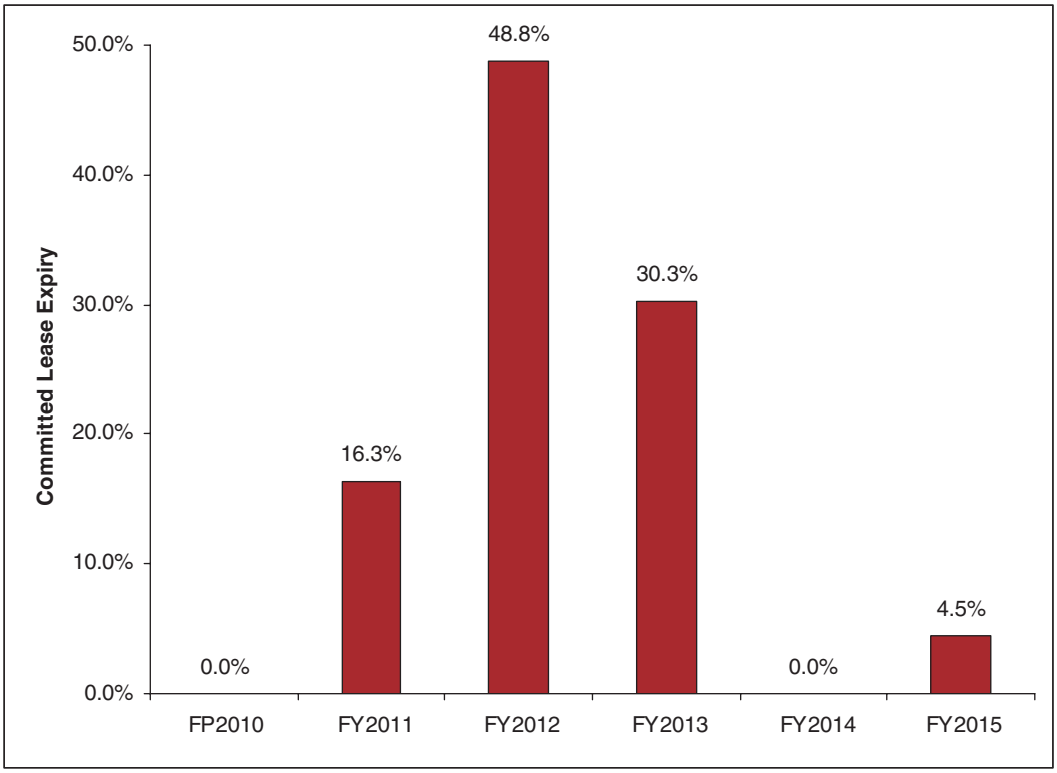
1 Based on data recorded by electronic traffic counters.

The table below sets out a summary of selected information on Northpoint 2 as at 31 October 2009.

Gross Floor Area (sq ft)	132,971
Net Lettable Area (sq ft)	85,530
Number of Storeys	6 (including 2 basement levels)
Number of Committed Leases	68
Car Park Lots	47
Title	Leasehold estate of 99 years commencing from 1 April 1990
Committed Occupancy	100%

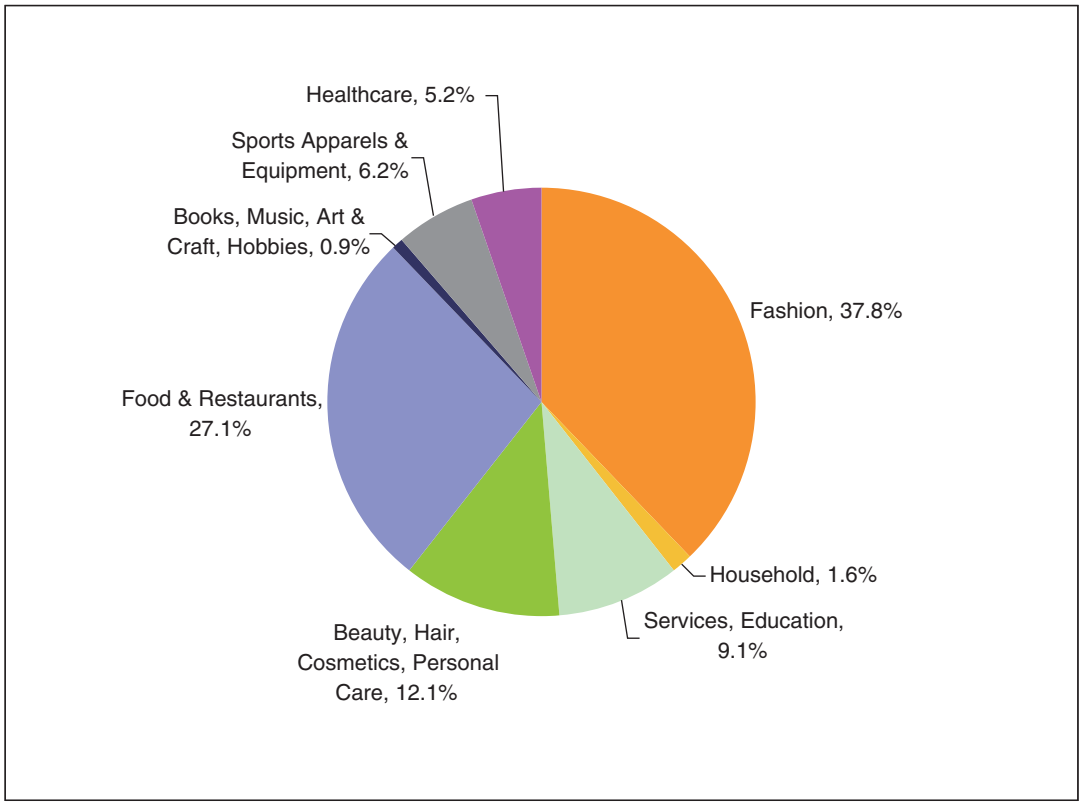
1.1 Lease Expiry Profile for Northpoint 2 (as at 31 October 2009)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Committed Leases in Northpoint 2 for the Forecast Period 2010 and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.



1.2 Trade Sector Analysis for Northpoint 2 (as at 31 October 2009)

The chart below provides a breakdown by Gross Rental Income of the different trade sectors represented in Northpoint 2.



1.3 Top 10 Tenants Analysis for Northpoint 2 (as at 31 October 2009)

The table below sets out the top 10 tenants of Northpoint 2 by Gross Rental Income.

Top 10 Tenants	% of Gross Rental Income
Thai Express Concepts	**41.3%**
Suki Sushi Pte Ltd	
Sg Net Fashion Development Pte Ltd	
G2000 Apparel (S) Pte Ltd	
National Library Board	
KFC Mgt Pte Ltd	
Jay Gee Enterprise (Pte) Ltd	
Sakura Cuisine (S) Pte Ltd	
Apex-Pal International Ltd	
RSH (Singapore) Pte Ltd	
Other Tenants	**58.7%**
Total	**100%**

2. YEWTEE POINT

YewTee Point is a two-storey multi-tenanted retail mall comprising one basement level and one storey above ground[1]. As at 31 October 2009, the property has a Net Lettable Area of 72,382 sq ft and a committed occupancy of 98.3%. YewTee Point is held under a leasehold title of 99 years commencing from 3 January 2006.

YewTee Point is the only fully enclosed and air-conditioned retail mall in the Yew Tee town centre, and together with YewTee Residences (comprising 139 units of private apartments), forms the YewTee Development[2]. The development is located adjacent to the Yew Tee MRT Station.

YewTee Point serves an estimated resident population of 66,600 in its primary trade area and a further 113,500 in its secondary trade area. In addition, it also draws shoppers from schools and military camps located in and around Yew Tee estate, as well as from the large Sungei Kadut Industrial Estate located nearby. In the four months ended 31 October 2009 YewTee Point reported an annualised shopper traffic of 10.9 million[3].

YewTee Point's anchor tenant is NTUC FairPrice (the largest supermarket retailer in Singapore), which operates a supermarket at YewTee Point. YewTee Point's other tenants include well-established brands such as Koufu food court, Toast Box, Xin Wang Hong Kong Café, Sushi Deli, Four Leaves, Watson's, Home-Fix The D.I.Y. Store and Citispa. YewTee Point's retail mix primarily caters to the daily household and dining needs of the population in its captive primary trade area. For the convenience of shoppers, the NTUC FairPrice supermarket operates extended hours starting from 7 a.m. each day, and several of the retail mall's food and beverage tenants operate past midnight each day.

The table below sets out a summary of selected information on YewTee Point as at 31 October 2009.

Gross Floor Area (sq ft)	113,508
Net Lettable Area (sq ft)	72,382
Number of Storeys	2 (including 1 basement level)(1)
Number of Committed Leases	82
Car Park Lots	83(2)
Title	Leasehold estate of 99 years commencing from 3 January 2006
Committed Occupancy	98.3%

Notes:

(1) Apart from the retail levels located on Basement 1 and Level 1, a property management office (which is part of the limited common property for the exclusive benefit of YewTee Point) is located on Level 2 of the YewTee Development.

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

---

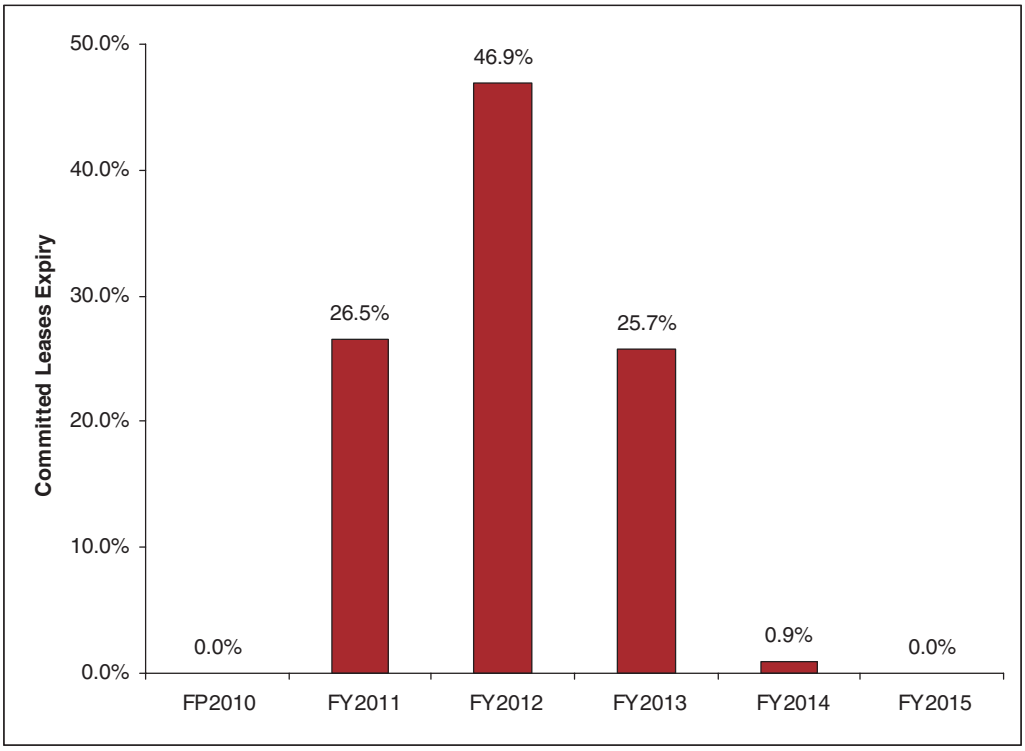
1 Apart from the retail levels located on Basement 1 and Level 1, a property management office (which is part of the limited common property for the exclusive benefit of YewTee Point) is located on Level 2 of the YewTee Development.

2 YewTee Point is comprised of strata lot numbers U45192P (including accessory lots A1W, A2V, A3P and A4T), U45193T and U45194A, all of Mukim 11 located at 21 Choa Chu Kang North 6, Singapore 689578. Upon the constitution of the management corporation for the YewTee Development, the said lots will together constitute a subsidiary management corporation in respect of the limited common property in the YewTee Development which are for the exclusive benefit of YewTee Point. (See paragraph 1.2.3 in **Appendix B** of this Circular for more details.) The share value allocated to YewTee Point in the schedule of strata units in the YewTee Development filed with and accepted by the Commissioner of Buildings under the Building Maintenance and Strata Management Act, Chapter 30C of Singapore ("**BMSMA**"), is 5749 out of 10000.

3 Based on data recorded over a four-month period by electronic traffic counters installed in July 2009.

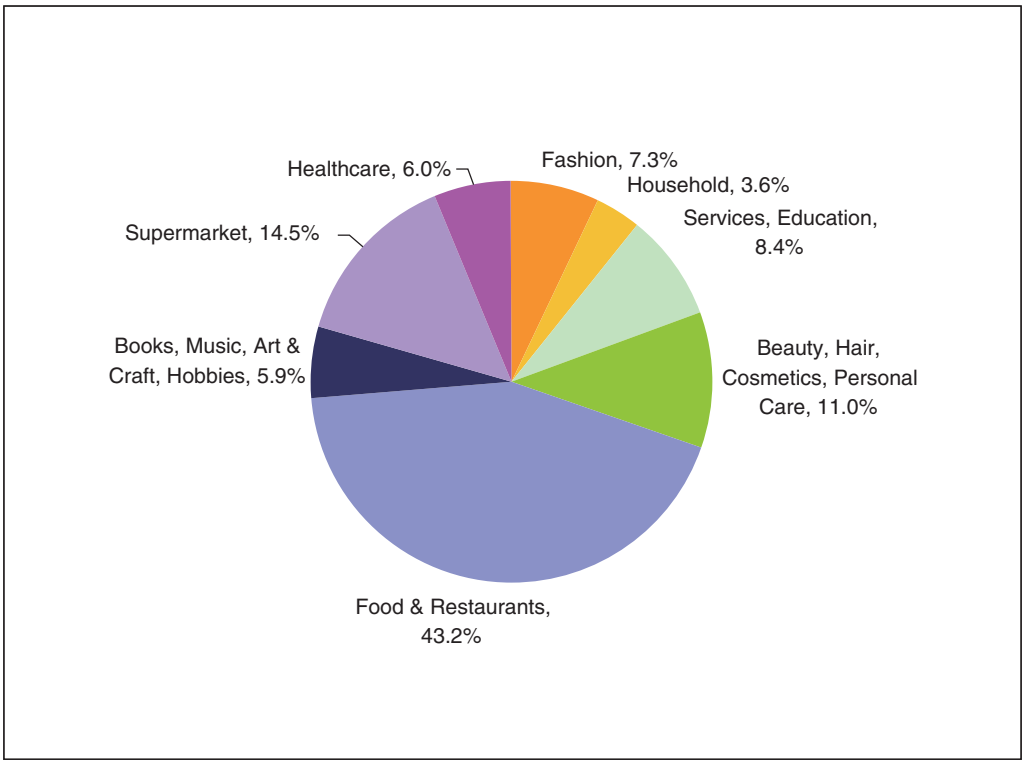
2.1 Lease Expiry Profile for YewTee Point (as at 31 October 2009)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Committed Leases in YewTee Point for the Forecast Period 2010 and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.



2.2 Trade Sector Analysis for YewTee Point (as at 31 October 2009)

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



2.3 Top 10 Tenants Analysis for YewTee Point (as at 31 October 2009)

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

Top 10 Tenants	% of Gross Rental Income
NTUC FairPrice Co-operative Ltd	**44.4%**
Koufu Pte Ltd	
KFC Mgt Pte Ltd	
Watson's Personal Care Stores Pte Ltd	
Bon-Food Pte Ltd	
Ramen Ten Restaurant Pte Ltd	
Asia Pacific Food Pte Ltd	
Toh Eng Yeow	
Thai Express Concepts	
BreadTalk Pte Ltd	
Other Tenants	**55.6%**
Total	**100%**

3. EXISTING PORTFOLIO

The table below sets out selected information about the Existing Portfolio as at 31 October 2009.

	Causeway Point	Northpoint	Anchorpoint
Gross Floor Area (sq ft)	629,160	231,624	102,736
Net Lettable Area (sq ft)	418,543	149,367	71,610
Number of Committed Leases	184	121	70
Car Park Lots	915	187	130[(1)]
Title	Leasehold estate of 99 years commencing from 30 October 1995	Leasehold estate of 99 years commencing from 1 April 1990	Freehold
Valuation[(2)] (S$'000)	714,000	318,000	68,000
Percentage of aggregate value of Existing Portfolio	64.9%	28.9%	6.2%
Committed Occupancy	100.0%	98.0%	97.0%
Net Property Income for Forecast Period 2010 (S$'000)	30,523	14,024	3,060

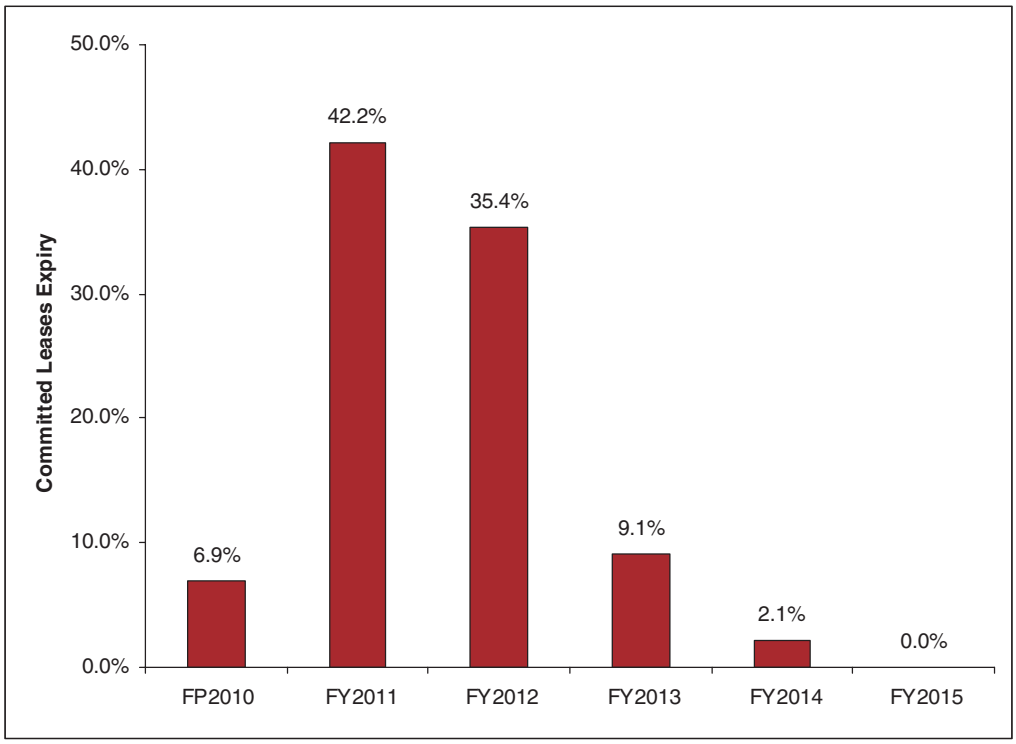
Notes:

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

(2) Valued as at 30 September 2009.

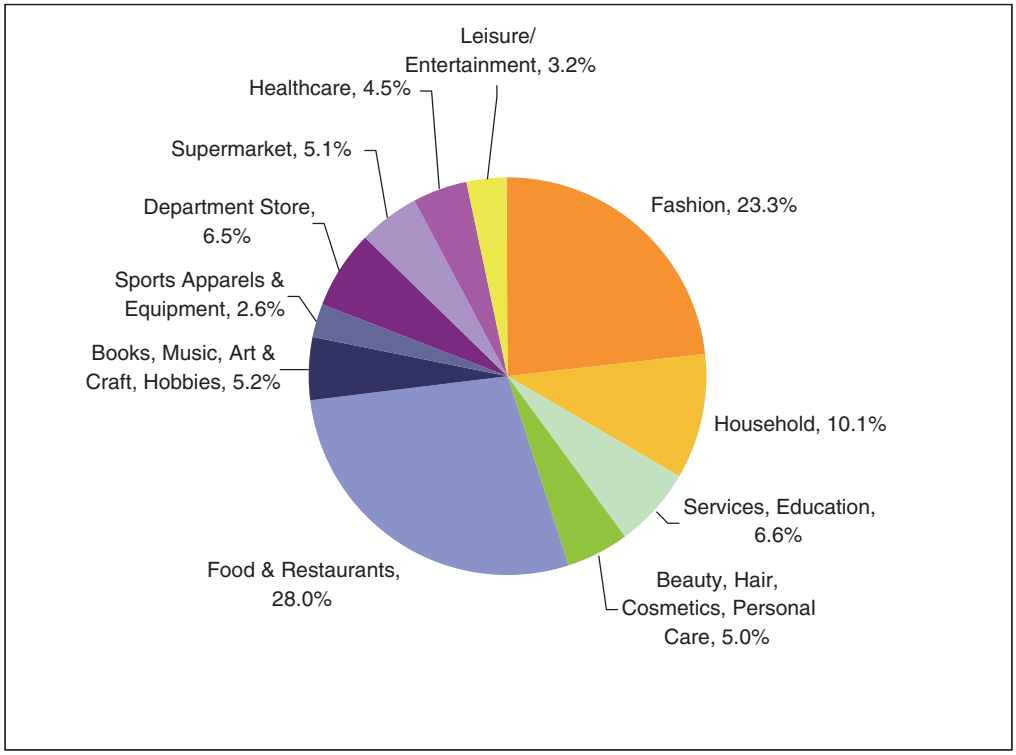
3.1 Lease Expiry Profile for the Existing Portfolio (as at 31 October 2009)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Committed Leases in the Existing Portfolio for the Forecast Period 2010 and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.



