



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

MANAGED BY
FRASERS CENTREPOINT ASSET MANAGEMENT LTD.

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

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



CIRCULAR TO UNITHOLDERS IN RELATION TO:

- (1) THE PROPOSED ACQUISITION OF BEDOK POINT;
- (2) THE PROPOSED ISSUE OF UP TO 55.0 MILLION NEW UNITS UNDER THE PRIVATE PLACEMENT; AND
- (3) THE PROPOSED SUBSCRIPTION OF NEW UNITS BY THE FCL GROUP UNDER THE PROPOSED PRIVATE PLACEMENT.

Sole Financial Adviser



Independent Financial Adviser to the Independent Directors of Frasers Centrepoint Asset Management Ltd. in relation to the Proposed Acquisition of Bedok Point

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	10 September 2011 at 5.00 pm
Date and time of Extraordinary General Meeting	12 September 2011 at 5.00 pm
Venue 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 FRASERS CENTREPOINT TRUST

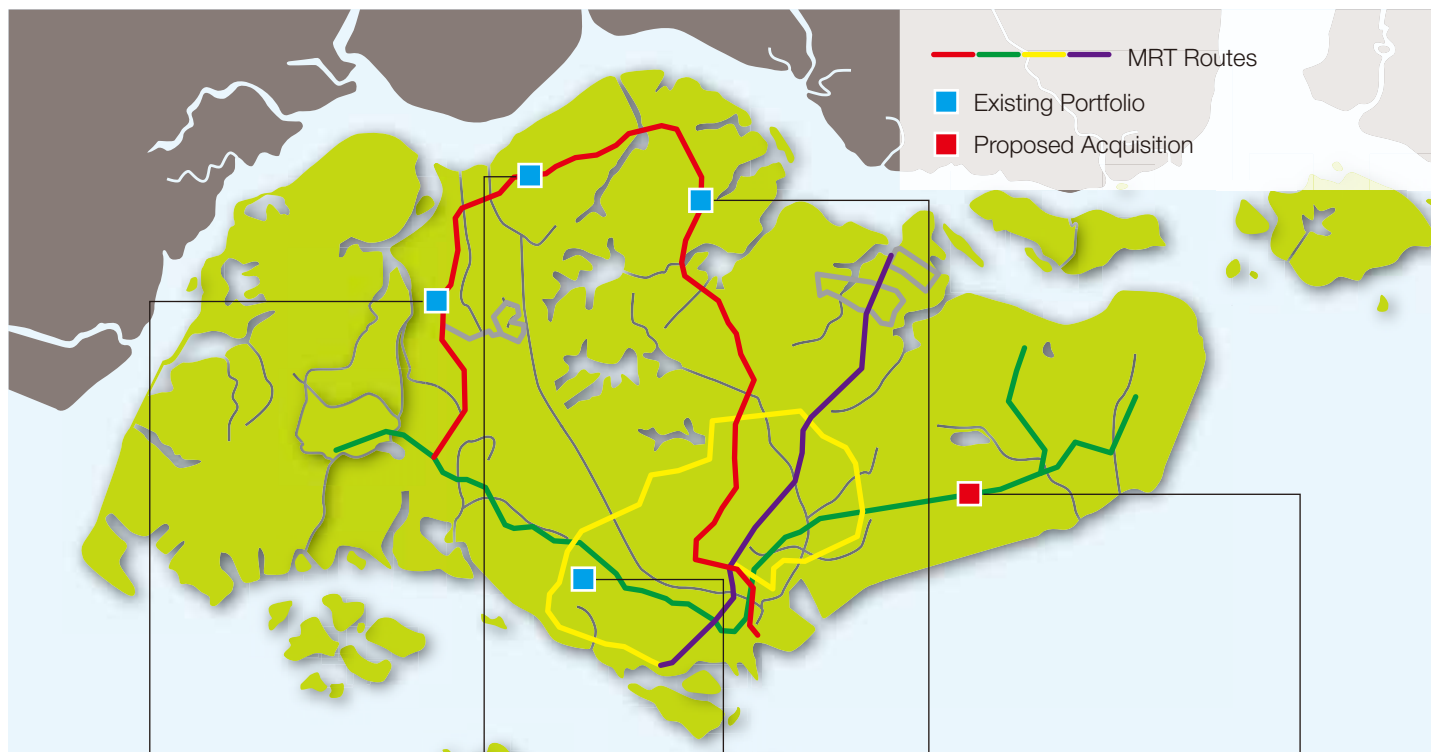
Frasers Centrepoint Trust ("FCT") is a leading developer-sponsored retail real estate investment trust with four quality suburban malls in Singapore. The portfolio comprises Anchorpoint, Causeway Point, Northpoint and YewTee Point.