3.2 Trade Sector Analysis for Existing Portfolio (as at 31 October 2009)

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



3.3 Top 10 Tenants of the Existing Portfolio (as at 31 October 2009)

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

Top 10 Tenants	% of Gross Rental Income
Cold Storage Singapore (1983) Pte Ltd	**32.7%**
Courts (Singapore) Limited	
Metro (Private) Limited	
Aspial-Lee Hwa Jewellery Singapore Pte Ltd	
Horizon Foodmalls (Causeway) Pte Ltd[(1)]	
John Little Private Limited	
Food-Link Services Pte Ltd	
Popular Book Company Pte Ltd	
Cathay Cineplexes Pte Ltd	
Oversea-Chinese Banking Corporation Ltd	
Other Tenants	**67.3%**
Total	**100%**

Note:

(1) The lease to Horizon Foodmalls (Causeway) Pte Ltd was replaced by a lease to Banquet Holdings Pte Ltd which commenced on 24 December 2009. Assuming that this replacement occurred on 31 October 2009, Banquet Holdings Pte Ltd would be one of the top 10 tenants of the Existing Portfolio, Horizon Foodmalls (Causeway) Pte Ltd would cease to be a tenant in the Existing Portfolio, and the contribution of the top 10 tenants to the Gross Rental Income of the Existing Portfolio as at 31 October 2009 would be 34.1% on a pro forma basis, due to a larger aggregate contribution by Banquet Holdings Pte Ltd as compared to the contribution by Horizon Foodmalls (Causeway) Pte Ltd.

4. ENLARGED PORTFOLIO

The table below sets out selected information about the Enlarged Portfolio as at 31 October 2009.

	Existing Portfolio	Northpoint 2	YewTee Point	Enlarged Portfolio
Gross Floor Area (sq ft)	963,520	132,971	113,508	1,209,999
Net Lettable Area (sq ft)	639,520	85,530	72,382	797,432
Number of Committed Leases	375	68	82	525
Car Park Lots	1,232[(1)]	47	83[(2)]	1,362
Valuation (S$'000)	1,100,000[(3)]	164,550[(4)]	125,650[(5)]	1,390,200
Committed Occupancy	99.2%	100%	98.3%	99.2%
Net Property Income for Forecast Period 2010 (S$'000)	47,607	7,143	5,535	60,285

Notes:

(1) Including 130 car park lots located at Anchorpoint, which are part of Anchorpoint Development's common property managed by the Anchorpoint Management Corporation.

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

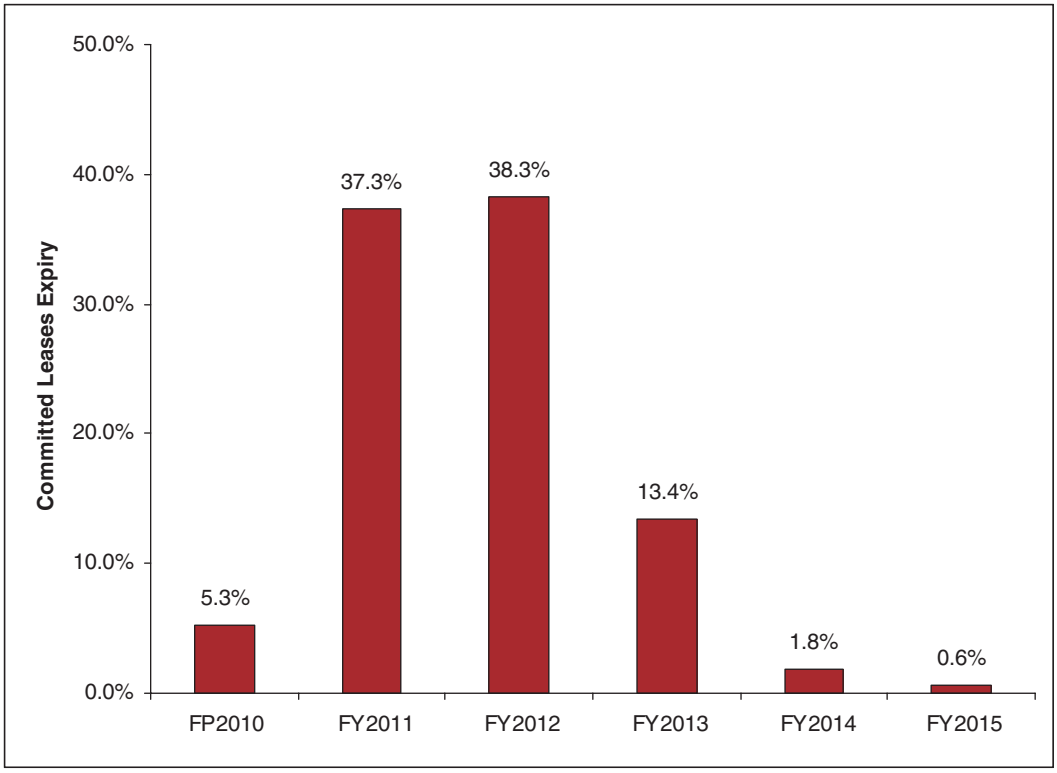
(3) Valued as at 30 September 2009.

(4) The Northpoint 2 Purchase Consideration.

(5) The YewTee Point Purchase Consideration.

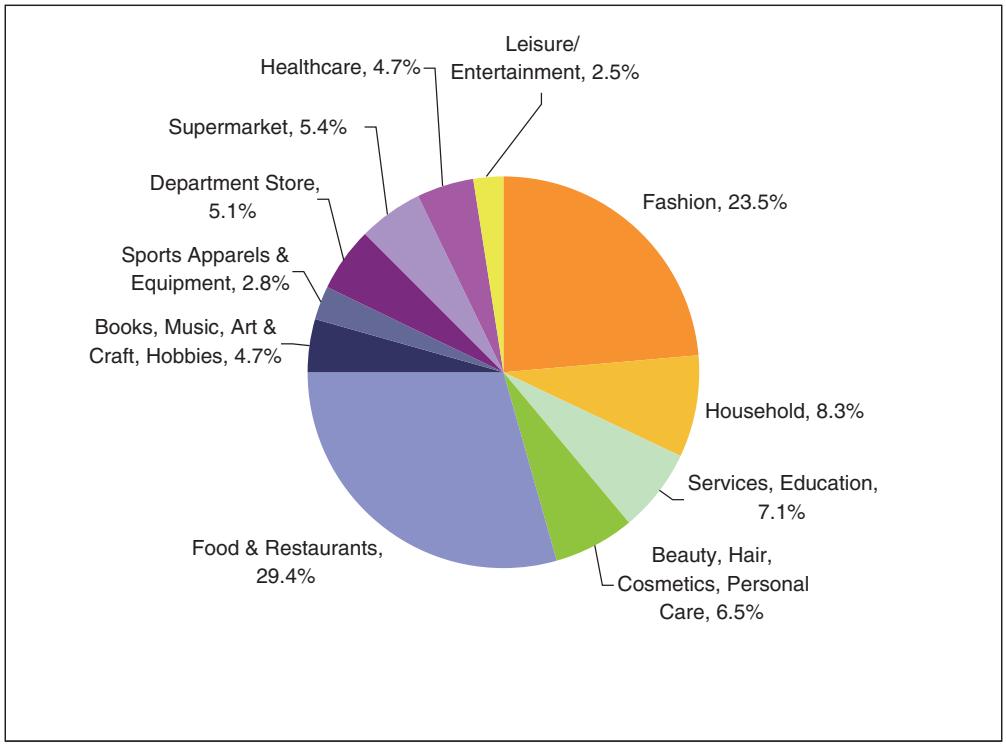
4.1 Lease Expiry Profile for the Enlarged Portfolio (as at 31 October 2009)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Committed Leases in the Enlarged Portfolio for the Forecast Period 2010 and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.



4.2 Trade Sector Analysis for Enlarged Portfolio (as at 31 October 2009)

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



4.3 Top 10 Tenants of the Enlarged Portfolio (as at 31 October 2009)

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

Top 10 Tenants	% of Gross Rental Income
Cold Storage Singapore (1983) Pte Ltd	**25.7%**
Courts (Singapore) Limited	
Metro (Private) Limited	
Aspial-Lee Hwa Jewellery Singapore Pte Ltd	
Horizon Foodmalls (Causeway) Pte Ltd[(1)]	
John Little Private Limited	
Food-Link Services Pte Ltd	
KFC Mgt Pte Ltd	
Popular Book Company Pte Ltd	
Cathay Cineplexes Pte Ltd	
Other Tenants	**74.3%**
Total	**100%**

Note:

(1) The lease to Horizon Foodmalls (Causeway) Pte Ltd was replaced by a lease to Banquet Holdings Pte Ltd which commenced on 24 December 2009. Assuming that this replacement occurred on 31 October 2009, Banquet Holdings Pte Ltd would be one of the top 10 tenants of the Enlarged Portfolio, Horizon Foodmalls (Causeway) Pte Ltd would cease to be a tenant in the Enlarged Portfolio, and the contribution of the top 10 tenants to the Gross Rental Income of the Enlarged Portfolio as at 31 October 2009 would be 26.9% on a pro forma basis, due to a larger aggregate contribution by Banquet Holdings Pte Ltd as compared to the contribution by Horizon Foodmalls (Causeway) Pte Ltd.

PROFIT FORECAST

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

The following table sets out FCT's forecast consolidated statement of net income and distribution for the Forecast Period 2010, which has been prepared in accordance with the accounting policies adopted by FCT for FY2009. In the preparation of the forecast consolidated statement of net income and distribution for the Forecast Period 2010, specific non-cash items which have no impact on distributable income have been excluded in the presentation of the distributable income to Unitholders. The Profit Forecast has been examined by the Independent Accountants and should be read together with their report contained in **Appendix C** of this Circular as well as the assumptions and sensitivity analysis set out in Section B of this appendix.

FORECAST CONSOLIDATED STATEMENT OF NET INCOME AND DISTRIBUTION OF FCT – EXISTING ASSETS, NORTHPOINT 2 AND YEWTEE POINT

S$'000	FY2009	Forecast Period 2010[1] (1 January 2010 to 30 September 2010)					
					Total		
	Actual	Existing Assets	The Northpoint 2 Acquisition	The YewTee Point Acquisition	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions
Gross rent	74,608	61,654	9,784	7,994	71,438	69,648	79,432
Other revenue	12,016	7,265	683	592	7,948	7,857	8,540
Gross revenue	**86,624**	**68,919**	**10,467**	**8,586**	**79,386**	**77,505**	**87,972**
Property Manager's fee	(3,312)	(2,634)	(398)	(318)	(3,032)	(2,952)	(3,350)
Property tax	(7,234)	(5,608)	(894)	(729)	(6,502)	(6,337)	(7,231)
Maintenance expenses	(10,066)	(8,363)	(1,283)	(600)	(9,646)	(8,963)	(10,246)
Other property expenses	(6,151)	(4,707)	(749)	(1,404)	(5,456)	(6,111)	(6,860)
Property expenses	**(26,763)**	**(21,312)**	**(3,324)**	**(3,051)**	**(24,636)**	**(24,363)**	**(27,687)**
Net property income	**59,861**	**47,607**	**7,143**	**5,535**	**54,750**	**53,142**	**60,285**
Interest income	8	—			—	—	—
Borrowing costs	(12,520)	(11,249)			(13,107)	(12,668)	(14,525)
Trust expenses	(981)	(1,144)			(1,200)	(1,196)	(1,252)
Manager's management fees	(6,470)	(5,012)			(5,739)	(5,571)	(6,299)
Net income	**39,898**	**30,202**			**34,704**	**33,707**	**38,209**
Net tax adjustments[2]	3,388	3,221			3,788	3,656	4,223
Distribution from associate	3,654	2,918			2,918	2,918	2,918
Income currently available for distribution	**46,940**	**36,341**			**41,410**	**40,281**	**45,350**
Distributable income to Unitholders[3]	**46,940**	**36,341**			**41,410**	**40,281**	**45,350**
Units in issue ('000)[4]	626,565	628,952			703,957	686,654	759,854
Basic DPU (cents)	**7.51**	**7.70[5]**			**7.85[5]**	**7.83[5]**	**7.96[5]**

Notes:

(1) The forecast DPU will vary to the extent that the New Units under the Equity Fund Raising are issued on a date other than 1 January 2010.

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

(3) Distributions for the Forecast Period 2010 are based on 100 per cent. of the total income available for distribution.

(4) Units in issue at the end of the Forecast Period 2010 includes the forecast number of Units and the assumed number of New Units (as the case may be) to be issued (i) pursuant to the Equity Fund Raising; (ii) as payment for the Northpoint 2 Acquisition Fee and/or the YewTee Point Acquisition Fee (as the case may be); and (iii) as payment for the portion of the Manager's management fee for the Forecast Period 2010 which is assumed to be paid in the form of Units. For (i), an illustrative Issue Price of S$1.30 per New Unit has been assumed; for (ii) and (iii), a price of S$1.40 per Unit (being the last traded price of the Units on the SGX-ST on the Latest Practicable Date) has been assumed. The assumed number of New Units to be issued under the Equity Fund Raising to part finance the Northpoint 2 Acquisition Cost, the YewTee Point Acquisition Cost and the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost are 73.4 million, 56.5 million and 128.1 million, respectively.

(5) Annualised figure.

1. Section A: Assumptions

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

1.1 Gross Revenue

Gross Revenue comprises (a) Gross Rental Income and (b) Other Revenue earned from the Properties (meaning any one or more of Northpoint, Causeway Point, Anchorpoint, Northpoint 2 and YewTee Point (and each a "**Property**") where the context so requires or permits). A summary of the assumptions which have been used in calculating Gross Revenue is set out below:

1.1.1 Gross Rental Income

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

The percentages of forecast Gross Rental Income of the Properties which are attributable to Committed Leases as at 31 October 2009 are set out in the table below.

	Forecast Period 2010
Existing Portfolio	97.0%
Northpoint 2	96.7%
YewTee Point	98.0%

(i) Base rental income

In order to forecast base rental income, the Manager has, in the first instance, used rents payable under the Committed Leases. The forecast base rental incomes of the Properties are set out in the table below.

	Forecast Period 2010 (S$'000)
Existing Portfolio	50,360
Northpoint 2	8,324
YewTee Point	6,638

The Manager has assessed the market rent for each portion of the lettable area in each Property as at 31 October 2009. The market rent is the rent which the Manager believes could be achieved if each lease was renegotiated as at 31 October 2009, and is estimated with reference to base rents payable under comparable leases that have been recently negotiated, the effects of competing retail developments, prevailing market conditions, inflation levels and tenant demand levels. If a Committed Lease expires during the Forecast Period 2010, the Manager has assumed that the base rent for the new lease (or renewed lease) which commences in the Forecast Period 2010, to be the market rent.

(ii) Service charge and advertising & promotion levy

The service charge and advertising & promotion levy are contributions paid by tenants towards the Property Expenses of the Properties. In order to forecast service charge and advertising & promotion levy, the Manager has used service charges and advertising & promotion levy payable under the Committed Leases. If a Committed Lease expires in the Forecast Period 2010, the Manager has assumed that the service charge and advertising & promotion levy payable for the new lease (or renewed lease) will be the same as the amount payable under the existing Committed Lease. The forecast service charge and advertising & promotion levy of the Properties are set out in the table below.

	Forecast Period 2010 (S$'000)
Existing Portfolio	11,294
Northpoint 2	1,460
YewTee Point	1,356

(iii) Lease renewal rate and vacancy allowance

For the leases expiring during the Forecast Period 2010, the Manager has reviewed the details of each of these leases with regards to the likelihood of renewal. Based on the Manager's assessment, leases expiring in the Forecast Period 2010 which are expected to be renewed constitute 94.4% (by Gross Rental Income) of all the leases expiring in the Forecast Period 2010.

For the balance of the leases expiring during the Forecast Period 2010 which are assumed not to be renewed, vacancy allowances are assumed before rent becomes payable under new leases. The average vacancy allowance that has been assumed is two months.

(iv) Occupancy rate

The forecast average occupancy rates for the Properties during the Forecast Period 2010 are set out in the table below.

	Forecast Period 2010
Existing Portfolio	99.7%
Northpoint 2	99.4%
YewTee Point	99.1%

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

1.1.2 Other Revenue

Other Revenue includes revenue from car parks, turnover rents, license fees, casual leasing income and other miscellaneous income.

(i) Turnover rent

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

As at 31 October 2009, the percentage (by Net Lettable Area) of leases with turnover rent provisions out of all the Committed Leases in the Properties are set out in the table below.

	As at 31 October 2009
Existing Portfolio	85.3%
Northpoint 2	70.1%
YewTee Point	95.4%

For the Forecast Period 2010, the percentage contributions of turnover rent to the Gross Revenue of the Properties are set out in the table below.

	Forecast Period 2010
Existing Portfolio	4.4%
Northpoint 2	2.8%
YewTee Point	3.0%

(ii) Other revenue (excluding turnover rent)

The assessment of other revenue (excluding turnover rent) is based on existing agreements, historical income collections and the Manager's assessment of the business operations and conditions of the Properties. For the Forecast Period 2010, the percentage contributions of other income (excluding turnover rent) to the Gross Revenue of the Properties are set out in the table below.

	Forecast Period 2010
Existing Portfolio	6.1%
Northpoint 2	3.7%
YewTee Point	3.9%

1.2 Property Expenses

Property Expenses consist of (a) Property Manager's fee, (b) property tax, (c) maintenance expenses and (d) other property expenses. A summary of the assumptions which have been used in deriving the Property Expenses for the Forecast Period 2010 is set out below:

1.2.1 Property Manager's Fee

Pursuant to the Property Management Agreement, the Property Manager's fees are based on a fee of 2.0% per annum of the Gross Revenue for each Property, plus a fee of 2.0% per annum of the 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.

1.2.2 Property Tax

It has been assumed that the applicable property tax rate for the Properties for the Forecast Period 2010 will remain at the prevailing 10.0% and that no property tax rebate will be given by the tax authorities. Property tax for the Forecast Period 2010 is computed based on the base rental income and rental income from kiosks, car park income (net of associated operating expenses) and any other income that are taxable.

1.2.3 Maintenance Expenses

Maintenance expenses include the general repairs and maintenance costs of, as well as non-capital expenditures to improve, the Properties. 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.

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

The management corporation (the "**YewTee Development Management Corporation**") for the YewTee Development has not been constituted as at the Latest Practicable Date. Under the BMSMA, the Developer is, prior to the constitution of the YewTee Development Management Corporation, responsible for the repair and maintenance of the common property of the YewTee Development including the limited common property for the exclusive benefit of YewTee Point. The maintenance expenses for YewTee Point include the maintenance charges (as approved by the Commissioner of Buildings) which are payable to the Developer. Upon the constitution of the YewTee Development Management Corporation, the maintenance expenses payable by YewTee Point will include the contributions to the management funds and sinking funds established by (i) the YewTee Development Management Corporation and (ii) the subsidiary management corporation of the limited common property in the YewTee Development which are for the exclusive benefit of YewTee Point. It has been assumed that there is no material variance in the aggregate maintenance expenses payable by YewTee Point before and after the constitution of the YewTee Development Management Corporation.

For each Property, an individual assessment has been made of the repairs and maintenance expenses for the Forecast Period 2010, on the basis of, among other things, the general state of repair of the Properties, actual historical repairs and maintenance expenses and the rates under the existing service and maintenance contracts with suppliers. For the Forecast Period 2010, the estimated maintenance expenses, expressed as a percentage of Gross Revenue for the Properties, are set out in the table below.

	Forecast Period 2010
Existing Portfolio	12.1%
Northpoint 2	12.3%
YewTee Point	16.7%

1.2.4 Other Property Expenses

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

For each Property, an individual assessment has been made of such property expenses for the Forecast Period 2010, on the basis of, among other things, actual historical expenses and existing service and maintenance contracts with suppliers.

For the Forecast Period 2010, the estimated other property expenses, expressed as a percentage of Gross Revenue for the Properties, are set out in the table below.

	Forecast Period 2010
Existing Portfolio	6.8%
Northpoint 2	7.2%
YewTee Point	6.6%

1.3 Manager's Management Fees

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

In the profit forecast, 50.0% of the Manager's aggregate management fee is assumed to be paid in the form of Units and the balance in cash. The portion of the Manager's management fee payable in the form of Units is payable quarterly in arrears and the portion of the Manager's management fee payable in cash is payable monthly in arrears.

1.4 Trust Expenses

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

The Trustee's fee is presently charged on a scaled basis 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.

1.5 Distribution from Associate

Distribution from associate refers to distribution income (net of withholding tax) received from FCT's investment in 31.06%[1] of the units in Hektar Real Estate Investment Trust listed on the Main Board of Bursa Malaysia Berhad. The distribution amount for the Forecast Period 2010 is estimated based on actual historical distribution received.

1.6 Borrowing Costs

The Manager has assumed an interest rate of 4.0% (including margin and upfront fee for credit facilities) for the borrowings that will be taken up to part finance the Northpoint 2 Acquisition Cost and/or the YewTee Point Acquisition Cost (as the case may be). As a point of reference, the average 3-year and 2-year Singapore dollar swap offer rates for the month ended 31 December 2009 were 1.812% and 1.412% respectively.

1.7 Capital Expenditure

The Manager has made allowances for the forecast capital expenditure for the Properties based on each Property's budget for regular capital expenditure, as shown in the table below.

	Forecast Period 2010 (S$'000)
Existing Portfolio	12,835
Northpoint 2	670
YewTee Point	20

In addition, payments amounting to approximately S$7.3 million in respect of addition and alteration works carried out in Northpoint and which obtained TOP in August 2009 are expected to be made in the Forecast Period 2010.