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

Listed on the Main Board of Singapore Exchange Securities Trading Limited since 5 July 2006, FCT is managed by Frasers Centrepoint Asset Management Ltd., a real estate management company and a subsidiary of Frasers Centrepoint Limited ("**FCL**"). FCL is a wholly-owned subsidiary of Fraser and Neave, Limited, a leading Asia Pacific consumer group with expertise in the food and beverage, property and publishing and printing industries.

OVERVIEW OF FRASERS CENTREPOINT TRUST'S PROPERTIES

FCT's existing asset portfolio comprises four quality suburban malls in Singapore. They are Anchorpoint, Causeway Point, Northpoint and YewTee Point. The portfolio has an aggregate appraised value of S\$1.44 billion as at 30 September 2010. The malls in FCT's portfolio enjoy good connectivity to public transport such as the MRT and public buses, wide catchment that provide healthy footfall to the malls as well as high occupancy. The resilient and stable income from the portfolio underpins stable and regular distributions that FCT provides to its unitholders.



YewTee Point



Causeway Point



Anchorpoint



Northpoint



Bedok Point

PROPOSED ACQUISITION

Bedok Point is located in Bedok Town Centre in Singapore's eastern region and is strategically located at the corner of New Upper Changi Road and Bedok Central. Its location provides good street frontage on New Upper Changi Road which is a major east-west road linking Changi and Tampines to the city area.

Bedok Point is a four-storey multi-tenanted retail mall comprising two basement levels and four levels above ground. Its main retail levels from Basement 1 to Level 4 accommodate a diverse tenant base comprising restaurants, food outlets, a food court, speciality retail units, a book store and entertainment outlets. A total of 76 car park lots are provided at Basement 2.

Bedok Point is well-served by public transport, being conveniently located near the Bedok MRT station and Bedok bus interchange. It also benefits from good vehicular access to the city area and other parts of Singapore with good accessibility to the East Coast Parkway and Pan Island Expressway.

Bedok Point obtained its TOP in November 2010 and commenced operations in mid-December 2010.



Exterior view of Bedok Point



Interior view of Bedok Point

BEDOK POINT	
Property Description	A four-storey multi-tenanted retail mall comprising two basement levels and four levels above ground.
Title	Leasehold estate of 99 years commencing from 15 March 1978
Gross Floor Area	133,598 sq ft
Net Lettable Area	80,985 sq ft
Car Park Lots	76
Valuation (as at 1 July 2011)	S\$128.0 million (Knight Frank) S\$126.0 million (Jones Lang LaSalle)
Purchase consideration	S\$127.0 million
Committed Occupancy (as at 30 June 2011)	97.4%

COMPETITIVE STRENGTHS OF BEDOK POINT

GOOD CONNECTIVITY TO PUBLIC TRANSPORTATION AND MAJOR EXPRESSWAYS

Bedok Point is conveniently located near the Bedok MRT station and the Bedok bus interchange. It also benefits from good vehicular access to the city area and other parts of Singapore via the East Coast Parkway and Pan Island Expressway.

NEW SUBURBAN MALL WITH POTENTIAL FOR GROWTH

Bedok Point benefits from a diverse trade mix. This allows the Manager to manage its tenancy mix more flexibly and to better negotiate for higher rents in the future.

CAPTIVE SHOPPER CATCHMENTS

Bedok Point's strategic location and strong food and beverage and entertainment trade mix provides a convenient place for dining, entertainment and shopping. Bedok Point serves an estimated resident population of 139,100 in its primary trade area and a further 130,300 in its secondary trade area.