It has been assumed that all of the above capital expenditure will be funded by borrowings. Such capital expenditure incurred will be capitalised as part of the Deposited Property when incurred and has no impact on the income statements and distributions of FCT other than in respect of interest incurred on the borrowings.

1.8 Investment Properties

For the period ending 31 December 2009, the Manager has made a hypothetical assumption that the carrying value for the Existing Portfolio is S$1,100.0 million (based on the aggregate valuation of the Existing Portfolio by an independent valuer, JLL, as at 30 September 2009). It has been assumed that the property valuations of the Existing Portfolio for the Forecast Period 2010 will only increase by the amount of forecast capital expenditure set out in paragraph 1.7 above. This assumption is made when estimating the value of the Deposited Property for the purposes of forecasting the base fee component in the Manager's management fee and the Trustee's fee.

The carrying value for Northpoint 2 and YewTee Point are hypothetically assumed to be S$164,550,000 and S$125,650,000 respectively. It has been assumed that the valuations of Northpoint 2 and YewTee Point for the Forecast Period 2010 will only increase by the amount of forecast capital expenditure shown in paragraph 1.7 above. This assumption is made when

---

1 Comprising 99.4 million units out of a total of 320.0 million units in Hektar Real Estate Investment Trust as at the Latest Practicable Date.

estimating the value of the Deposited Property for the purposes of forecasting the base fee component in the Manager's management fee and the Trustee's fee.

1.9 Accounting Standards

The Manager has assumed that there is no significant change in applicable accounting standards or other financial reporting requirements during the Forecast Period 2010 that may have a material bearing on the forecast distributable income of FCT.

1.10 Other Assumptions

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

- Other than the Northpoint 2 Acquisition and/or the YewTee Point Acquisition (as the case may be), the property portfolio remains unchanged;
- There will be no stamp duty payable in respect of the Northpoint 2 Acquisition and the YewTee Point Acquisition;
- There will be no material change to the respective carrying value of the property assets and other investments held by FCT;
- Other than for the purposes mentioned in this Circular, there will be no further capital raised during the Forecast Period 2010;
- There will be no material change to the taxation or other relevant legislations;
- There will be no material change to the tax ruling dated 15 March 2006 issued by the Inland Revenue Authority of Singapore on the taxation of FCT and Unitholders;
- All leases and licences are enforceable and will be performed in accordance with their terms; and
- 100 per cent. of FCT's distributable income in respect of the Forecast Period 2010 will be distributed.

2. Section B: Sensitivity Analysis for the Existing Portfolio and the Acquisitions

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

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

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

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

2.1 Gross Revenue

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

Impact on DPU pursuant to changes in Gross Revenue

Based on Issue Price of S$1.30 per New Unit (For Illustration Only)	Distribution per Unit		
	Forecast Period 2010 (Annualised)		
(cents)	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions
Gross Revenue is 1.0% above Base Case	8.00	7.98	8.12
Base Case(1)	7.85	7.83	7.96
Gross Revenue is 1.0% below Base Case	7.70	7.68	7.81

Note:

(1) Refers to the relevant figures appearing in, or underlying, the "Forecast Consolidated Statement of Net Income and Distribution of FCT — Existing Assets, Northpoint 2 and YewTee Point" under paragraph 6.5 of the Letter to Unitholders.

2.2 Property Expenses

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

Impact on DPU pursuant to changes in Property Expenses

Based on Issue Price of S$1.30 per New Unit (For Illustration Only)	Distribution per Unit		
	Forecast Period 2010 (Annualised)		
(cents)	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions
Property Expenses are 2.5% above Base Case	7.73	7.71	7.84
Base Case(1)	7.85	7.83	7.96
Property Expenses are 2.5% below Base Case	7.97	7.95	8.09

Note:

(1) Refers to the relevant figures appearing in, or underlying, the "Forecast Consolidated Statement of Net Income and Distribution of FCT — Existing Assets, Northpoint 2 and YewTee Point" under paragraph 6.5 of the Letter to Unitholders.

2.3 Borrowing Costs

Changes in interest rates in respect of the borrowings to be incurred to part finance the Northpoint 2 Acquisition and/or the YewTee Point Acquisition (as the case may be) and other loans which are subject to refinancing under the Forecast Period 2010 will impact the financing costs, and therefore the distributable income of FCT. The impact of variations in interest rate on DPU is set out in the table below.

Impact on DPU pursuant to changes in Borrowing Costs

Based on Issue Price of S$1.30 per New Unit (For Illustration Only)	Distribution per Unit		
	Forecast Period 2010 (Annualised)		
(cents)	Existing Assets and the Northpoint 2 Acquisition	Existing Assets and the YewTee Point Acquisition	Existing Assets and the Acquisitions
Interest Rates are 25 Basis Points above Base Case	7.82	7.81	7.92
Base Case[(1)]	7.85	7.83	7.96
Interest Rates are 25 Basis Points below Base Case	7.87	7.85	8.01

Note:

(1) Refers to the relevant figures appearing in, or underlying, the "Forecast Consolidated Statement of Net Income and Distribution of FCT – Existing Assets, Northpoint 2 and YewTee Point" under paragraph 6.5 of the Letter to Unitholders.

INDEPENDENT ACCOUNTANTS' REPORT ON THE PROFIT FORECAST

7 January 2010

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

HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Frasers Centrepoint Trust)
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

LETTER FROM THE REPORTING ACCOUNTANTS IN RELATION TO THE EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2010 TO 30 SEPTEMBER 2010

Dear Sirs,

This letter has been prepared for inclusion in the circular to unitholders (the "**Circular**") to be issued by Frasers Centrepoint Trust ("**FCT**") in connection with, among other things, the proposed acquisitions of Northpoint 2 and YewTee Point and the proposed issue of up to 152.0 million new units to part finance the acquisitions of Northpoint 2 and YewTee Point.

The directors of Frasers Centrepoint Asset Management Ltd. (the "**Directors**") are responsible for the preparation and presentation of the forecast consolidated statement of net income and distribution of the existing assets of FCT, Northpoint 2 and YewTee Point for the financial period from 1 January 2010 to 30 September 2010 (the "**Profit Forecast**") as set out in Appendix B of the Circular, which has been prepared on the basis of their assumptions (the "**Assumptions**") as set out in Section A of Appendix B of the Circular.

We have examined the Profit Forecast in accordance with the Singapore Standard on Assurance Engagements applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast including the Assumptions on which the Profit Forecast is based.

Based on our examination of the evidence supporting the Assumptions as set out in Section A of Appendix B of the Circular, nothing has come to our attention to cause us to believe that the Assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast is properly prepared on the basis of the Assumptions and is consistent with the accounting policies normally adopted by FCT which are in accordance with the Singapore Financial Reporting Standards.

Actual results are likely to be different from the Profit Forecast since anticipated events frequently do not occur as expected and the variation may be material.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner-in-charge: Liew Choon Wai

VALUATION CERTIFICATE AND VALUATION SUMMARY

Knight Frank

"Northpoint 2"
930 Yishun Avenue 2
Singapore 769098
29 December 2009

VALUATION CERTIFICATE

Property	:	"Northpoint 2" 930 Yishun Avenue 2 Singapore 769098 (comprising the whole of the below mentioned land lot and the building erected thereon)
Client	:	Frasers Centrepoint Asset Management Ltd (As manager of Frasers Centrepoint Trust) 438 Alexandra Road #02-00 Alexandra Point Singapore 119958
Legal Description	:	Lot No. : 2985X Mukim : 19
Tenure	:	Leasehold 99 years with effect from 1 April 1990 (balance of about 79.38 years as at 16 November 2009)
Basis Of Valuation	:	Market value subject to all existing and proposed leases and occupancy arrangements
Site Area	:	4,113.2 sm (44,274 sf)
Master Plan 2008	:	"Commercial" Subject to the provision of 2,000 sm of Civic and Community Institutional gross floor area as provided in State Lease No. 26327 for the land.
Brief Description	:	"Northpoint 2" (the subject property) is an extension to the existing 4-storey shopping complex with 3 basement levels known as Northpoint Shopping Centre, which is directly linked to the Yishun MRT Station via an underpass and located next to the Yishun Bus Interchange. The subject property accommodates retail units, restaurants, food outlets, a Japanese-themed food court and salons from Basement 1 to 3rd storey, a public library on the 4th storey and 47 car parking lots at Basement 2. The Temporary Occupation Permit was issued on 16 October 2008.
Tenancy Profile	:	National Library Board and retail specialty tenancies.
Gross Floor Area	:	12,353.40 sm (132,971 sf)
Lettable Floor Area	:	7,946.0 sm (85,530 sf)
Valuation Approach	:	Investment and Discounted Cash Flow

Cert No. 160076

Knight Frank Pte Ltd 16 Raffles Quay #30-00 Hong Leong Building Singapore 048581
Tel: (65) 6222 1333 Fax: (65) 6224 5843 www.knightfrank.com.sg Reg. No. 198205243Z

Other Offices:
Knight Frank Estate Management Pte Ltd 3 Lim Teck Kim Road #01-01/02 Singapore Technologies Building Singapore 088934
Knight Frank Shopping Centre Management Pte Ltd 16 Raffles Quay #30-00 Hong Leong Building Singapore 048581
KF Property Network Pte Ltd (Licensee) 167 Jalan Bukit Merah #06-10 Connection One Tower 5 Singapore 150167

"Northpoint 2"
930 Yishun Avenue 2
Singapore 769098
29 December 2009

VALUATION CERTIFICATE

Date Of Valuation	:	16 November 2009
Open Market Value	:	$165,900,000/- (Dollars One Hundred Sixty-Five Million And Nine Hundred Thousand Only)
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this valuation certificate which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located at the end of this valuation certificate. Reliance on this valuation certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorized use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
Prepared By	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.
MSISV
Executive Director, Valuation

Woo Ai Lian
MBA, B.Sc. (Estate Management) Hons.
MSISV
Director, Valuation

Knight Frank

"YewTee Point"
21 Choa Chu Kang North 6
Singapore 689578
29 December 2009

VALUATION CERTIFICATE

Property	:	"YewTee Point" 21 Choa Chu Kang North 6 Singapore 689578
Client	:	Frasers Centrepoint Asset Management Ltd (As manager of Frasers Centrepoint Trust) 438 Alexandra Road #02-00 Alexandra Point Singapore 119958
Legal Description	:	Strata Lot Nos. : U45192P (including Accessory Lots A1W, A2V, A3P and A4T), U45193T and U45194A Mukim : 11
Tenure	:	Leasehold 99 years with effect from 3 January 2006 (balance of about 95.13 years as at 16 November 2009)
Basis Of Valuation	:	Market value subject to all existing and proposed leases and occupancy arrangements
Site Area of Subject Development	:	8,500.0 sm (91,493 sf)
Master Plan 2008	:	"Commercial & Residential"
Brief Description	:	YewTee Point (the subject property) is the retail podium of a 12-storey commercial-cum-residential development with a basement level. The subject property accommodates a supermarket, a food court, restaurants, food outlets, retail units, salons and clinic on the 1st storey and basement level, and 83 car parking lots at the basement level. The residential component is known as YewTee Residences. The subject development is located next to the Yew Tee MRT Station. The Temporary Occupation Permit was issued on 30 December 2008.
Tenancy Profile	:	NTUC Fairprice Co-Operative Limited, Koufu Pte Ltd and retail specialty tenancies
Strata Floor Area	:	10,416.0 sm (112,117 sf) including Accessory Lots of 90.0 sm (969 sf) and void of 181.0 sm (1,948 sf)
Gross Floor Area	:	10,545.22 sm (113,508 sf)
Lettable Floor Area	:	6,724.5 sm (72,382 sf)

Cert No. 160076

Knight Frank Pte Ltd 16 Raffles Quay #30-00 Hong Leong Building Singapore 048581
Tel: (65) 6222 1333 Fax: (65) 6224 5843 www.knightfrank.com.sg Reg. No. 198205243Z

Other Offices:
Knight Frank Estate Management Pte Ltd 3 Lim Teck Kim Road #01-01/02 Singapore Technologies Building Singapore 088934
Knight Frank Shopping Centre Management Pte Ltd 16 Raffles Quay #30-00 Hong Leong Building Singapore 048581
KF Property Network Pte Ltd (Licensee) 167 Jalan Bukit Merah #06-10 Connection One Tower 5 Singapore 150167

"YewTee Point"
21 Choa Chu Kang North 6
Singapore 689578
29 December 2009

VALUATION CERTIFICATE

Valuation Approach	:	Investment and Discounted Cash Flow
Date Of Valuation	:	16 November 2009
Open Market Value	:	$126,500,000/- (Dollars One Hundred Twenty-Six Million And Five Hundred Thousand Only)
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this valuation certificate which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located at the end of this valuation certificate. Reliance on this valuation certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorized use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
Prepared By	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.
MSISV
Executive Director, Valuation

Woo Ai Lian
MBA, B.Sc. (Estate Management) Hons.
MSISV
Director, Valuation

JONES LANG LASALLE 仲量聯行

VALUATION SUMMARY

Property	:	"Northpoint 2" (as defined below) 930 Yishun Avenue 2 Singapore 769098
Legal Description	:	Lot 2985X Mukim 19
Site Area	:	4,113.2 sq.m.
Tenure	:	99 years leasehold commencing from April 1, 1990.
Subject Development	:	The whole of Lot 2985X of Mukim 19, together with the building erected thereon ("Northpoint 2") is a retail development completed in October 2008. The subject property is internally connected to the adjacent Northpoint Shopping Centre on the retail levels of Basement 1 and Levels 1 to 3. The trade mix comprises mostly mid-range F&B, supermarket, fashion, lifestyle, services and other outlets, which includes tenants such as Bakerzin, Xin Wang Café, Eu Yan Sang, Spectacle Hut, G2000 and City Chain. The Yishun Public Library occupies the whole of Level 4. Vertical movement within is facilitated via a pair of escalators on each level from Basement 3 to Level 4, reinforced concrete staircases, 2 passengers lift with a loading capacity of 1000 kg each and 2 cargo lifts with loading capacity of 1600 kg each. There is a total of 47 carparks lots at Basement 2. The accommodation and finished areas are generally of homogeneous/ceramic/granite/marble/laminated timber/timber strips flooring. The common areas are finished with timber strips/homogeneous/ceramic tile flooring.
Total Net Lettable Area (as provided)	:	7,945.93 sq.m. (as at September 30, 2009)
Valuation Approach	:	Discounted Cash Flow and Direct Capitalisation
Open Market Value	:	S$163,200,000/- (Singapore Dollars One Hundred Sixty-Three Million And Two Hundred Thousand)
Material Date of Valuation	:	November 16, 2009

JONES LANG LASALLE

JONES LANG LASALLE 仲量聯行

VALUATION SUMMARY

Property	:	YewTee Point 21 Choa Chu Kang North 6 Singapore 689578
Legal Descriptions and Strata Floor Areas	:	See table below

Unit Numbers	Strata Lot Numbers Mukim 11	Strata Floor Areas - subject to survey upon issuance of Strata Certificate of Title
#01-01	Lot U45193T	117 sq.m.
#01-02	Lot U45194A	59 sq.m
#B1-01 to #B1-44, #01-03 to #01-50 and Accessory Lots A1W, A2V, A3P, A4T part of 1st, 2nd, 3rd storeys	Lot U45192PPt	10,240 sq.m. (including void of 181 sq.m.)

Tenure	:	99 years leasehold commencing from January 3, 2006.
Subject Development	:	YewTee Point is a retail mall that forms an integrated mix-use development with YewTee Residences (comprising 139 private apartment units). YewTee Point occupies the ground and basement levels of the development, which is erected on a nearly rectangular-shaped plot of land at the access road level. The development was completed in December 2008. YewTee Point's trade mix comprises F&B, supermarket, beauty, healthcare, fashion lifestyle and educational services, and includes tenants such as NTUC Fairprice Supermarket, Koufu Food Court, ToastBox, Xin Wang Hong Kong Café, Watson's and Citispa. Vertical movement within is facilitated via a pair of escalators, reinforced concrete staircases and 2 cargo lifts with loading capacity of 2500 kg each. There are a total of 83 carpark lots and 4 loading/unloading bay lots within YewTee Point. The accommodation and finished areas are generally of homogeneous/ceramic/carpet flooring. The common areas are finished with timber strips/homogeneous/ceramic tile flooring. The toilets are completed with homogenous tiled floor and walls.
Total Net Lettable Area (as provided)	:	6,724.45 sq.m. (as at September 30, 2009)
Valuation Approach	:	Discounted Cash Flow and Direct Capitalisation
Open Market Value	:	S$124,800,000/- (Singapore Dollars One Hundred Twenty-Four Million And Eight Hundred Thousand)
Material Date of Valuation	:	November 16, 2009

JONES LANG LASALLE

LETTER FROM PRICEWATERHOUSECOOPERS CORPORATE FINANCE PTE LTD TO THE INDEPENDENT DIRECTORS OF FRASERS CENTREPOINT ASSET MANAGEMENT LTD.

7 January 2010

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

Dear Sirs

INTERESTED PERSON TRANSACTIONS TO BE ENTERED INTO BY FRASERS CENTREPOINT TRUST ("FCT") IN RELATION TO THE PROPOSED ACQUISITIONS OF:

(1) NORTHPOINT 2; AND

(2) YEWTEE POINT

---

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 7 January 2010 (the "**Circular**") to the unitholders of FCT ("**Unitholders**")*

1. INTRODUCTION

This letter ("**Letter**") has been prepared for inclusion in the Circular in connection with, inter alia, the proposed Northpoint 2 Acquisition and the proposed YewTee Point Acquisition (both as defined in the Circular and collectively, the "**Acquisitions**") by FCT, issued by Frasers Centrepoint Asset Management Ltd. in its capacity as manager of FCT (the "**Manager**"). This Letter sets out our view on the Acquisitions and our recommendations to the independent directors of the Manager (the "**Independent Directors**"). This Letter sets forth factors considered by PricewaterhouseCoopers Corporate Finance Pte Ltd ("**PwCCF**") in arriving at its view. The Circular and the letter from the directors of the Manager (the "**Directors**") to the Unitholders (the "**Letter to Unitholders**") included therein will provide, inter alia, details of the Acquisitions and the recommendation(s) of the Independent Directors in relation to the Acquisitions, having considered PwCCF's advice in this Letter.

1.1 Background

On 22 October 2007, HSBC Institutional Trust Services (Singapore) Limited, as trustee of Frasers Centrepoint Trust (the "**Trustee**"), entered into a conditional put and call option agreement with Yishun Development Pte Ltd ("**YDPL**") in relation to the proposed Northpoint 2 Acquisition. On 7 January 2010, a separate conditional put and call option agreement was entered into between the Trustee and YDPL in relation to the proposed YewTee Point Acquisition.

The salient terms for both the above put and call option agreements are set out in paragraph 2.3 and 3.3 of the Letter to Unitholders.

The proposed Northpoint 2 Purchase Consideration and the proposed YewTee Point Purchase Consideration are S$164,550,000 and S$125,650,000 respectively, excluding associated acquisition costs totalling approximately S$4.5 million to be incurred by FCT. It is the Manager's proposal that the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost will be part financed via the proceeds to be raised from the issue of up to 152.0 million New Units (as defined in the Circular) pursuant to the proposed Equity Fund Raising (as set out in the Circular), with the balance to be funded by borrowings, which may include the FCT Loan Facilities (as set out in the Circular).

As YDPL is a wholly-owned subsidiary of FCL, which is a controlling Unitholder of FCT, YDPL (being an associate of a controlling Unitholder) is deemed to be an "interested person" of FCT in relation to the Acquisitions, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**"). For similar reason, YDPL is also deemed to be an "interested party" of FCT under Paragraph 5 of the Property Funds Guidelines in Appendix 2 of the Code on Collective Investment Schemes (the "**Property Funds Guidelines**") issued by the Monetary Authority of Singapore (the "**MAS**"). Therefore, the Acquisitions constitute an "interested person transaction" under the Listing Manual and an "interested party transaction" under the Property Funds Guidelines.

Rule 906 of the Listing Manual requires, *inter-alia*, the approval of the Unitholders for an interested person transaction if the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of FCT's latest audited net tangible assets ("**NTA**"). Further thereto, Paragraph 5.2 of the Property Funds Guidelines also imposes a similar requirement for an interested party transaction whose value exceeds 5.0% of FCT's latest audited net asset value ("**NAV**").

Accordingly, in compliance with the requirements of Rule 906 of the Listing Manual and Paragraph 5.2 of the Property Funds Guidelines, the Manager is seeking the Unitholders' approval for the Acquisitions.

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

The Acquisitions will be payable in cash. Knight Frank Pte Ltd ("**Knight Frank**") and Jones Lang LaSalle Property Consultants Pte Ltd ("**JLL**") (collectively referred to as the "**Independent Valuers**") have been engaged to value the Northpoint 2 and YewTee Point (collectively the "**Properties**", and each a "**Property**") and the valuation certificates and summaries by Knight Frank and JLL have been disclosed in the Circular. Hence, an opinion from an IFA is strictly not required, notwithstanding that the Acquisitions are considered "interested person transactions".

However, for the purpose of good corporate governance and to ensure that independent analysis is performed on the Acquisitions, the Manager appointed an IFA to review and to provide its view on each of the Northpoint 2 Acquisition and the YewTee Point Acquisition.

Hence, it is in this context that PwCCF has been appointed to advise the Independent Directors of the Manager on whether each of the Acquisitions is based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders.

Detailed information on the Acquisitions is set out in paragraphs 2 to 6 of the Letter to Unitholders. **We recommend that the Independent Directors advise Unitholders to read the aforementioned sections carefully.**

2. TERMS OF REFERENCE

PwCCF have been appointed to advise the Independent Directors on whether the Acquisitions are based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders. We do not, by this Letter, make any representation or warranty in relation to the merits of the Acquisitions.

In line with the above stated objective, we have limited our evaluation to the financial terms of the Acquisitions and have not considered their commercial risks or commercial merits. Our terms of reference do not require us to evaluate the strategic or long-term commercial merits of the Acquisitions or the future financial performance or prospects of FCT. However, we may draw upon the views of the Directors and management of the Manager and their other professional advisers in arriving at our opinion. We also do not address the relative merits of the Acquisitions as compared to any alternative transaction(s) previously considered by the Manager or that otherwise may become available to FCT in the future. Such evaluations or comments remain the responsibility of the Directors and management of the Manager.

We have held discussions with the Directors and management of the Manager and have examined information provided by the Manager and other publicly available information collated by us, upon which our opinion as set out in this Letter is based. We have not independently verified the information provided by the Manager, whether written or verbally, and accordingly do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and used our judgment as we deemed necessary or appropriate when reviewing such information, and are not aware of any reason to doubt the reliability of the information.

We have not made an independent evaluation of the Properties. We have, however, been furnished with the valuation reports for each Property issued by the Independent Valuers. With respect to the valuation reports, we are not experts and do not hold ourselves to be experts in the evaluation of the Properties but have relied upon the valuation reports prepared by JLL ("**JLL Valuation Reports**") and Knight Frank ("**Knight Frank Valuation Reports**"). The respective valuation certificates and summaries prepared by the Independent Valuers are set out in Appendix D of the Circular.

We have relied upon the assurance of the Directors that the Circular has been approved by the Directors who have made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the Circular are fair and accurate in all material respects as at the date of the Circular and that there are no material facts to the omission of which would make any statement in the Circular misleading in any material respect. Accordingly, the Directors collectively and individually accept responsibility for the accuracy of the information given in the Circular.

Accordingly, no representation or warranty, expressed or implied, is made by us, and no responsibility is accepted by us, concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied upon by us as described above.

Furthermore, our terms of reference do not require us to express, and we do not express, an opinion on the future prospects of FCT. We have, therefore, not expressed any opinion herein as to the future financial or other performance of FCT.

Our opinion as set out in this Letter is based upon the following considerations:

- Rationale for the Acquisitions;
- Purpose and scope of work of the Independent Valuers;

- Valuations of the Properties as appraised by the Independent Valuers;
- The property yields of the Properties as compared with the following:
  - the properties in the existing portfolio of FCT ("**Existing Portfolio**");
  - the comparable properties held by real estate investment trusts ("**REITs**") listed and traded on the SGX-ST ("**Comparable Properties**"); and
  - transactions of other retail properties carried out in Singapore ("**Comparable Transactions**"); and
- The prevailing market, economic, industry, monetary and other relevant conditions, together with any information made available to us as of 31 December 2009, being the Latest Practicable Date as defined in the Circular.

Conditions may change significantly over a short period of time and accordingly we assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Unitholders should take note of any announcements relevant to their consideration of the Acquisitions which may be released by the Manager and other sources after the Latest Practicable Date.

Our opinion is addressed to and for the use and benefit of the Independent Directors in their deliberation of whether each of the Northpoint 2 Acquisition and the YewTee Point Acquisition is based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders. The statements and/or recommendations made by the Independent Directors shall remain the responsibility of the Independent Directors.

Our opinion should not be relied upon as a recommendation to any individual Unitholder as to how the Unitholder should vote on the resolutions in relation to the Acquisitions or any matters related thereto. As each Unitholder may have different investment objectives and considerations, we recommend that each Unitholder should seek their own professional advice.

Our opinion in relation to the Acquisitions should be considered in the context of the entirety of this Letter and the Circular.

3. PURPOSE AND SCOPE OF WORK OF THE INDEPENDENT VALUERS

Knight Frank and JLL were commissioned to assess the open market values of Northpoint 2 and YewTee Point. Knight Frank was appointed by the Manager while JLL was appointed by the Trustee.

As stated in the valuation report by Knight Frank, the open market value is defined as the best price at which the sale of an interest in a 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'.

For JLL, the open market value is defined as an opinion of the best price at which the sale of an interest in a property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

(a) a willing buyer and a willing 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;

(d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and

(e) that both parties to the transaction has acted prudently and without compulsion.

4. DETAILS CONCERNING THE PROPERTIES AND THE ACQUISITIONS

4.1 The Properties

Detailed information concerning the Properties can be obtained from paragraph 2.1 and 3.1 of the Letter to Unitholders as well as Appendix A of the Circular.

We note the following relevant information in relation to **Northpoint 2** as at 31 October 2009:

Selected Information about Northpoint 2	
Gross Floor Area	132,971 sq ft
Net Lettable Area	85,530 sq ft
Number of Storeys	6 (including 2 basement levels)
Car Park Lots	47
Number of Committed Leases	68
Title	Leasehold estate of 99 years commencing from 1 April 1990
Committed Occupancy	100%

We note the following relevant information in relation to **YewTee Point** as at 31 October 2009:

Selected Information about YewTee Point	
Gross Floor Area	113,508 sq ft
Net Lettable Area	72,382 sq ft
Number of Storeys	2 (including 1 basement level)
Car Park Lots	83
Number of Committed Leases	82
Title	Leasehold estate of 99 years commencing from 3 January 2006
Committed Occupancy	98.3%

4.2 The Acquisitions

Detailed descriptions of the Acquisitions are set out in paragraph 2 ("The Proposed Northpoint 2 Acquisition") and paragraph 3 ("The Proposed YewTee Point Acquisition") of the Letter to Unitholders. It is important for Unitholders to understand the terms of the Northpoint 2 Put and Call Option Agreement as well as that of the YewTee Point Put and Call Option Agreement. Therefore Unitholders are advised to read paragraphs 2 and 3 of the Letter to Unitholders carefully.

The following table sets out the Northpoint 2 Purchase Consideration and YewTee Point Purchase Consideration (each as set out in the Circular), which are based on the average of the respective open market values of the Properties as at 16 November 2009, as appraised by Knight Frank and JLL.

	Open market value		Purchase Consideration[(1)]
	Knight Frank	JLL	
Northpoint 2	S$165,900,000	S$163,200,000	S$164,550,000
YewTee Point	S$126,500,000	S$124,800,000	S$125,650,000
TOTAL	**S$292,400,000**	**S$288,000,000**	**S$290,200,000**

Source: Paragraphs 2 and 3 of the Letter to Unitholders and Appendix D of the Circular

Note:

(1) Excludes associated acquisition costs of approximately S$2.4 million and S$2.1 million for the Northpoint 2 Acquisition and the YewTee Point Acquisition respectively, as set out in paragraphs 2.4 and 3.4 of the Circular.

In arriving at the open market values of the Properties, Knight Frank adopted the investment method and discounted cash flow ("**DCF**") method and JLL adopted the DCF method and the direct capitalisation method.

The Manager intends to part finance the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost via the proceeds to be raised from the issue of up to 152.0 million New Units pursuant to the Equity Fund Raising, with the balance thereof funded by borrowings, which may include the FCT Loan Facilities.

4.3 Other Relevant Information

The Acquisitions are subject to the satisfaction of a number of conditions, including but not limited to, the following:

(a) The acquisition of Northpoint 2 by FCT is subject to YDPL having obtained the approval of the head lessor (being the President of the Republic of Singapore and its successors in office) in relation to:

  (i) the sale of Northpoint 2 to the Trustee; and

  (ii) the lease or license of premises located in Northpoint 2 to third parties,

  by 31 March 2010 (or such other date as YDPL and the Trustee may agree);

(b) Resolution 3 pertaining to the Equity Fund Raising being passed by Unitholders at the extraordinary general meeting to be held on 25 January 2010 (the "**EGM**");

(c) There being no written notice having been issued by the Manager to the Trustee before the date fixed for completion of the Acquisitions that, in the Manager's reasonable opinion, the market conditions then prevailing are not conducive for (a) the raising of adequate funds (including any equity fund raising) and/or (b) the raising of funds (including any equity fund raising) on reasonable terms or in a manner that will be beneficial to the overall interests of FCT and Unitholders, for the purpose of completing the Acquisitions.

(d) There being no stop order or similar order having been issued by the MAS or any court or other judicial, governmental or regulatory authority in relation to the Equity Fund Raising;

(e) The approval in-principle of the SGX-ST for the listing and quotation of the New Units not having been revoked and withdrawn; and

(f) (Where the equity fund raising is underwritten) The fulfilment of the obligations of the underwriter(s) under the underwriting agreement in relation to the equity fund raising and such underwriting agreement not having been terminated.

We understand that condition (a) above has been satisfied.

5. EVALUATION OF THE ACQUISITIONS

In our evaluation of whether the terms of the Acquisitions are based on normal commercial terms and are not be prejudicial to the interests of FCT and its minority Unitholders, we have taken due considerations to the following key factors:

(a) Rationale for the Acquisitions;

(b) Valuations of the Properties as appraised by the Independent Valuers;

(c) The property yields of the Properties as compared to the Existing Portfolio;

(d) The property yields of the Properties as compared to the Comparable Properties;

(e) The property yields of the Properties as compared to the Comparable Transactions; and

(f) Other relevant considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

5.1 Rationale for the Acquisitions

The full text of the Manager's rationale for the Acquisitions is set out in paragraph 4 of the Letter to Unitholders. **We recommend that the Independent Directors advise Unitholders to read this section of the Circular carefully.**

However we highlight some of the salient points of the Manager's rationale below:

(a) Northpoint 2 and YewTee Point are strategically located in the town centres of established high-density housing estates, benefitting from captive shopper catchments, high occupancy rates, diverse bases of quality tenants, and exposure to the resilient suburban retail property market in Singapore;

(b) The Acquisitions are in line with the Manager's investment strategy to invest in quality income-producing properties used primarily for retail purposes, so as to deliver regular and stable distributions to Unitholders and to provide Unitholders with a competitive rate of return for their investment;

(c) The Manager expects the Acquisitions, in combination with an optimal debt and equity funding plan, to provide distribution per Unit ("**DPU**") accretion to Unitholders. Assuming that the aggregate of the Northpoint 2 Acquisition Cost and the YewTee Point Acquisition Cost is part financed by the issue of 128.1 million New Units under the Equity Fund Raising at an illustrative issue price of S$1.30 per New Unit, with the balance funded by borrowings, and in conjunction with other assumptions as detailed in Appendix B of the Circular, the Acquisitions are expected to increase FCT's annualised DPU in the Forecast Period 2010 (as defined in the Circular) by approximately 3.4% from 7.70 cents to 7.96 cents;

(d) The Acquisitions are expected to improve the diversification of FCT's portfolio and reduce the extent of reliance of FCT's income stream on any one single property or major tenant;

(e) The proposed issue of New Units is expected to significantly increase the free float of Units on the Main Board of the SGX-ST, thereby potentially increasing the trading volume and liquidity of the Units; and

(f) The Acquisitions will enable FCT to enlarge its share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants.

5.2 Valuation of the Properties as appraised by the Independent Valuers

Knight Frank and JLL were respectively commissioned by the Manager and the Trustee to assess the open market values of the Properties. The open market values of the Properties as at 16 November 2009, as determined by Knight Frank and JLL, are set out below.

	Open market value		Purchase Consideration[(1)]
	Knight Frank	JLL	
Northpoint 2	S$165,900,000	S$163,200,000	S$164,550,000
YewTee Point	S$126,500,000	S$124,800,000	S$125,650,000
TOTAL	**S$292,400,000**	**S$288,000,000**	**S$290,200,000**

Source: Paragraphs 2 and 3 of the Letter to Unitholders and Appendix D of the Circular

Note:

(1) Excludes associated acquisition costs for the Northpoint 2 Acquisition and the YewTee Point Acquisition respectively as set out in Sections 2.4 and 3.4 of the Circular.

In arriving at the open market values of the Properties, Knight Frank adopted the investment method and DCF method and JLL adopted the DCF method and the direct capitalisation method. These approaches adopted by the Independent Valuers are widely accepted methods for the purpose of valuing properties.

We noted that both Independent Valuers adopted the DCF approach in their respective valuations. The DCF approach is a widely accepted method of valuing an investment with a defined stream of expected future cashflow. As mentioned in Section 4 of this Letter, the committed occupancies of the Properties are either 100% or very close to 100% as at 31 October 2009. As such, we are of the view that the DCF approach would be an appropriate method of valuation, subject to the reasonableness of the projected cash flows and the discount rate applied.

We have also made reasonable enquiries and have exercised our professional judgement in reviewing the information contained in the respective valuation reports. In our review, we found the information contained therein to be reasonable.

We highlight below, salient points from the valuation certificates and summaries issued by the Independent Valuers (please refer to the valuation certificates and summaries in Appendix D of the Circular for further details):

(a) The valuations are based on open market value, the definitions of which appear to be broadly consistent as between the Independent Valuers; and

(b) The Independent Valuers arrived at their valuations by using a combination of DCF method, direct capitalisation method and/or the investment method, all of which are widely accepted methods for the purpose of valuing properties.

As illustrated in the table above, the purchase considerations of Northpoint 2 and YewTee Point are both based on the average of the two respective independent valuations by Knight Frank and JLL.

Having considered the above, both the Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration do not appear to be unreasonable or prejudicial to the interests of FCT and its minority Unitholders.

5.3 The property yields of the Properties as compared to the Existing Portfolio

The annualised property yields of the Properties for the Forecast Period 2010 are estimated to be 5.78% and 5.87% for Northpoint 2 and YewTee Point respectively. The property yields are calculated based on the annualised forecast Net Property Income ("**NPI**") for the Forecast Period 2010 for each Property, divided by the respective purchase consideration.

In our evaluation, we recognise that the properties in the Existing Portfolio (comprising Northpoint Shopping Centre ("**Northpoint**"), Causeway Point and Anchorpoint) may not be directly comparable to the Properties. Furthermore, the properties in the Existing Portfolio are not identical with the Properties in terms of building size and design, location, tenant composition, operating history, future prospects and other relevant criteria.

Accordingly, the Independent Directors should note that any comparison made with respect to the properties in the Existing Portfolio serves as an illustrative guide only.

We have set out below comparisons of the estimated property yields of the Properties and the properties in the Existing Portfolio.

Property	Valuation Date	Property Yield[(1)]
Causeway Point	September 09	5.70%
Northpoint	September 09	5.88%
Anchorpoint	September 09	6.00%
Simple average		**5.86%**
Northpoint 2	November 09	**5.78%**[(2)]
YewTee Point	November 09	**5.87%**[(2)]

Source: Appendix A of the Circular

Notes:

(1) Property yields of the properties in the Existing Portfolio are computed based on the Forecast Period 2010 NPI (annualised) divided by the current market valuation of the respective property.

(2) Property yields of Northpoint 2 and YewTee Point are computed based on the Forecast Period 2010 NPI (annualised) divided by the purchase consideration of the respective Property.

Based on the above analysis, we note the following:

(a) The estimated property yield for Northpoint 2 at 5.78% falls within the range of property yields of the Existing Portfolio and is broadly in line with the average property yield of the Existing Portfolio;

(b) The estimated property yield for YewTee Point at 5.87% falls within the range of property yields of the Existing Portfolio and is in line with the average property yield of the Existing Portfolio.

Given that the property yields of Northpoint 2 and YewTee Point are in line with the average property yield of the Existing Portfolio, the Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration do not appear to be unreasonable or prejudicial to the interests of FCT and its minority Unitholders.

5.4 The property yields of the Properties as compared to the Comparable Properties

The Comparable Properties presented in the table below are owned by REITs listed and traded on the SGX-ST, and are considered to be broadly comparable to the Properties in terms of being mainly located in the suburban/residential areas of Singapore.

While we have made our comparisons against the following selected properties as shown in the table below, we recognised that the selected properties are not identical to the Properties in terms of building size and design, location, tenant composition, operating history, future prospects and other relevant criteria.

Accordingly, the Independent Directors should note that any comparison made with respect to the Comparable Properties serves as an illustrative guide only.

Comparable Property Name	Name of REIT	Property Yield[1]	NPI[2] (S$'m)	Market Valuation (S$'m)	Valuation Date
Causeway Point	FCT	5.70%[6]	40.7[7]	714	September 2009
Northpoint	FCT	5.88%[6]	18.7[7]	318	September 2009
Anchorpoint	FCT	6.00%[6]	4.1[7]	68	September 2009
Tampines Mall	CMT[4]	5.76%	44.5	772	June 2009
Junction 8	CMT[4]	5.76%	32.8	569	June 2009
IMM Building[3]	CMT[4]	7.41%*	47.7	644	June 2009
Lot One Shoppers' Mall	CMT[4]	5.50%	41.7[5]	421	June 2009
Bukit Panjang Plaza	CMT[4]			247	June 2009
Rivervale Mall	CMT[4]			90	June 2009
Hougang Plaza	CMT[4]	1.84%*	5.4[5]	293	June 2009
Sembawang Shopping Centre	CMT[4]				June 2009
Jurong Entertainment Centre	CMT[4]				June 2009
High		**6.00%**			
Low		**5.50%**			
Simple average		**5.77%**			
Northpoint 2	FCT	5.78%[8]			
YewTee Point	FCT	5.87%[8]			

Source: The Circular and annual reports, SGXNET announcements and other published information by FCT and CMT

Notes:

(1) Property yields of Comparable Properties are calculated based on NPI divided by the current market valuation of the respective property, as extracted from the latest published information by the respective REIT.

(2) Unless otherwise stated, this is based on the latest available trailing 12 month results (from the valuation date), as extracted from the latest published information by the respective REIT.

(3) IMM Building has a balance leasehold of 40 years, which is considerably shorter than that of the Properties and other properties in the table.

(4) "**CMT**" refers to CapitaMall Trust.

(5) Not separately disclosed.

(6) Property yields of the properties in the Existing Portfolio are computed based on the Forecast Period 2010 NPI (annualised) divided by the current market valuation of the respective property.

(7) Annualised Forecast Period 2010 NPI as per Appendix A of the Circular.

(8) Property yields of Northpoint 2 and YewTee Point are computed based on the Forecast Period 2010 NPI (annualised) divided by the purchase consideration of the respective Property.

* Outliers specifically excluded from our analysis. For IMM Building, it is excluded as the property has notable office and warehouse components, which has been included in the NPI and valuation of the property. As for the portfolio comprising Hougang Plaza, Sembawang Shopping Centre and Jurong Entertainment Centre, it is excluded as the NPI for the period was affected by asset enhancement works carried out at both Sembawang Shopping Centre and Jurong Entertainment Centre.

Based on the above analysis, we note the following:

(a) The property yields of Comparable Properties range between 5.50% and 6.00%;

(b) For Northpoint 2, the estimated property yield is within the above range and higher than the average property yield of the Comparable Properties; and

(c) For YewTee Point, the estimated property yield is within the above range and higher than the average property yield of the Comparable Properties.

Based on the above, the Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration do not appear to be unreasonable or prejudicial to the interests of FCT and its minority Unitholders.

5.5 The property yields of the Properties as compared to the Comparable Transactions

We have also extracted information from Comparable Transactions involving purchases of retail properties in Singapore by REITs and other property funds, in order to compare the expected property yields offered by the Properties with those properties that were the subjects of the Comparable Transactions.

The information in the table presented below is for illustration purposes only. The properties which are the subjects of the Comparable Transactions may differ from the Properties in terms of building size and design, building age, location, accessibility, tenant composition, market risks, future prospects, operating history and other relevant criteria. There is no property under the Comparable Transactions which may be considered identical to the Properties in terms of the aforesaid factors.

We also noted that the property yields for some of these Comparable Transactions should not serve as direct benchmarks for the Properties as they are mix-use developments containing non-retail components (for example, Raffles City and Park Mall).

In addition, it should be noted that the market level of property yields fluctuate over time depending on, among other things, demand and supply situations and economic climate. There have not been many transactions of completed and sizeable retail properties in recent years, and as can be seen for the Comparable Transactions, most were transacted in 2006 or earlier when market conditions may be different from the current.

For the above reasons, while the Comparable Transactions taken as a whole may provide a broad and indicative benchmark for assessing the Acquisitions, care has to be taken in the selection and use of any individual data point for the same purpose.

Accordingly, the Independent Directors should note that any comparison made with respect to the Comparable Transactions serves as an illustrative guide only.

Comparable Property Name	Name of Acquirer	Purchase Price (S$'m)	Transaction Date	Property Yield[1]
Whitesands Shopping Mall	ARMF[2]	NA	August 2004	>5.50%
Sembawang Shopping Centre	CMT[3]	78	April 2005	5.40%
Hougang Plaza	CMT[3]	NA	April 2005	5.40%
Park Mall	Suntec REIT[4]	230	July 2005	5.00%
Bugis Junction	CMT[3]	581	July 2005	5.10%
Chijmes	Suntec REIT[4]	128	July 2005	5.00%
Raffles City	CMT[3]/CCT[5]	2,166	March 2006	4.90%
Liang Court Shopping Centre	ARMF[2]	175	March 2006	6.30% – 7.50%
Causeway Point	FCT	622	June 2006	5.53%
Northpoint	FCT	256	June 2006	4.96%
Anchorpoint	FCT	37	June 2006	3.98%
Sim Lim Square (22 strata tilted units)	NA	35	October 2009	6.50%
High				**7.50%**
Low				**3.98%**
Simple average				**5.35%**
Northpoint 2	FCT	164.55	November 2009	5.78%[6]
YewTee Point	FCT	125.65	November 2009	5.87%[6]

Source: SGXNET announcements, market reports and other published information

Notes:

(1) Estimated property yields of the Comparable Transactions are based on market reports or calculated based on the reported purchase price of the respective property at the point in time of acquisition.

(2) "**ARMF**" refers to Asian Retail Mall Fund Pte Ltd.