EXPOSURE TO THE STABLE AND RESILIENT SUBURBAN RETAIL PROPERTY MARKET

Suburban malls are generally limited in supply. They tend to serve mainly captive trade areas and the rents and occupancy are generally more stable and resilient compared to the urban malls at Orchard Road that have a higher dependency on the tourist market.

LIMITED SUPPLY OF RETAIL SPACE IN SINGAPORE

According to the Independent Property Consultant, Singapore's total retail floor space per capita is low relative to comparable markets such as Hong Kong, China and Japan. Moreover, the total additional new shopping centre floor space in the eastern region of Singapore is expected to be relatively small.

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



BENEFITS TO UNITHOLDERS

YIELD ACCRETION

Unitholders are expected to enjoy a higher DPU as a result of the acquisition being made at a purchase consideration which is reflective of the levels of cash flow which Bedok Point is expected to generate, in combination with an optimal debt and equity financing plan to be determined by the Manager and the assumptions as set out in this Circular.

GREATER INCOME DIVERSIFICATION AND ENLARGED TENANT BASE

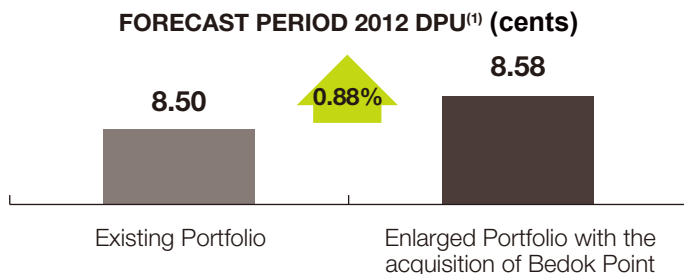
The acquisition of Bedok Point is expected to benefit FCT and its Unitholders through income diversification and the reduction of the reliance of FCT's income stream on the contribution by any single asset or any major tenant.

IMPROVED TRADING LIQUIDITY

The issue of New Units to part finance the acquisition of Bedok Point is expected to increase FCT's free float of Units on the SGX-ST which, in turn, is expected to improve the trading liquidity and thus, potentially benefiting Unitholders.