(3) "**CMT**" refers to CapitaMall Trust.

(4) "**Suntec REIT**" refers to Suntec Real Estate Investment Trust.

(5) "**CCT**" refers to CapitaCommercial Trust.

(6) Property yields of Northpoint 2 and YewTee Point are computed based on the Forecast Period 2010 NPI (annualised) divided by the purchase consideration of the respective Property.

NA Not available.

From the table above, we noted the following:

(a) The Comparable Transactions were carried out at property yields ranging between 3.98% and 7.50% at the point in time of the respective transaction;

(b) Both the estimated property yields of Northpoint 2 and YewTee Point are within the above range and are also above the average of the range.

5.6 Other relevant considerations

5.6.1 No assurance of future profitability

Unitholders should note that there is no assurance of FCT's profitability after the completion of the Acquisitions.

5.6.2 The Acquisitions are Conditional upon Approval of the Equity Fund Raising

Unitholders should note that in the event that the Equity Fund Raising is not approved during the EGM, the Manager will not proceed with any of the Northpoint 2 Acquisition and the YewTee Point Acquisition.

5.6.3 Competitive strengths of Northpoint 2 and YewTee Point

The full text of the competitive strengths of Northpoint 2 and YewTee Point is set out in paragraph 5 of the Letter to Unitholders. **We recommend that the Independent Directors advise Unitholders to read this section of the Circular carefully.**

5.6.4 Lease of Space at Northpoint 2 by the National Library Board

For Northpoint 2, there is a community library located at level 4 which is operated by the National Library Board.

Pursuant to the lease granted by the President of the Republic of Singapore in respect of the land constituting Northpoint 2, the development shall have a Civic and Community Institutional gross floor area of 2,000 sq m (approximately 21,528 sq ft). This lease covenant is currently being satisfied by way of the lease of space to the community library as mentioned above.

We note from the Circular that the community library serves to attract a considerable number of visitors to Northpoint 2.

5.6.5 Independent assessment of the retail property market of Singapore by Urbis Pty Ltd

The Manager has appointed Urbis Pty Ltd as the Independent Property Consultant to provide independent assessments of the retail property market of Singapore and the two Properties. The full "Singapore Retail Market Overview Report" prepared by Urbis Pty Ltd for these purposes has been included in the Circular as Appendix F.

From the report, we noted the following salient points:

(a) Market rents in prime suburban retail malls are expected to experience marginal declines averaging around 2% in the year 2009 due to the recessionary climate. Going forward,

however, the continued robust demand and controlled supply increase of prime suburban retail space is expected to be supportive of steady growth in market rents over the medium term; and

(b) Singapore's suburban retail property market is relatively more resilient compared with that of the city areas due to the following factors:

- Supply is highly regulated and is released to match local population growth trends;
- Suburban retail malls serve well defined trade areas with relatively captive population catchments; and
- The trade mix of suburban retail malls place high emphasis on providing daily necessities and essential types of goods and services, which tend to be less elastic in demand.

6. OPINION

Having regard to our terms of reference, in arriving at our opinion, we have considered various factors deemed pertinent and to have significant bearing on our assessment of the Acquisitions. We have carefully considered the factors as deemed essential, and balanced them before reaching our opinion. Accordingly, it is important that this Letter, in particular, the considerations and information we have taken into account, be read in its entirety.

Our opinion is based solely on information made available to us as at the date of this Letter. The principal factors that we have taken into consideration in forming our opinion are summarised as below:

(a) The rationale for the Acquisitions and the competitive strengths of Northpoint 2 and YewTee Point;

(b) The Northpoint 2 Purchase Consideration and the YewTee Point Purchase Consideration of S$164,550,000 and S$125,650,000 respectively, are each derived based on the average of the open market values as appraised by the Independent Valuers;

(c) The estimated property yields of Northpoint 2 and YewTee Point are generally within the range, and above the average, of property yields in respect of the Existing Portfolio, the Comparable Properties and the Comparable Transactions; and

(d) Based on the "Singapore Retail Property Market Overview Report" by the Independent Property Consultant, the suburban retail property market in Singapore is resilient and the overall retail market in Singapore has a positive outlook for the medium term.

Having given due consideration to the rationale for the proposed Acquisitions and taking into account our evaluation of the Acquisitions, and subject to the qualifications set out in this Letter, we are of the opinion as of the date of this Letter that each of the Northpoint 2 Acquisition and the YewTee Point Acquisition is based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders.

We advise the Independent Directors to recommend that Unitholders vote in favour of the Northpoint 2 Acquisition and the YewTee Point Acquisition to be proposed at the EGM, the notice of which is set out in the Circular. However, we wish to highlight that each Unitholder may have different investment objectives and considerations and hence should seek their own professional advice.

The foregoing recommendation is addressed to the Independent Directors for the purpose of their consideration of the Acquisitions. The recommendation made by the Independent Directors to Unitholders shall remain the responsibility of the Independent Directors. While a copy of this letter may be reproduced in the Circular, neither FCT, the Manager, the Independent Directors nor any other party may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PwCCF in each specific case. This Letter and its entire content is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and any re-enactment thereof shall not apply.

Yours truly
for and on behalf of
PricewaterhouseCoopers Corporate Finance Pte Ltd

Kan Yut Keong
Managing Director

This page has been intentionally left blank.

SINGAPORE RETAIL MARKET OVERVIEW REPORT

DISCLAIMER

Urbis Pty Ltd has prepared this retail market overview report which appears in Frasers Centrepoint Trust's Circular solely for the purpose of providing information to unitholders of Frasers Centrepoint Trust ("**Unitholders**"), potential investors or any other person. However, this retail market overview report does not purport to contain all the information that a Unitholder, potential investor or any other interested party may require. As the report involves future forecasts, it can be affected by a number of unforseen variables. It represents for the party to whom or which it is addressed the best estimates of Urbis Pty Ltd, but no assurance is able to be given by Urbis Pty Ltd that the forecasts will be achieved.

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Peter Holland
Consultant	John Fitzsimons
Job Code	MPEA-0008
Report Number	M09/131F

Copyright © Urbis Pty Ltd
ABN 50 105 256 228

All Rights Reserved. No material may be reproduced without prior permission. While we have tried to ensure the accuracy of the information in this publication, the Publisher accepts no responsibility or liability for any errors, omissions or resultant consequences including any loss or damage arising from reliance in information in this publication.

URBIS
Australia Asia Middle East
www.urbis.com.au

1 Singapore Retail Market Overview 1
1.1 Regional Context and Background 1
1.2 Gross Domestic Product 2
1.3 Private Consumption Expenditure 3
1.4 Inflation 4
1.5 Population and Demographics 4
1.5.1 Population 4
1.5.2 Demographics 5
1.6 Retail Sales 6
1.7 Retail Floorspace Per Capita 6
1.8 Shopping Mall Supply 7
1.9 Retail Market Performance – Rents & Yields 8
1.10 Retail Market Outlook 9

2 Northpoint 2 Retail Market Overview 11
2.1 Location and Accessibility 11
2.1.1 Location 11
2.1.2 Accessibility 12
2.2 Description of Centre and Tenant Mix 13
2.3 Current Trading Performance 15
2.4 Target Market 15
2.5 Trade Area Definition 15
2.6 Trade Area Population and Demographics 17
2.7 Trade Area Spending Forecasts 18
2.8 Retail Competition 19
2.8.1 Existing Competition 19
2.8.2 Future Competition 20
2.9 Market Outlook 20

3 YewTee Point Retail Market Overview 21
3.1 Location and Accessibility 21
3.1.1 Location 21
3.1.2 Accessibility 22
3.2 Description of Centre and Tenant Mix 23
3.3 Centre Performance to Date 24
3.4 Target Market 24
3.5 Trade Area Definition 24
3.6 Trade Area Population and Demographics 26
3.7 Trade Area Spending Forecasts 26
3.8 Retail Competition 27
3.8.1 Future Competition 29
3.9 Market Outlook 29

1 Singapore Retail Market Overview

1.1 Regional Context and Background

Singapore, as one of the Asian Tiger economies, has progressively transformed itself since the 1960s to become a modern industrialised economy generating high standards of living for its residents. Political stability and a robust legal and regulatory framework continue to provide an environment friendly to business and investment. Singapore has used its strategic location on one of the world's highest volume shipping lanes to become a centre of trade, manufacturing and finance. It has progressively moved up the value chain from simple manufactures to become a major producer of electronics and pharmaceuticals. The rise of low cost producers in countries such as China and Vietnam is seeing Singapore move its industry to capital and knowledge intensive manufacturing, finance and the services sector as well as continuing to develop the tourism sector.

As a trade hub, financial centre and manufactured good exporter, Singapore's economy is highly integrated with the global economy. The open approach adopted by the government has underpinned Singapore's economic success but the economy is consequently highly exposed to fluctuations in the global economy, both positive and negative.

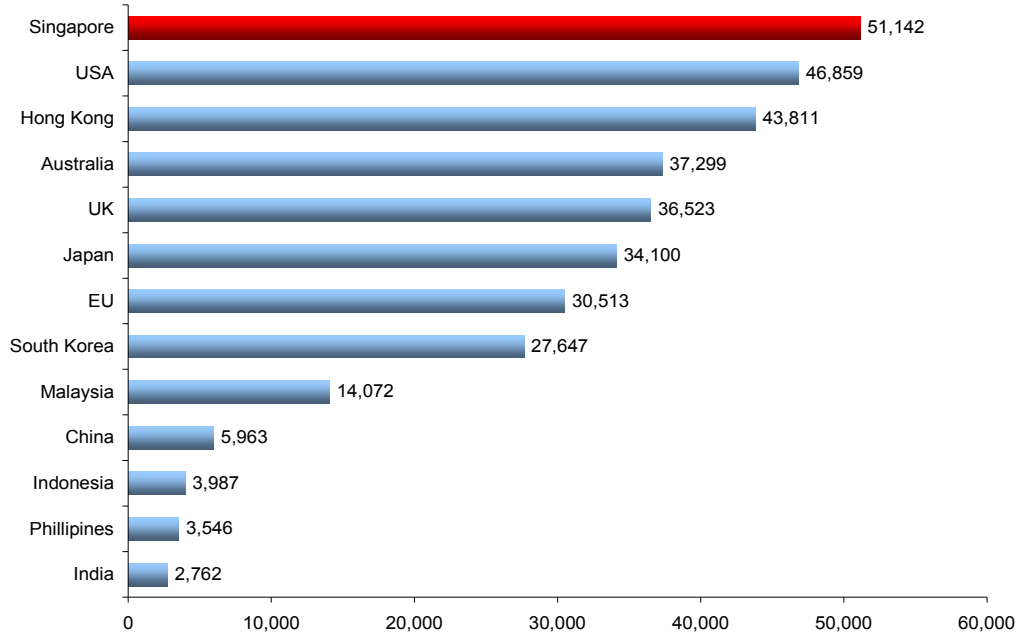
Visitors to Singapore will be most familiar with the Central Area, which is home to the main commercial areas, tourist attractions and retail precincts. However, most of the population lives in the suburbs spread throughout the island. Singapore's excellent Mass Rapid Transit (MRT) train system makes it quick and easy to travel around the island. Changi International Airport is situated at the east of the island and the port and distribution facilities are located on the south west coast. Industrial areas are scattered throughout the island.

Map 1.1 – Singapore Regional Context

1.2 Gross Domestic Product

Singapore recorded a Gross Domestic Product (GDP) in 2008 of S$257 billion, or US$182 billion when adjusted for Purchasing Parity Power (PPP). This is relatively small, even compared with its closest neighbours of Malaysia and Indonesia, and is principally due to its relatively small population (4.8 million). On a per capita basis it is a completely different story; with Singapore having one of the highest GDP per capita's in the world. In 2008 the GDP per capita was US $51,142 (PPP adjusted) some 9% higher than the US and 17% higher than for Hong Kong (see Chart 1.1).

GDP per Capita, 2008 (USD, PPP Adjusted) **Chart 1.1**



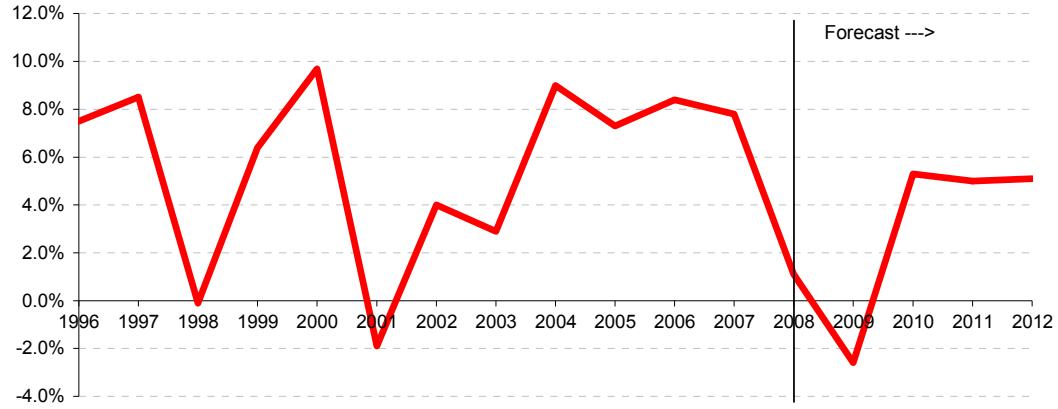
Source : IMF

The high integration of Singapore's economy with global trade results in a volatile pattern of GDP growth. The strong performance of the world economy in recent years saw Singapore grow at around 8% per annum from 2004 to 2007, as shown in Chart 1.2. However, the recent downturn in the global economy resulting from the Global Financial Crisis (GFC) has impacted Singapore's economy, with the result that growth in 2008 slowed to just 1.1%. For 2009 Consensus Economics forecasts that Singapore's economy will contract by 2.6%. Singapore's Ministry of Trade and Industry was slightly more positive, forecasting a contraction of between 2% and 2.5% for the year 2009 on 12 October 2009.

The government responded to the financial crisis by loosening credit conditions and adopting an expansionary fiscal position. Initiatives have included a S$20.5 billion "Resilience Package" of special transfers to households and reduction in the corporate tax rate from 18% to 17%.

It appears that the worst of the GFC might now be over, with many countries showing tentative signs of growth in the third quarter of 2009. The recovery seems to be driven by Asia and particularly China, where some of the most positive economic indicators have been observed. Singapore, too, appears to have turned the corner, with a growth rate of 0.6% year-on-year for the third quarter, compared to -3.2% in the second quarter. Singapore is forecast by Consensus Economics to record GDP growth of 5.3% in 2010 as global demand begins to grow again. Growth is expected to continue at around the 5% mark through to 2012.

Singapore Real GDP Growth, 1996 - 2012 **Chart 1.2**



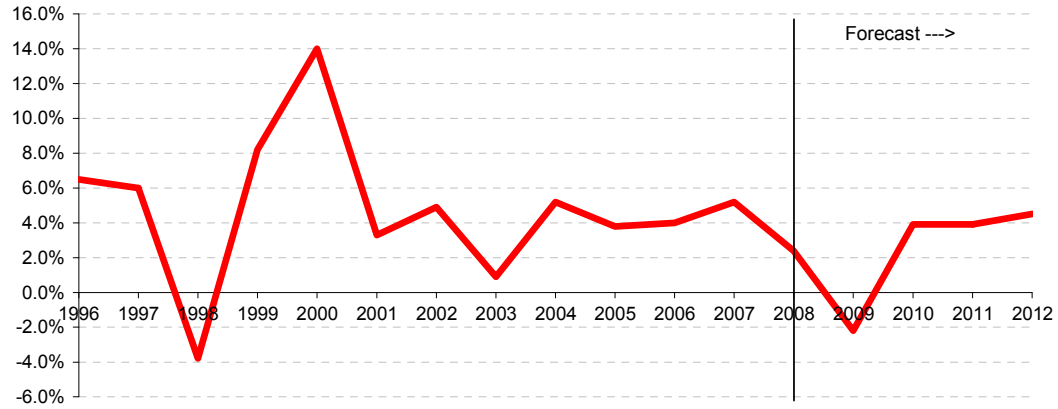
Source : Consensus Economics Inc (London) - October 2009.

1.3 Private Consumption Expenditure

Private Consumption Expenditure (PCE) is the contribution of households to GDP. It is particularly relevant to the retail industry as retail sales are a subset of PCE. PCE growth tends to track the same path as GDP growth but in a narrower band, as household spending is more stable than investment and trade flows.

Chart 1.3 shows that the last significant slowing of PCE growth in Singapore was in 2003 when the impact of Severe Acute Respiratory Syndrome (SARS) saw growth slow to 0.9%. Since then PCE has grown at or above 4%. With reduced consumer sentiment, wage restraint and increased unemployment, PCE is expected to contract by 2.2% in 2009. This contraction would have been more severe without the government's policy response. 2010 is expected to see PCE rebound, growing by 3.9%, and then remaining at around that level through to 2012.

Singapore Real PCE Growth, 1996 - 2012 **Chart 1.3**



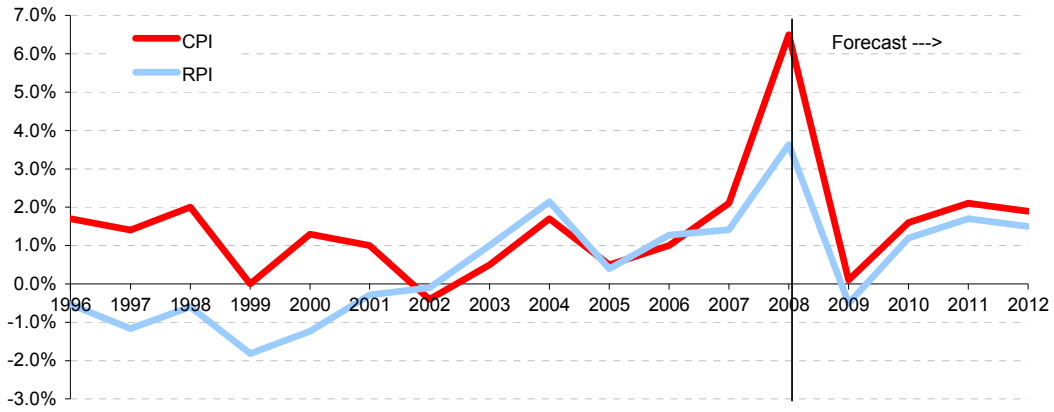
Source : Consensus Economics Inc (London) - October 2009.

1.4 Inflation

Singapore has historically enjoyed low levels of inflation, typically between 0% and 2% (Chart 1.4). High world prices for commodities and food in 2008 saw the Consumer Price Index (CPI) in Singapore grow by 6.5%. Due to a reduction in demand side pressures brought about by the GFC, modest inflation of 0.1% is expected for 2009. However the outlook for 2010 is for commodity price rises to occur which will see CPI escalation of 1.6%, and rising to 1.9% by 2012, as consumer demand recovers.

Retail Price Inflation (RPI) in Singapore has typically tracked closely with CPI, as shown in Chart 1.4. This relationship is expected to continue in the future.

Singapore Inflation (CPI & RPI), 1996 - 2012 **Chart 1.4**



CPI = Consumer Price Index
RPI = Retail Price Index
Source : Consensus Economics Inc (London) - October 2009; Urbis.

1.5 Population and Demographics

1.5.1 Population

Singapore has an estimated population of 4.8 million in 2009, of which 3.7 million (76%) are citizens or permanent residents. The remaining 1.1 million are non-permanent residents, mostly on long-term working visas, who provide crucial skilled and low-cost labour to the economy. These people are expatriate professionals as well as construction and manufacturing workers, and domestic workers.

The natural increase of citizens and permanent residents has been slowing, averaging 1.3% per annum between 2000 and 2008. However, non-permanent residents have grown faster at 5.9% over the same period. As has occurred in previous recessions, there is likely to be a slowing of growth in non-permanent residents in 2009 and 2010 due to reduced employment opportunities. However, from 2011 onwards as the economy expands population growth should accelerate with inflows of non-permanent residents.

Overall, the Singapore population is expected to increase to 5.3 million in 2012, as shown in Chart 1.5.

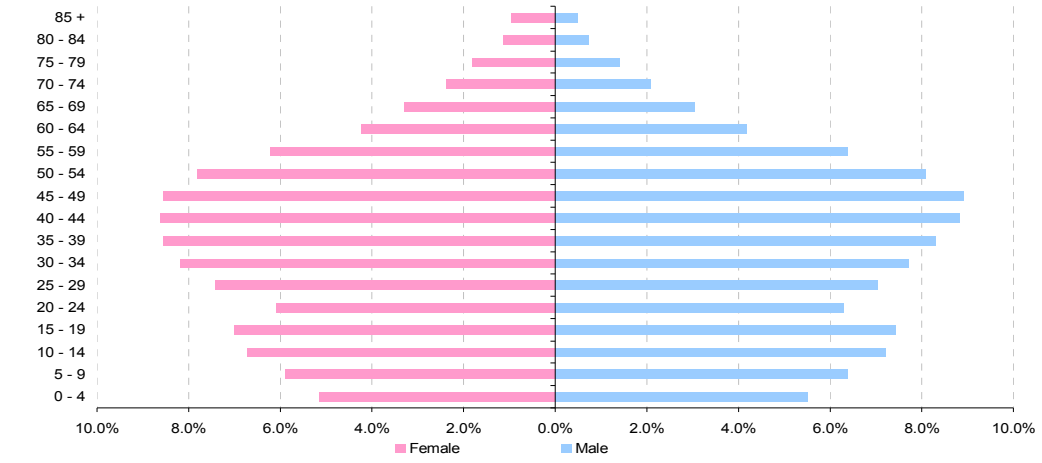
Singapore Population[1] (Mil.), 1996 - 2012 **Chart 1.5**

1. Total population comprises residents and non-residents staying in Singapore for at least one year. Population is as at June each year.
Source : Singapore Yearly Digest of Statistics 2009; Urbis.

1.5.2 Demographics

Like the populations of many advanced economies, Singapore has an ageing demographic profile. Chart 1.6 shows that half the population is aged between 30 and 54 years. Attempting to curb the extent of this demographic shift, the government is attempting to address the declining birth rate through a range of fiscal incentives, family friendly workplace practices and other programs. At present Singapore still has at least a decade before it starts to see substantial shifts in its ratio of employed to retired population.

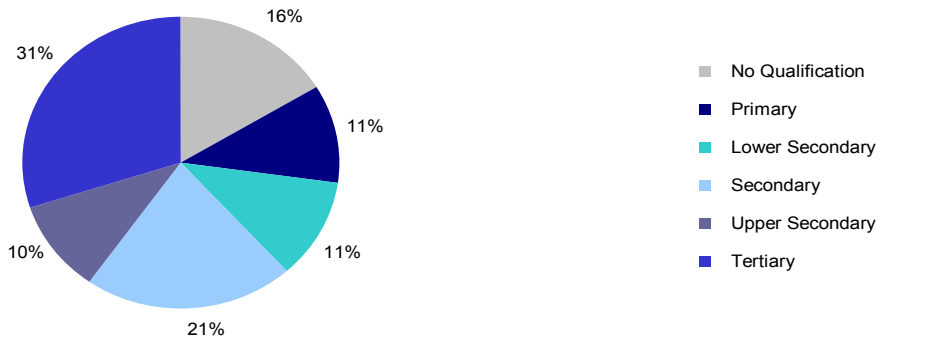
Age Distribution of Singapore Residents, 2008 **Chart 1.6**



Source : Yearbook of Statistics Singapore 2009

Chart 1.7 shows that education levels in Singapore are high, with 31% of the non-student population over 15 having a tertiary qualification, a proportion which will continue to grow as the younger generations are better educated than their elders. An educated, literate population will create more demand for certain retailers, such as book stores and sellers of information technology products and services.

Educational Status of Singapore Residents Over 15[1], 2005 **Chart 1.7**



1. Excluding those currently studying.
Source : General Household Survey 2005

Average monthly earnings for Singaporean workers grew at an average rate of 4.5% per annum over 1996-2008 to reach SGD 3,877 in 2008. For 2009 they are expected to decline by around 3.0% reflecting the economic downturn, but are then expected to return to positive growth in 2010.

1.6 Retail Sales

As shown in Chart 1.8, retail sales have grown strongly since 2004, at levels well above 5% per annum in nominal terms (i.e. including inflation). However, from peak growth of 9% in 2008, fortunes have turned, and retail sales are expected to contract by 3% in 2009 due to rising unemployment, decreased consumer sentiment and fewer tourist arrivals. Thereafter, retail sales are expected to recover steadily as economic conditions improve, with growth in nominal retail sales of 3.4% in 2010 and increasing to above 5% in 2011 and 2012.

Singapore Retail Sales[1] Growth, 1996-2012 **Chart 1.8**

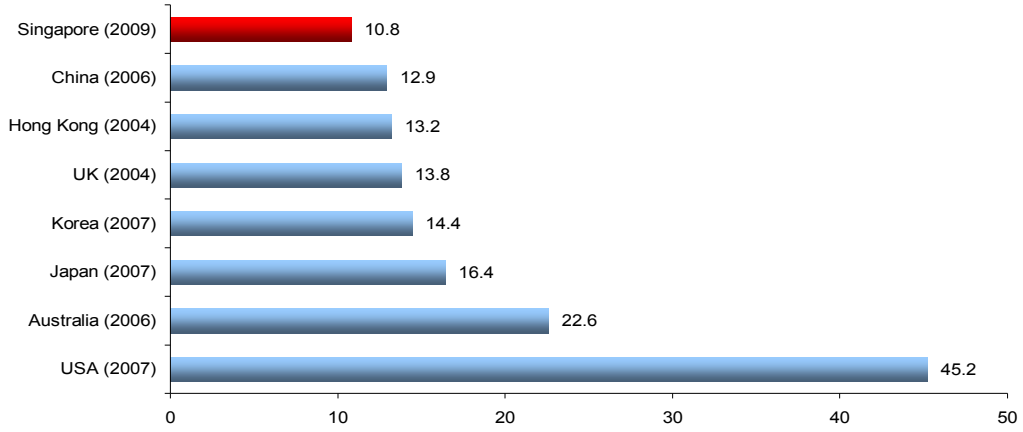
1. Excludes motor vehicle sales.
Source : Department of Statistics; Urbis.

1.7 Retail Floorspace Per Capita

Singapore's highly regulated property development sector and tight planning controls result in a relatively low provision of retail floorspace at 10.8 sq.ft per person. This is considerably lower than

countries such as USA, Australia, UK and Japan (see Chart 1.9). However, for Singapore, shopping centres and other formats of organised retail floorspace account for a relatively large share of supply at 42%. This is primarily due to a regulatory framework which promotes shopping centre development in line with urban plans as well as a consumer preference for enclosed, air-conditioned centres given Singapore's hot and humid climate.

Estimated Total Retail Floorspace Per Capita (sq.ft) **Chart 1.9**

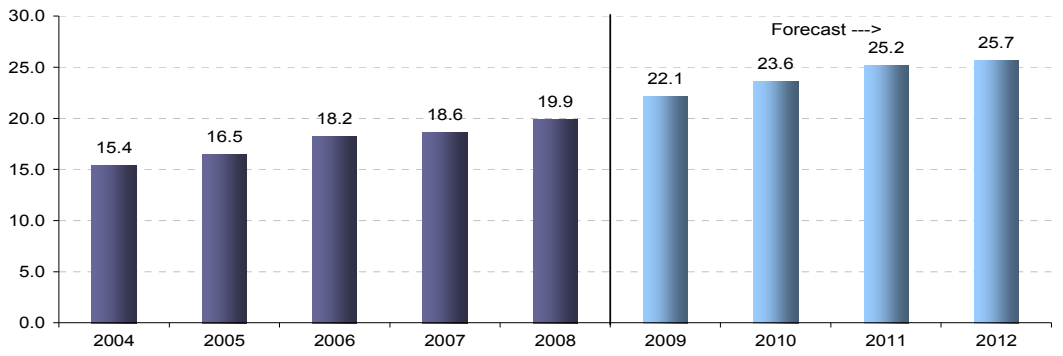


Source : Urbis

1.8 Shopping Mall Supply

Singapore is seeing a large amount of new shopping centre floorspace coming onto the market with 2.3 million sq.ft to be completed in 2009, 1.4 million sq.ft in 2010, 1.6 million sq.ft in 2011 and 500,000 sq.ft in 2012. These amounts represent an aggregate 29% increase in supply over just four years, with floorspace increasing from 19.9 million sq.ft in 2008 to 25.7 million sq.ft in 2012 (see Chart 1.10).

Singapore Shopping Centre Floorspace Supply (NLA sq.ft Mil.), 2004-2012 **Chart 1.10**



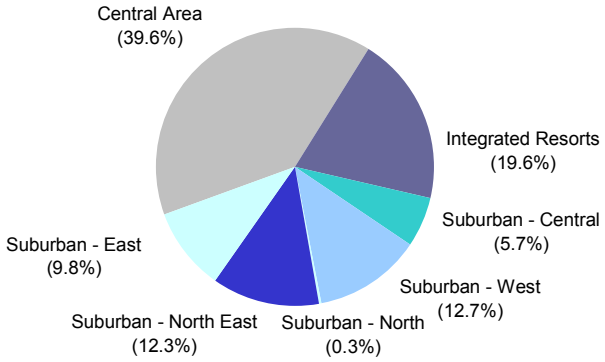
Source : Urbis.

Chart 1.11 shows the distribution of the known new shopping centre floorspace over the next four years by planning regions defined by the Urban Redevelopment Authority (URA) (Integrated Resorts are given a separate category as they account for such a large proportion). This demonstrates clearly that

the CBD and surrounding areas will account for the majority of new floorspace over this period, while the suburbs will receive a more controlled addition of floorspace.

Over the 2009-2012 period, the Central Area (including the Downtown Core and Orchard Road) will receive the greatest share of new floorspace at 40%, followed by the Integrated Resorts at 20%. The fringe areas of the city, referred to as 'Suburban – Central', account for another 6%. Comparatively, the suburban regions that contain Northpoint 2 and YewTee Point (North Region and West Region) will receive small proportions of the upcoming floorspace at 0.3% and 13% respectively. It should be noted however that these planning regions cover large areas, and as discussed in Sections 2 and 3, we are not aware of any significant new supply in the main trade areas of Northpoint 2 or YewTee Point.

Singapore New Shopping Centre Floorspace by Region[1] (sq.ft), 2009 -2012 **Chart 1.11**



1. Based on URA planning regions, except for integrated resorts which are at Marina Bay and Sentosa Island
Source : Urbis

1.9 Retail Market Performance – Rents & Yields

Controlled release of new supply and a growing retail market has seen occupancy levels rise and rent growth throughout Singapore since 2003. In 2007, occupancy rates stabilised in the suburbs at around 93%, a historic high. Consequently, 2007 also saw good rent growth with rents peaking in the first half of 2008. Similarly, Orchard Road has experienced high occupancy rates of around 97% since 2005 with strong rent growth over the period. Chart 1.12 plots the growth in prime rents in these submarkets since 2000.

The current economic downturn and drop in tourism has resulted in more challenging trading conditions for retailers, and this has flowed through to falling rents – most notably in the Central Area, including Orchard Road. The timing has been unfortunate for Orchard Road which will see 1.2 million sq.ft of new retail floorspace come on to the market during this time. Prime rents in Orchard Road are expected to fall by around 10% in 2009 due to these more difficult conditions.

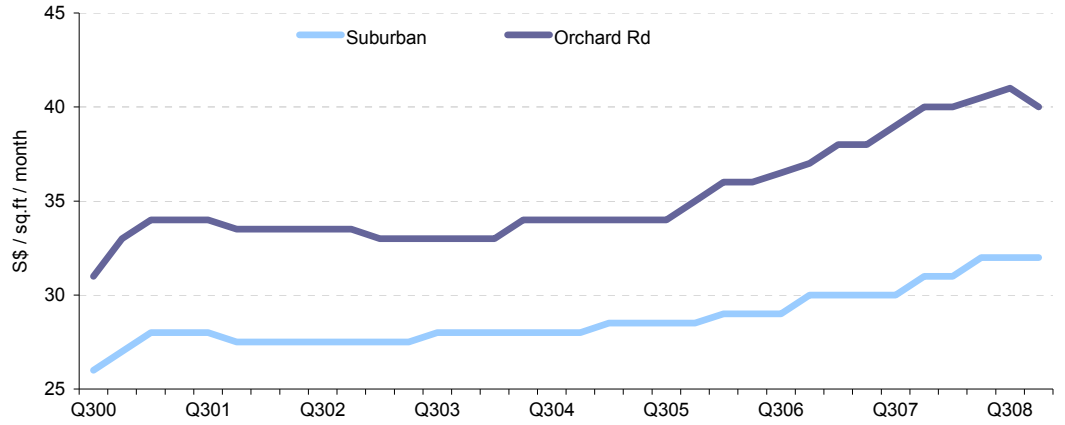
Whilst trading conditions in the suburbs are also impacted somewhat, they are less exposed to the downturn in tourist numbers and do not face the same dramatic increase in supply this year. Prime rents in suburban malls are expected to experience marginal decline of around 2% on average in 2009. Going forward, the continued robust demand and controlled supply increase of prime suburban retail space is expected to be supportive of steady rent growth over the medium term.

Compared to the Central Area retail property market, Singapore's suburban retail property market is comparatively less volatile in terms of retail turnover and rental income. The resilience of the suburban retail property market is attributable to the following factors:

- Supply is highly regulated and released to match local population growth trends
- Suburban retail malls serve well defined trade areas with relatively captive population catchments

- The trade mix of suburban retail malls place high emphasis on providing daily necessities and essential types of goods and services which tend to be less elastic in demand.

Prime Retail Rents by Submarket **Chart 1.12**



Source : Cushman & Wakefield

There are no recent transactions of completed prime suburban malls, but we understand that recent valuations are at property yields of between 5.75% and 6% generally. This represents a gradual easing out from the all time low figure of around 5.3% in the first quarter of 2007.

1.10 Retail Market Outlook

Economic conditions should improve gradually in the coming years resulting in growth in retail sales. However there is still substantial retail floorspace supply to be added in the Central Area, which will keep the trading environment highly competitive for retailers in that area. Therefore sales productivity levels will recover slowly and so there will be little room for rental growth in the city areas in the coming years.

Rents in Orchard Road are expected to decline further in 2010 by around 4%-5%. The new floorspace of ION Orchard, Orchard Central and 313@Somerset will take some time to be fully absorbed and we do not expect to see Orchard Road rents rise until after 2011 with growth of around 3%-4% forecast for 2012.

For the suburban mall segment, however, consumer spending will be more resilient than in Orchard Road, being less dependent upon sales of discretionary and tourist items. The most significant new supply in suburban malls are at Serangoon Central and Changi Business Park, scheduled to open in 2011 and 2012 respectively. Better than expected economic data, along with evidence of continued strong trading performance in the suburbs, has led us to upgrade our forecasts for rental growth in the suburbs. Market rents in prime suburban malls are expected to remain fairly stable in 2010 at -1%-1% growth, thereafter increasing to 2%-3% in 2011 and further to 3%-4% in 2012.

The above are general forecasts for market rents; however specific centre performance will depend on the specific centre attributes, the trade area attributes and the competitive situation. As always, shopping centres that are well managed and in better condition will tend to out-perform the market.

Prime retail property yields for Singapore are expected to ease only slightly over 2010 and 2011 from their current levels. Despite the prospect of increased shopping mall floorspace for the island and relatively subdued rental growth, the scarcity of suburban shopping mall sales transactions in Singapore invariably (as was the recent case with the public tender for Clementi Mall) results in them achieving a higher sale price at a more compressed entry yield than expected at the point of transaction.

Rental Growth Outlook[1], 2009 - 2012 **Table 1.1**

Year	Orchard Road	Suburban
2009	(10%)	(2%)
2010	(5%) - (4%)	(1%) - 1%
2011	0% - 1%	2% - 3%
2012	3% - 4%	3% - 4%

1. Growth in market rents compared to same time in previous year
Source : Urbis

2 Northpoint 2 Retail Market Overview

2.1 Location and Accessibility

2.1.1 Location

Northpoint 2 complements, and is physically integrated with, the adjacent Northpoint Shopping Centre (collectively the "Enlarged Northpoint").

The Enlarged Northpoint is situated in northern Singapore in the Yishun Town Centre, around 15 kms north of the CBD. It occupies a high profile position on the south-eastern corner of the Yishun Avenue 2 and Yishun Central intersection as illustrated in Maps 2.1 and 2.2.

The Enlarged Northpoint is connected by an underpass to the Yishun MRT station on the opposite side of Yishun Avenue 2. Immediately south of Northpoint is the Yishun regional bus interchange, and the Yishun 10 Golden Village Cineplex is located at the rear of the Enlarged Northpoint. There remains a significant amount of open space within the Town Centre which is reserved for future development (the specific use(s) for these sites is/are yet to be determined). Otherwise the surrounding area is residential with schools and parkland.

Map 2.1 – Local Context Aerial Photograph

Map 2.2 – Site Location and Surrounding Uses

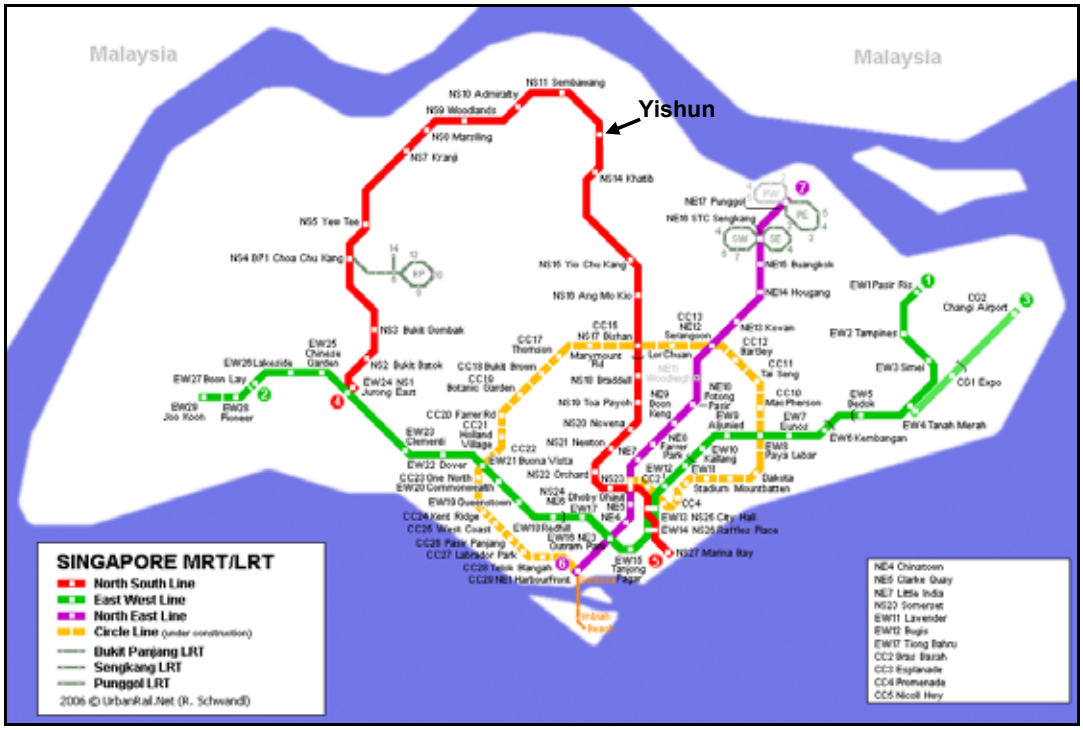
2.1.2 Accessibility

The Enlarged Northpoint is excellently served by public transport. The centre is connected by an underpass to the Yishun MRT station which is situated on the north-south MRT Line shown in red in Map 2.3 above. Users of the MRT have direct and easy access to the centre.

In a similar way the regional bus interchange adjacent to the development provides excellent accessibility by bus. The Enlarged Northpoint is ideally located between the MRT station and the bus interchange, meaning that anyone transferring between buses and trains must pass through the property.

The Enlarged Northpoint's central position in the Yishun Town Centre and its street frontage to Yishun Avenue 2, the main north-south arterial in the region, also results in very good accessibility by road. The car park entry is from the Yishun Central Service Road at the rear of the centre by the adjacent cineplex. The car park entry is separated from the loading bay access although trucks also use the service road.

Map 2.3 – MRT Network



2.2 Description of Centre and Tenant Mix

The Enlarged Northpoint is an L-shaped mall with five levels of retail (two basement levels and three above-ground) and a community library on Level 4. The original centre (Northpoint Shopping Centre) was a simple rectangle which extended into an L-shape on the two basement levels. The recent expansion (Northpoint 2) has expanded the perpendicular mall in the basement levels and added four above-ground levels. The total size of Northpoint 2 is 85,530 sq.ft Net Lettable Area (NLA) (including the community library) taking the total size of the expanded centre to almost 235,000 sq.ft NLA.

The anchor tenants of the Enlarged Northpoint include a Cold Storage supermarket, Harvey Norman, two food courts (the Food Mall and Ishi Mura) and a Popular bookstore. There are a total of 173 shops in the Enlarged Northpoint including 148,550 sq.ft of specialty space which is aimed at satisfying the convenience and comparison goods shopping needs of the trade area. Whilst the Enlarged Northpoint does not have cinemas, it has the benefit of having the Yishun 10 Golden Village Cineplex situated directly adjacent. The Enlarged Northpoint's leisure related tenancies include Timezone, Party World KTV, the community library and a rooftop play centre (currently under construction). The community library in itself is a major attraction in bringing visitors to the centre.

The centre composition is detailed in Table 2.1 showing separately the compositions of Northpoint Shopping Centre and Northpoint 2.

The Enlarged Northpoint Composition, August 2009 **Table 2.1**

Tenant	Level	NLA (sq.ft)	NLA (% of Total)
Northpoint Shopping Centre (Northpoint SC)			
Anchor			
Cold Storage	B1	19,709	8%
Harvey Norman	B2	8,063	3%
Popular	2	10,699	5%
The Food Mall	B2	16,652	7%
Total Anchors		55,123	23%
Specialty			
Food	B2, B1, 1, 2, 3	27,425	12%
Non-Food	B2, B1, 1, 2, 3	43,234	18%
Total Specialties		70,659	30%
Total Northpoint SC Retail		**125,782**	**54%**
Non-Retail			
Timezone	3	6,211	3%
Party World KTV	3	4,822	2%
Non-Retail Specialties	B2, B1, 1, 3	8,676	4%
Total Northpoint SC Non-Retail		**19,709**	8%
Vacant or under fitout		3,876	2%
Total Northpoint SC		**149,367**	**64%**
Northpoint 2			
Anchor			
Ishi Mura Japanese Food Street	3	6,509	3%
Total Anchors		6,509	3%
Specialty			
Food	B1, 1, 2	14,493	6%
Non-Food	B1, 1, 2, 3	36,807	16%
Total Specialties		51,300	22%
Total Northpoint 2 Retail		**57,809**	**25%**
Non-Retail			
Library	4	24,721	11%
Non-Retail Specialties	B1, 3	2,833	1%
Total Northpoint 2 Non-Retail		**27,554**	**12%**
Vacant or under fitout		167	0%
Total Northpoint 2		**85,530**	**36%**
Total Enlarged Northpoint		**234,897**	**100%**

Source : Frasers Centrepoint Asset Management Ltd

2.3 Current Trading Performance

Northpoint 2 was completed in October 2008, and after a period of tenant fit-out works, is currently trading in a stable state. On the basis of the trading figures provided to date and our assessment of the overall market, it is expected that the Enlarged Northpoint will have total sales of SGD 200-210 million in 2010. Northpoint 2 is expected to contribute around 30-33% to the total sales of the Enlarged Northpoint. This represents a significant increase over the previous estimated sales figures for Northpoint Shopping Centre in 2007 of SGD 125 million, prior to the expansion.

2.4 Target Market

The Enlarged Northpoint serves a relatively contained trade area in Singapore's northern suburbs and as such its main target market is the local resident population.

2.5 Trade Area Definition

The definition of a trade area for any retail centre is determined by a number of factors including:

- The strength and attraction of the centre in question, determined by factors such as its composition, layout, ambiance and accessibility.
- Competitive retail facilities, particularly their proximity to the subject centre and relative attraction.
- The location and accessibility of the centre especially with regards to public transport and road network.
- The presence or absence of physical barriers such as rivers, railways, parks, industrial areas and freeways.

The best way to determine a trade area is through the use of an exit survey which records the residential address of the centre's customers. Urbis, in conjunction with TNS Global Market Research, conducted such a survey at Northpoint in July 2007. Despite the fact that the centre has been expanded since the survey was performed, it is not expected that the extent of the trade area has changed dramatically.

The trade area defined for Northpoint in the July 2007 survey is shown in Map 2.4 and includes three sectors:

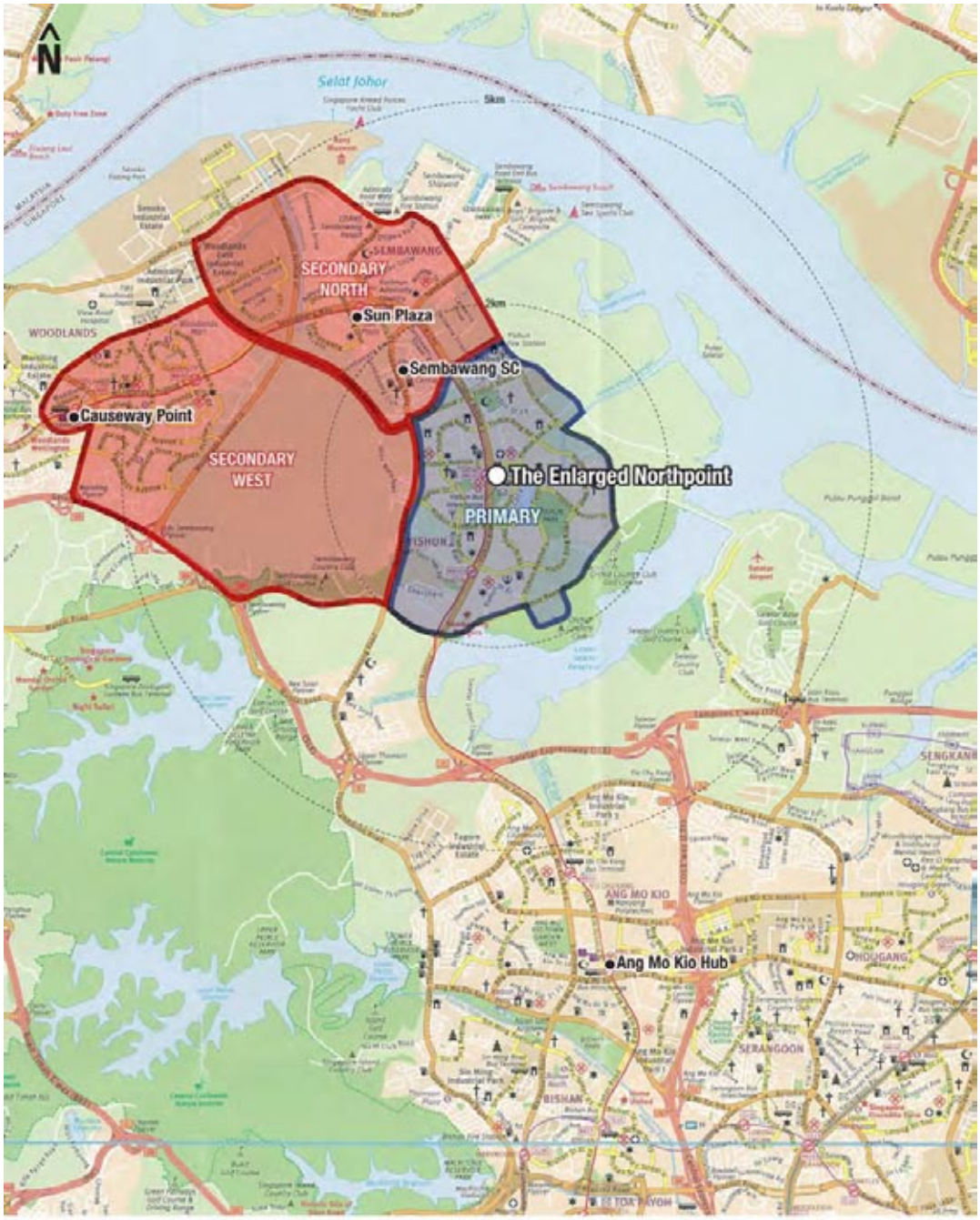
- A **primary** trade area which comprises the URA's Development Guide Plan (DGP) Zone of Yishun.
- A **secondary north** trade area consisting of the residential areas in the DGP Zone of Sembawang.
- A **secondary west** trade area which includes the residential areas in Woodlands which lie east of the Woodlands Town Centre and Causeway Point.

Results from the July 2007 exit survey indicated the distribution of centre sales for Northpoint Shopping Centre to be:

Primary Trade Area Residents	69.7%
Secondary North Trade Area Residents	7.7%
Secondary West Trade Area Residents	10.7%
Main Trade Area	88.0%
Beyond Trade Area	12.0%
Total	100.0%

It is not expected that this sales distribution will have altered to any great extent since the completion of Northpoint 2.

Map 2.4 – The Enlarged Northpoint Trade Area and Competition



2.6 Trade Area Population and Demographics

The total population of the main trade area for the Enlarged Northpoint is estimated at 410,400 in 2009, with 187,200 residents in the primary trade area and 223,100 in the secondary trade area (Table 2.2). By 2012 the main trade area population is forecast to grow to 431,700 with 195,000 in the primary trade area.

The Enlarged Northpoint Trade Area Population, 2009 - 2012 **Table 2.2**

Trade Area	Population ('000)		Annual Growth 08-12	
Sector	2009	2012	('000)	(%)
Primary	**187.2**	**195.0**	**2.6**	**1.4%**
Secondary				
▪ North	72.9	82.7	3.3	4.3%
▪ West	150.3	154.0	1.3	0.8%
Total Secondary	223.1	236.7	4.5	2.0%
Main Trade Area	**410.4**	**431.7**	**7.1**	**1.7%**
Singapore Population	*4,987.6*	*5,290.8*	101.1	2.0%

Source : Census of Population, 2000; Population Trends 2009; Housing Development Board, Annual Report 2008/09; Urban Redevelopment Authority, REALIS; Urbis.

As shown in Table 2.3, the average age in the main trade area is 33.6 years, around 2.6 years below the Singapore average. High proportions in the 0-14 and 25-39 categories relative to the national average would suggest a prevalence of young families with children, particularly in the secondary trade area.

The Enlarged Northpoint Trade Area Age Distribution[1], 2009 **Table 2.3**

Age Group	Primary	Secondary		Main	Singapore
		North	West		
0-14	17.4%	22.3%	22.9%	20.7%	17.9%
15-24	15.8%	12.3%	14.6%	14.7%	13.5%
25-39	23.4%	29.9%	24.8%	25.0%	23.8%
40-59	32.7%	27.4%	29.9%	30.6%	31.4%
60+	10.7%	8.1%	7.9%	9.0%	13.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Avge Age	35.3	32.7	32.6	33.6	36.2

1. Residents only.
Source: Population Trends 2009.

The average per capita income level for Singapore residents living in the main trade area in 2000 was 8% below the Singapore average for the primary trade area, 4% below for secondary west and 17% below for secondary north.

2.7 Trade Area Spending Forecasts

The average annual retail spend per capita in the main trade area is estimated at SGD 5,279 in 2009 (Table 2.4), which is 4.8% below the Singapore average and reflects the lower than average income levels in the trade area. The highest spending trade area is the secondary west, with a per capita spending variation of 2% below the national average, while the lowest spending trade area is the secondary north at 10% below average. By 2012 the main trade area retail spend per capita level is expected to reach SGD 5,633, growing at 2.2% over the 2009-12 period.

Trade Area Per Capita Retail Spending, 2009 - 2012 **Table 2.4**

Trade Area / Sector	Variation from S'pore Av. (%)	Per Capita Retail Spending (SGD) 2009	2012
Primary	-5.0%	5,267	5,626
Secondary			
▪ North	-10.0%	4,990	5,330
▪ West	-2.0%	5,434	5,804
Total Secondary	-4.6%	5,289	5,639
Main Trade Area	**-4.8%**	**5,279**	**5,633**
Singapore	0.0%	*5,545*	*5,923*

Source : Census of Population, 2000; Urbis

Table 2.5 shows that the calculated retail spending market for the main trade area of the Enlarged Northpoint in 2009 is SGD 2.17 billion. Of this amount it is estimated that SGD 986 million is generated by the primary trade area. By 2012, it is forecast that this spending market will have grown by an average of 4.2% per year (in nominal terms) to reach SGD 2.43 billion, with SGD 1.10 billion from the primary trade area.

Trade Area Retail Spending Market, 2009 - 2012 **Table 2.5**

Trade Area / Sector	Retail Spending Market (SGD mil) 2009	2012	Annual Growth 08-12 ('000)	(%)
Primary	**986**	**1,097**	**37.0**	**3.6%**
Secondary				
▪ North	364	441	25.7	6.6%
▪ West	816	894	25.9	3.1%
Total Secondary	1,180	1,335	51.5	4.2%
Main Trade Area	**2,166**	**2,432**	**88.5**	**3.9%**

Source : Urbis

2.8 Retail Competition

2.8.1 Existing Competition

The location of the existing competitive centres within the main trade area is shown in Map 2.4 and a listing of the key centres is provided in Table 2.7. The main centres are described as follows:

- Adjacent to the Enlarged Northpoint is the **Yishun 10 Golden Village** cineplex. As the name suggests it has 10 screens. This centre also has a handful of specialty stores including Burger King, 7-Eleven, Long John Silver and DVD outlets. This centre, in its current state, presents only marginal competition to the Enlarged Northpoint but it does add to the destinational draw of the Yishun Town Centre. It was opened in 1992, the same year as Northpoint Shopping Centre.
- **Sebawang Shopping Centre** is owned by CapitaMall Trust and located in Sembawang. It has recently undergone a major renovation which saw it closed for two years. The refurbished centre of 129,000 sq.ft is clean and pleasant, anchored by a small Giant Hypermarket. Its main drawback is that is has no direct connection to an MRT station, and is rather isolated from public transport.
- **Sun Plaza** is situated in the secondary north sector adjacent to the Sembawang MRT station, the next one along the line from Yishun. The centre is 160,000 sq.ft in size and is anchored by a NTUC Fairprice supermarket. Whilst somewhat dated, this centre basically serves the convenience shopping needs in the secondary north trade area.
- **Causeway Point** is another Frasers Centrepoint Trust mall located on the western perimeter of the secondary west trade area, and is adjacent to the Woodlands MRT station. At 418,500 sq.ft NLA, Causeway Point is the major regional mall in northern Singapore and indeed one of the largest suburban malls in the country. It has a comprehensive retail offer including anchor stores of Metro, Courts, John Little, Cold Storage as well as a Cathay Cineplex.

Beyond the main trade area there are other retail centres used by residents within the main trade area, particularly for non-food shopping. **AMK Hub** and **Junction 8** are two significant suburban malls situated on the MRT line between the Enlarged Northpoint and the city. These are therefore very accessible for trade area residents. The most important retail destination outside the main trade area is the Singapore City Central Area and in particular Orchard Road.

The Enlarged Northpoint Competitive Retail Centres **Table 2.7**

Trade Area/Centre	Distance[1] (km)	NLA (sq.ft)	Major Tenants
Secondary North			
Sembawang SC	1.8	129,000	Giant; Kopitiam; Daiso
Sun Plaza	2.8	160,000	NTUC Fairprice; Cineplex.
Secondary West			
Causeway Point	5.5	418,500	Metro; John Little; Courts; Cold Storage; Cineplex.
Beyond			
AMK Hub	6.5	350,000	Fairprice Xtra; Cineplex.
Compass Point	7.5	270,000	Metro; Courts; Cold Storage; Library.
Junction 8	8.5	245,000	Seiyu; NTUC Fairprice; Cineplex.

1. Approximate distance measured in a straight line.
Source : Urbis.

2.8.2 Future Competition

At this point in time, there are no known significant new retail projects within the main trade area. However, looking out beyond three years there is the possibility of some future competition being provided within Yishun estate should the government decide to allow the redevelopment of the adjacent bus interchange next to the Enlarged Northpoint.

2.9 Market Outlook

The recent expansion of Northpoint Shopping Centre to include Northpoint 2 and its good quality tenant base has enhanced the Enlarged Northpoint's position as the dominant shopping, dining and community hub within its primary trade area. The expansion has widened the retail offerings and improved the overall centre quality and amenities. It has also provided a much needed social facility, the community library. Whilst the expanded centre is expected to trade smoothly over the next three years, as with most new centres, there should be further room to grow over the next 1-2 years to achieve its full trading potential.

3 YewTee Point Retail Market Overview

3.1 Location and Accessibility

3.1.1 Location

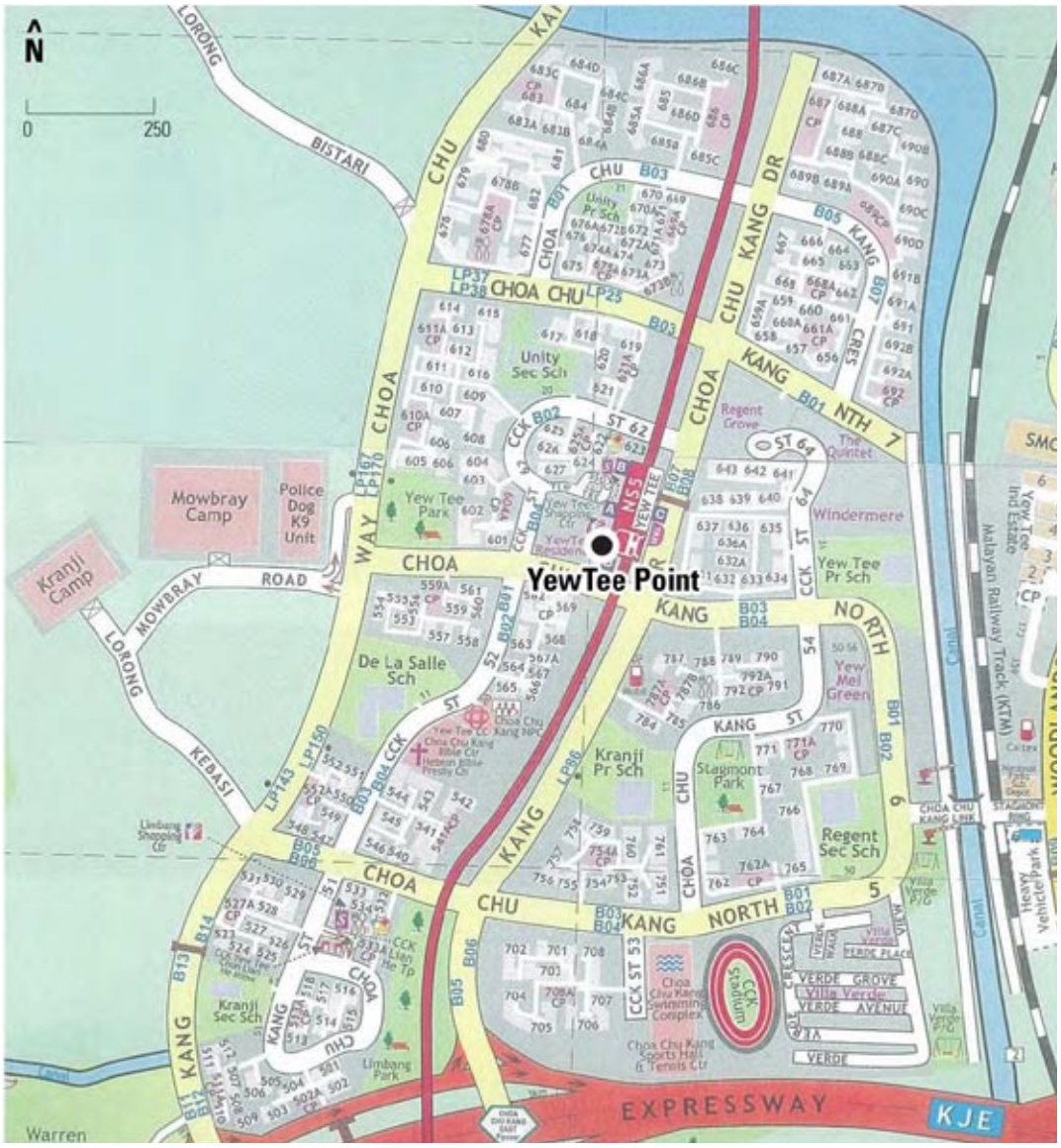
The YewTee Point shopping centre is located in north-western Singapore on Choa Chu Kang North 6 Road, just west of its intersection with Choa Chu Kang Drive. It forms part of the Yew Tee Town Centre and is immediately adjacent to the Yew Tee MRT station and the Housing Development Board's (HDB) Yew Tee Square Shopping Centre, as shown in Map 3.1. To the immediate west of the subject site is a vacant site of a similar size which will be released at some later point in time by the URA for development and it is currently zoned for residential use.

Map 3.1 – Local Context Aerial Photograph

The surrounding area is predominantly HDB housing along with some schools and parks. Approximately 500 metres west of the site is a military camp. Around 200 metres south of the site on Choa Chu Kang Street 52 are several churches and 600 metres to the south is the Choa Chu Kang sports complex including the CCW Stadium, swimming pool, sports hall and tennis centre, as illustrated in Map 3.2. The large Sungei Kadut Industrial Estate is 1 km to the north.

An important feature for YewTee Point is the density of the immediate surrounding residential population. It is estimated that there are approximately 40,000 people within a 10 minute walk from the centre.

Map 3.2 – Site Location and Surrounding Uses



3.1.2 Accessibility

Yew Tee MRT station is on the north-south MRT Line (shown in red in Map 3.2 above), its position in the MRT network is shown in Map 3.3. Access from the station is excellent; MRT users enter the centre via its northern entry. Outside this entry is a paved plaza area with Yew Tee Square Shopping Centre on the opposite side. This provides patrons of Yew Tee Square an easy connection into YewTee Point.

A number of bus services stop at Yew Tee MRT station on Choa Chu Kang Drive. Several services also stop west of the mall on Cho Chu Kang Street 62. Therefore YewTee Point is well served by bus even though there are no bus stops immediately outside the centre.

Pedestrian access into the centre is either from the northern entry adjacent to the MRT station and public plaza or alternatively at the southern end from Choa Chu Kang North 6 Road.

Entry into the shopping centre carpark is from the north via Yew Tee Close. Carparking for residents of the development is separate with their entry being from Choa Chu Kang North 6 Road.

Map 3.3 – MRT Network

3.2 Description of Centre and Tenant Mix

YewTee Point comprises a two-level 72,382 sq.ft Net Lettable Area (NLA) mall, above which are 139 residential apartments (YewTee Residences) in two tower buildings. Carparking for the retail mall comprises 83 carspaces in the Basement level.

Level 1 is based around a fairly simple layout of a north-south internal mall. There is a central area which includes a number of small sized shops and kiosks as well as escalators down to the Basement Level. There are a total of 46 shops on this level.

Residents of the units above have exclusive access via a lift at the south-west corner of the complex with a lobby on Level 1 and with their own parking on level 2.

YewTee Point has a good quality tenant base. The Basement Level includes a NTUC Fairprice supermarket and a foodcourt, in addition to 34 specialty shops. This level also contains the retail centre's carparking provision. Access into this level is centrally via the escalators or lifts from Level 1, or directly from the carpark on the same level. Residents of YewTee Residences have direct and exclusive access into the Basement Level, with lifts from the north-west tower near the supermarket and from the south-east tower near the foodcourt.

The composition of the centre is summarised in Table 3.1 and from this it can be seen that a very high proportion of the specialty space (i.e. 47%) is food-related; including cafes, restaurants and take-away food outlets.

YewTee Point Composition, September 2009			Table 3.1
		NLA	
Tenant	**Level**	(sq.ft)	(% Total)
Retail			
Anchors			
NTUC Fairprice	B1	15,513	21%
KouFu Food Court	B1	8,455	12%
Total Anchors		23,968	33%
Retail Specialties			
Food	B1, 1	20,496	28%
Non-Food	B1, 1	22,513	31%
Total Retail Specialties		43,009	59%
Total Retail		**66,977**	**93%**
Non Retail			
Non-Retail Specialties	B1, 1	3,267	5%
Total Non-Retail		**3,267**	**5%**
Vacant or under fit-out	B1, 1	2,138	3%
Total Centre		**72,382**	**100%**

Source : Frasers Centrepoint Asset Management Ltd

3.3 Centre Performance to Date

YewTee Point commenced trading around March 2009, although as with most new shopping centres, fit-out was not completed on some of the tenancies and it has only been over the last few months that the centre has been almost fully fitted out and with the majority of tenants trading.

Trading performance figures supplied to date would indicate that for calendar year 2010 it could be expected that the centre should achieve annual pedestrian traffic of around 10-11 million and total sales of SGD 80-85 million.

3.4 Target Market

As a consequence of its relatively small size and its location within the Yew Tee Town Centre the principal target market for YewTee Point is the local resident market.

3.5 Trade Area Definition

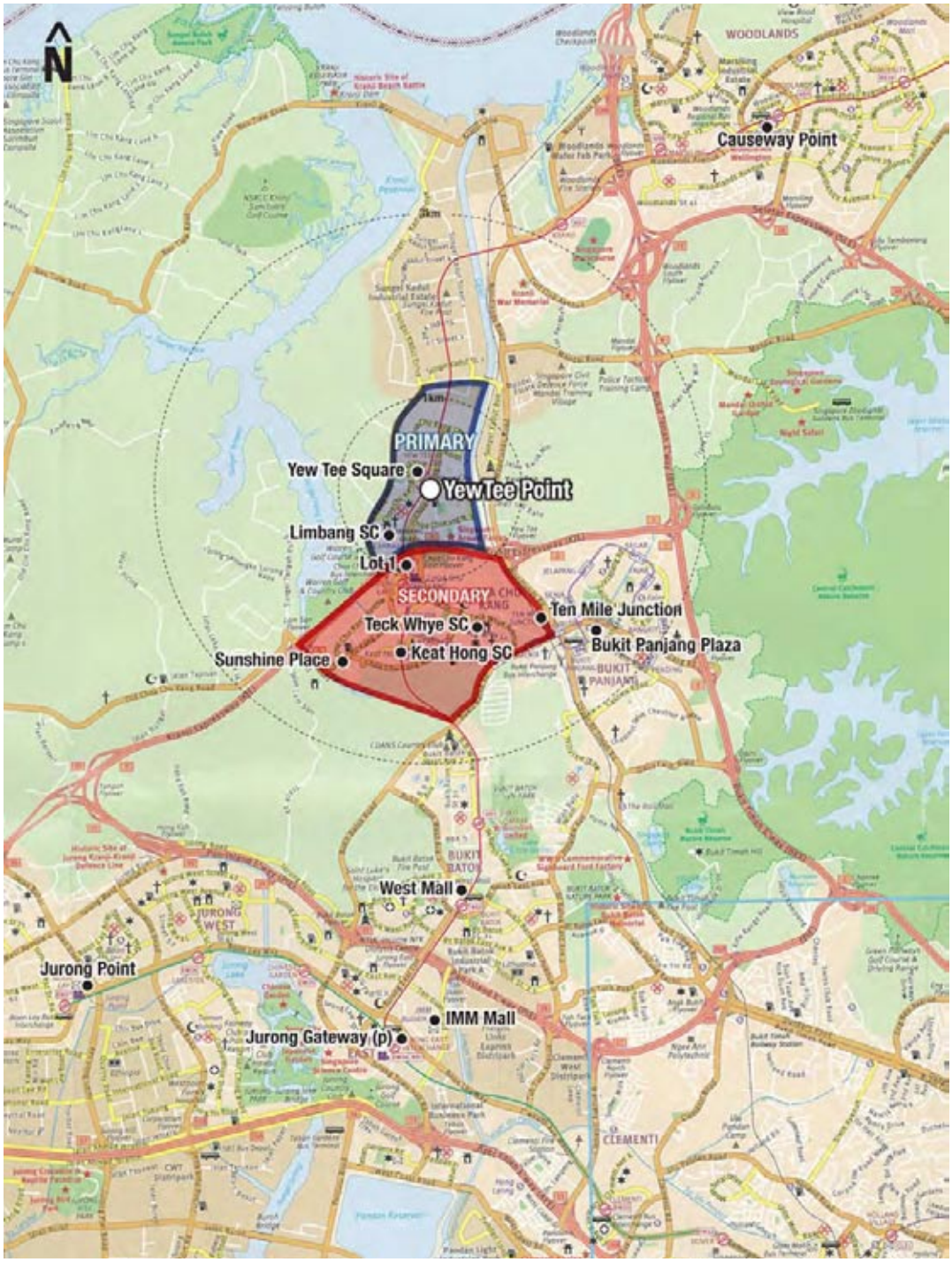
The results of a telephone survey conducted by Urbis and TNS Global Market Research in 2007 have been used to help define the trade area for YewTee Point.

The YewTee Point trade area is shown in Map 3.4, and has been defined to comprise two sectors as follows:

- The **Primary** trade area extends from the Kranji Expressway in the south to the Sungei Kadut Industrial Estate in the north, east to the Sungei Kadut canal and to Choa Chu Kang Way in the west. This area equates to the northern half of the DGP Zone of Choa Chu Kang and is contained within a 1 km radius from YewTee Point.
- The **Secondary** trade area completes the remaining southern half of the DGP Zone of Choa Chu Kang. The boundary follows Woodlands Road, then Choa Chu Kang and Bukit Batok Roads, down in the south to Brickland Road and following that north to the connection with the Kranji Expressway. The Lot 1 Mall and the Choa Chu Kang MRT station are located in this sector approximately 1.1 kms away.

Collectively the primary and secondary trade areas for YewTee Point are considered to be the main trade area.

Map 3.4 – YewTee Point Trade Area and Competition



3.6 Trade Area Population and Demographics

In 2009 the population of the main trade area is estimated at 180,100, with 66,600 in the primary trade area (Table 3.2). By 2012 the main trade area population is forecast to grow to 187,000, with 69,200 in the primary trade area. This equates to an annual growth rate of 1.3% per annum, slightly below the forecast growth for Singapore over the same period.

YewTee Point Trade Area Population, 2009 - 2012 **Table 3.2**

Trade Area	Population ('000)		Annual Growth 08-12	
Sector	2009	2012	('000)	(%)
Primary	66.6	69.2	0.8	1.3%
Secondary	113.5	117.8	1.4	1.3%
Main Trade Area	**180.1**	**187.0**	**2.3**	**1.3%**
Singapore Population	*4,987.6*	*5,290.8*	101.1	2.0%

Source : Census of Population, 2000; Population Trends 2009; Housing Development Board, Annual Report 2008/09; Urban Redevelopment Authority, REALIS; Urbis.

Looking at the age distribution in the main trade area, shown in Table 3.3, it is evident that the trade area has a relatively young population with 37% aged under 25 as compared with 30% for Singapore as a whole. This would suggest that young families are an important target market for YewTee Point.

YewTee Point Trade Area[1] Age Distribution, 2009 **Table 3.3**

Age Group	Main Trade Area	Total Singapore
0-14	22.1%	17.9%
15-24	15.1%	13.5%
25-39	22.8%	23.8%
40-59	31.8%	31.4%
60+	8.2%	13.4%
Total	100.0%	100.0%
Average Age (Estimate)	33.2	36.2

1. Residents only.
Source: Department of Statistics, "Population Trends 2009".

The average per capita income for the main trade area, which consists of the entire residential part of the Choa Chu Kang planning area is 11.5% higher than the Singapore average according to the 2000 Census.

3.7 Trade Area Spending Forecasts

In 2009, residents in the main trade area are estimated to spend an average yearly amount of SGD 5,933 per capita on retail, 7% above the Singapore average (Table 3.4). By 2012 the per capita retail spending is forecast to grow at an average rate of 2.2% per annum to reach to SGD 6,337.

Trade Area Per Capita Retail Spending, 2009 - 2012 **Table 3.5**

Trade Area Sector	Variation from S'pore Av. (%)	Per Capita Retail Spending (SGD) 2009	2012
Primary	7.0%	5,933	6,337
Secondary	7.0%	5,933	6,337
Main Trade Area	**7.0%**	**5,933**	**6,337**
Singapore	*0.0%*	*5,545*	*5,923*

Source : Urbis

The total retail spending market for the YewTee Point main trade area can be determined by multiplying the trade area population by the per capita retail spending. Table 3.6 shows that, in 2009, this spending market is calculated to be SGD 1.07 billion, with SGD 395 million in the Primary trade area. By 2012 it is forecast this market will have grown to SGD 1.19 billion, with SGD 438 million in the Primary trade area.

YewTee Point Trade Area Retail Spending Market, 2009 - 2012 **Table 3.6**

Trade Area Sector	Retail Spending Market (SGD mil) 2009	2012	Annual Growth 08-12 ('000)	(%)
Primary	395	438	14.3	3.5%
Secondary	673	746	24.4	3.5%
Main Trade Area	**1,068**	**1,185**	**38.8**	**3.5%**

Source : Urbis

3.8 Retail Competition

The existing competitive centres are shown in Map 3.4 and listed in Table 3.7.

The competitive centres within the main trade area are:

- The **Yew Tee Town Centre** area, in which YewTee Point is located, contains two other retail centres:
  - **Yew Tee MRT station** includes a new food court of approximately 4,000 sq.ft in the former NTUC Fairprice supermarket space. This competes directly with the food court in YewTee Point and has the advantage of being in a high traffic area.
  - **Yew Tee Square** is also situated adjacent to the MRT station but on the northern side of the paved plaza area. The shopping centre is an HDB neighbourhood centre and comprises a small wet market and around 22 shops on the ground level together with a small food court on Level 2. This centre has recently had some cosmetic improvements completed on the façade and a new McDonalds added on the ground floor. Regardless of the recent improvements this centre is far inferior to YewTee Point in terms of its quality and overall retail offer.
- **Lot 1 Shoppers' Mall** at 215,000 sq.ft is the most significant retail centre in the main trade area and the most significant competitor to YewTee Point. It is owned and managed by CapitaMall Trust and anchored by a BHG department store, NTUC Fairprice supermarket and has Shaw Cinemas, a library, a Popular bookstore and a Food Junction foodcourt. Lot 1 also benefits from being located next to the Choa Chu Kang MRT station which is the connection point for the Light Rail Transit (LRT) extending east into the Bukit Panjang area. Lot 1 is a very popular and successful retail mall

and according to CapitaMall Trust had an annual pedestrian traffic count of 16.1 million visits in 2008.

- **Limbang, Teck Whye, Sunshine Place, Keat Hong Shopping Centre and Ten Mile Junction** are all small scale neighbourhood centres less than half the size of YewTee Point.

Competitive centres outside the main trade area but still of some relevance, particularly for comparison shopping, include:

- **Bukit Panjang Plaza** is a modern well presented centre of 145,000 sq.ft anchored by an NTUC Fairprice supermarket, Harvey Norman and a library. It is located just east of the secondary trade area and it is accessible via the LRT. According to CapitaMall Trust it had an annual pedestrian traffic count of 12.7 million visits last year.
- **West Mall** is located south of the trade area adjacent to the Bukit Batok MRT station on the north-south line. It is a centre of 185,000 sq.ft including a Shop N Save supermarket along with Popular, Harvey Norman and cinemas.
- **IMM Mall,** located 10.5 km to the south, has a total of 407,000 sq.ft following the completion of its recent expansion. Although not on an MRT line directly, the centre has a significant amount of carparking (1,296 spaces) and has the advantage of accommodating the only full scale Giant hypermarket in this sector of Singapore. IMM Mall is owned and operated by CapitaMall Trust and the annual pedestrian traffic count for 2008 was reported at 17.8 million visits.
- **Jurong Point** at 700,000 sq.ft is a well designed centre with the largest and widest retail offer in western Singapore. The competitive strength of the mall has increased with the opening of a 270,000 sq.ft extension, including a Fairprice Xtra hypermarket.
- **Causeway Point** is a relevant competitive centre to YewTee Point as is evident from previous survey work conducted by Urbis. The principal reasons for its competitiveness are, its easy access, being only two MRT stops north of YewTee Point, and its size and retail offer, particularly for non-food shopping. Causeway Point has a total NLA of 418,500 sq.ft with the anchor tenants including a Metro department store, John Little, Courts, a Cold Storage supermarket and cinemas.

YewTee Point Competitive Retail Centres **Table 3.7**

Sector/Centre	Distance[1] (km)	NLA (sq.ft)	Major Tenants
Primary			
Yew Tee MRT Station	0.0	8,000	Food Court
Yew Tee Square	0.1	30,000	Wet Market, McDonalds
Limbang SC	0.8	30,000	NTUC
Secondary Trade Area			
Lot 1 Shoppers Mall	1.3	215,000	BHG; NTUC; Popular; Shaw Cinema; Library
Teck Whye SC	1.9	20,000	NTUC.
Sunshine Place	2.2	40,000	Shop N Save.
Keat Hong SC	2.2	20,000	-
Ten Mile Junction	3.7	20,000	Sheng Siong.
Beyond Trade Area			
Bukit Panjang Plaza	4.4	145,000	NTUC; Harvey Norman; Library.
West Mall	8.0	185,000	Shop N Save; Popular; Harvey Norman; Cinema.
Causeway Point	9.5	418,500	Metro; John Little; Courts; Cold Storage.
IMM Mall	10.5	407,000	Daiso; Giant; Best Denki.
Jurong Point	11.5	700,000	Fairprice Xtra; Harvey Norman; John Little; Popular; Harris; Courts; Cineplex.
Jurong East (p)	7.1	440,000	Supermarket or Hypermarket

1. Approximate distance measured in a straight line.
(p) = Proposed ; (u/c) = Under Construction
Source : Urbis.

3.8.1 Future Competition

With further residential development within the main trade area, it is not impossible that there will be some new neighbourhood shopping centres built or existing centres upgraded. However, at this stage there are no known new retail projects. Importantly, the adjacent vacant site to YewTee Point is zoned for residential use, which protects the centre from future competition.

Outside the main trade area, but still of some minor relevance, is a site for a proposed development at Jurong East. The proposed new centre of 440,000 sq.ft is adjacent to the Jurong East MRT station and bus interchange. It is likely to contain a supermarket or hypermarket but because of its distance from YewTee Point, it is unlikely to have a significant impact.

3.9 Market Outlook

YewTee Point fills a significant gap in the primary trade area by providing a modern, fully enclosed shopping centre anchored by a significant sized supermarket. It is the only fully enclosed and air-conditioned shopping centre in the Yew Tee Town Centre. The centre is well located adjacent to the MRT station and is part of the Yew Tee Town Centre and its current offer is superior to anything else offered in Yew Tee Town Centre and the rest of the primary trade area.

Looking to the future, the centre has sound market potential and should achieve solid sales growth over the next few years as its tenant mix settles down and the centre reaches its full trading potential.

Sydney
Level 21, 321 Kent Street
Sydney, NSW 2000
Tel: +612 8233 9900
Fax: +612 8233 9966

Brisbane
Level 12, 120 Edward Street
Brisbane, QLD 4000
Tel: +617 3007 3800
Fax: +617 3007 3811

Dubai
Level 4, Attareen Building,
Saaha Offices, Old Town Island
Downtown Burj Dubai, UAE
Tel: +971 4 4200212
Fax: +971 4 4200209

Melbourne
Level 12, 120 Collins Street
Melbourne, VIC 3000
Tel: +613 8663 4888
Fax: +613 8663 4999

Perth
Level 1, 55 St Georges Terrace
Perth, WA 6000
Tel: +618 9346 0500
Fax: +618 9321 7790

Australia • Asia • Middle East
www.urbis.com.au
info@urbis.com.au

This page has been intentionally left blank.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Frasers Centrepoint Trust ("**FCT**") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on 25 January 2010 at 3.00 p.m.[1] for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. THE PROPOSED NORTHPOINT 2 ACQUISITION

That subject to and contingent upon the passing of Resolution 3:

(i) approval be and is hereby given for the acquisition of Northpoint 2 (as defined in the circular dated 7 January 2010 (the "**Circular**") issued by Frasers Centrepoint Asset Management Ltd., as manager of FCT (the "**Manager**"), to unitholders of FCT (the "**Unitholders**")) from Yishun Development Pte Ltd ("**YDPL**") for an aggregate purchase consideration of S$164,550,000 (the "**Northpoint 2 Acquisition**"), on the terms and subject to the conditions set out in the sale and purchase agreement to be entered into between YDPL and HSBC Institutional Trust Services (Singapore) Limited, as trustee of FCT (the "**Trustee**"), in respect of the sale and purchase of Northpoint 2 (the "**Northpoint 2 Sale and Purchase Agreement**");

(ii) approval be and is hereby given for the entry by the Trustee into the Northpoint 2 Sale and Purchase Agreement; and

(iii) the Manager, any director of the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to the Northpoint 2 Acquisition.

ORDINARY RESOLUTION

2. THE PROPOSED YEWTEE POINT ACQUISITION

That subject to and contingent upon the passing of Resolution 3:

(i) approval be and is hereby given for the acquisition of YewTee Point (as defined in the Circular) from YDPL for an aggregate purchase consideration of S$125,650,000 (the "**YewTee Point Acquisition**"), on the terms and subject to the conditions set out in the sale and purchase agreement to be entered into between YDPL and the Trustee, in respect of the sale and purchase of YewTee Point (the "**YewTee Point Sale and Purchase Agreement**");

(ii) approval be and is hereby given for the entry by the Trustee into the YewTee Point Sale and Purchase Agreement; and

(iii) the Manager, any director of the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to the YewTee Point Acquisition.

---

1 The EGM will commence at 3.00 p.m., or as soon thereafter following the conclusion or adjournment of the 1st Annual General Meeting of FCT to be held at 2.30 p.m. on the same day and at the same place.

ORDINARY RESOLUTION

3. THE PROPOSED ISSUE OF UP TO 152.0 MILLION NEW UNITS UNDER THE EQUITY FUND RAISING

That subject to and contingent upon the passing of Resolution 1 or Resolution 2 or both Resolution 1 and Resolution 2:

(i) approval be and is hereby given for the issue of up to 152.0 million new units in FCT ("**New Units**") in the manner described in the Circular (the "**Equity Fund Raising**"); and

(ii) the Manager, any director of the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to the Equity Fund Raising.

ORDINARY RESOLUTION

4. THE PROPOSED SUBSCRIPTION OF NEW UNITS BY THE FCL GROUP UNDER THE PRIVATE PLACEMENT

That subject to and contingent upon the passing of Resolution 3:

(i) approval be and is hereby given for the placement of up to such number of New Units under the private placement to Frasers Centrepoint Limited and its subsidiaries (the "**FCL Group**") in the manner described in the Circular; and

(ii) the Manager, any director of the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to such placement of New Units to the FCL Group.

BY ORDER OF THE BOARD

Frasers Centrepoint Asset Management Ltd.
(Company Registration No. 200601347G)
As manager of Frasers Centrepoint Trust

Anthony Cheong Fook Seng
Company Secretary
7 January 2010

Important Notice

A unitholder of FCT is entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a unitholder of FCT.

The instrument appointing a proxy must be lodged at the Manager's registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

This page has been intentionally left blank.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes To Proxy Form

1. A unitholder of FCT ("**Unitholder**") entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a Unitholder. The instrument appointing a proxy or proxies must be deposited with the Company Secretary of the Manager at its registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.
2. If any other proxy is preferred, the Unitholder should strike out the names of the Directors mentioned and add the name and address of the proxy desired in the spaces provided on the form.
3. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. The EGM will commence at 3.00 p.m., or as soon thereafter following the conclusion or adjournment of the 1st Annual General Meeting of FCT to be held at 2.30 p.m. on the same day and at the same place.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the meeting.
6. A Unitholder should specify the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), he should specify that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of FCT, he should specify that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is specified, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.
10. Agent Banks acting on the request of CPF investors who wish to attend the Extraordinary General Meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of Units held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Manager not later than 48 hours before the time appointed for holding the Extraordinary General Meeting.

FRASERS CENTREPOINT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 June 2006 (as amended))

IMPORTANT

1. For investors who have used their CPF money to buy units in Frasers Centrepoint Trust, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. CPF Investors who wish to attend the Extraordinary General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Frasers Centrepoint Asset Management Ltd. (Agent Banks: please see Note 10 on required format).
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

PROXY FORM
EXTRAORDINARY GENERAL MEETING

I/We _____ (Name)

of _____ (Address)

being a unitholder/unitholders of Frasers Centrepoint Trust ("**FCT**"), hereby appoint:

Philip Eng Heng Nee, whom failing Anthony Cheong Fook Seng, whom failing Chia Khong Shoong, whom failing Bobby Chin Yoke Choong, whom failing Lim Ee Seng, whom failing Soh Kim Soon, whom failing Christopher Tang Kok Kai all being Directors of Frasers Centrepoint Asset Management Ltd., as manager of FCT (the "**Manager**") or (Note 2)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 3)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 3)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of FCT to be held at 3.00 p.m. (Note 4) on 25 January 2010 at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

	Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For *	Against *	No. of Votes For **	No. of Votes Against **
1.	To approve the Proposed Northpoint 2 Acquisition (Ordinary Resolution) (Conditional upon Resolution 3)				
2.	To approve the Proposed YewTee Point Acquisition (Ordinary Resolution) (Conditional upon Resolution 3)				
3.	To approve the Proposed issue of up to 152.0 million New Units under the Equity Fund Raising (Ordinary Resolution) (Conditional upon Resolution 1 or Resolution 2 or both)				
4.	To approve the Proposed subscription of New Units by the FCL Group under the Private Placement (Ordinary Resolution) (Conditional upon Resolution 3)				

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2010

Total number of Units held (Note 6)

_____

Signature(s) of Unitholder(s)/Common Seal

1st fold here

2nd fold here

Affix
Postage
Stamp

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

3rd fold here

MANAGED BY
FRASERS CENTREPOINT ASSET MANAGEMENT LTD.