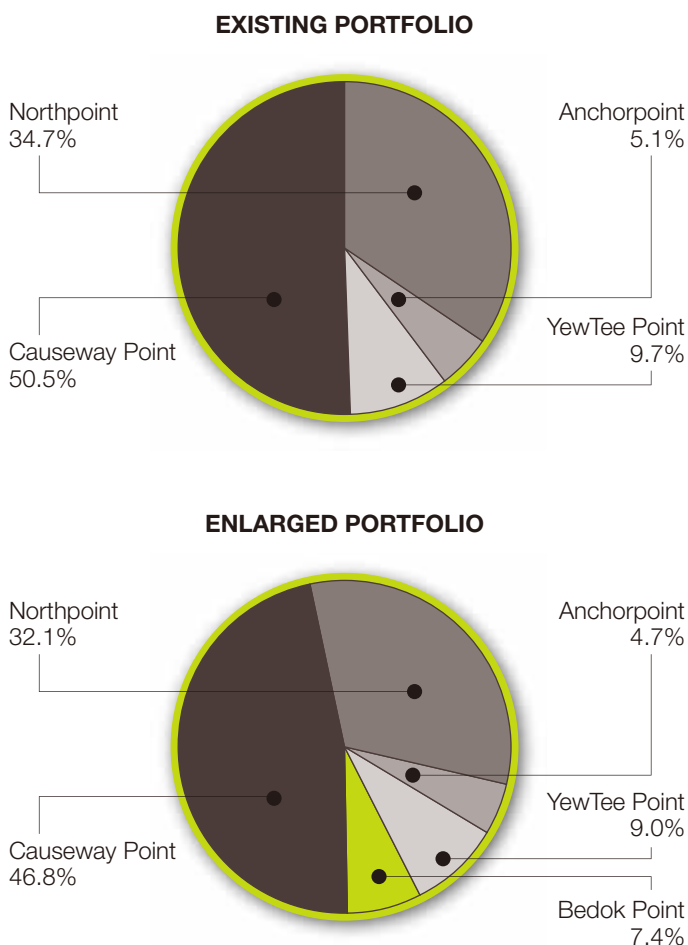
FURTHER GEOGRAPHICAL DIVERSIFICATION AND LARGER MARKET SHARE

The acquisition of Bedok Point will allow FCT to diversify its portfolio of properties geographically and to gain exposure to the market in and around the Bedok housing estate located in the eastern region of Singapore. Additionally, the acquisition of Bedok Point will enlarge FCT's share in the overall Singapore suburban retail property market and offer a wider choice of business locations to its tenants.



⁽¹⁾ Based on an illustrative issue price of S\$1.38 and other assumptions as set out in this Circular

NET PROPERTY INCOME CONTRIBUTIONS FOR THE FORECAST PERIOD 2012⁽²⁾



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

FRASERS CENTREPOINT TRUST'S PORTFOLIO OVERVIEW

EXISTING PORTFOLIO

The table below sets out selected information about the Existing Portfolio as at 30 June 2011.

	CAUSEWAY POINT	NORTHPOINT	ANCHORPOINT	YEWTEE POINT
Gross Floor Area (sq ft)	629,160	364,595	102,736	117,112
Net Lettable Area (sq ft)	418,543	235,522	71,610	73,120
Number of committed leases	203	189	67	80
Car Park Lots	747	236	128 ¹	83 ²
Title	Leasehold estate of 99 years commencing from 30 October 1995	Leasehold estate of 99 years commencing from 1 April 1990	Freehold	Leasehold estate of 99 years commencing from 3 January 2006
Valuation ³ (S\$'000)	730,000	503,000	76,000	130,000
Percentage of aggregate value of existing portfolio	50.7%	35.0%	5.3%	9.0%
Committed Occupancy	94.7%	99.6%	98.1%	96.2%
Net Property Income for Forecast Period 2012 (S\$'000)	44,339	30,442	4,519	8,499

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

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

³ Independent valuation as at 30 September 2010

ENLARGED PORTFOLIO

The table below sets out selected information about the Enlarged Portfolio as at 30 June 2011.

	EXISTING PORTFOLIO	BEDOK POINT	ENLARGED PORTFOLIO
Gross Floor Area (sq ft)	1,213,603	133,598	1,347,201
Net Lettable Area (sq ft)	798,795	80,985	879,780
Number of committed leases	539	74	613
Car Park Lots	1,194 ¹	76	1,270
Valuation (S\$'000)	1,439,000 ²	127,000 ³	1,566,000
Committed Occupancy	96.6%	97.4%	96.7%
Net Property Income for Forecast Period 2012 (S\$'000)	87,799	7,002	94,801

¹ Including 128 car park lots located at Anchorpoint, which are part of Anchorpoint Development's common property managed by Anchorpoint Management Corporation

² Independent valuation as at 30 September 2010

³ Bedok Point Purchase Consideration

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CORPORATE INFORMATION

Directors of Frasers Centrepoint Asset Management Ltd. (as manager of Frasers Centrepoint Trust)	:	Mr Philip Eng Heng Nee (Independent Non-Executive Chairman) Dr Chew Tuan Chiong (Chief Executive Officer and Executive Director) Mr Anthony Cheong Fook Seng (Non-Executive Director) Mr Chia Khong Shoong (Non-Executive Director) Mr Bobby Chin Yoke Choong (Independent Non-Executive Director) Mr Lim Ee Seng (Non-Executive Director) Mr Soh Kim Soon (Independent Non-Executive Director) Mr Christopher Tang Kok Kai (Non-Executive Director)
Registered Office of Frasers Centrepoint Asset Management Ltd.	:	438 Alexandra Road #21-00 Alexandra Point Singapore 119958
Trustee of Frasers Centrepoint Trust (the “Trustee”)	:	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #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 Acquisition and the Private Placement, and to the Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Sole Financial Adviser	:	Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
Legal Adviser to the Trustee for the Acquisition	:	Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

- Independent Financial Adviser to the Independent Directors of the Manager (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 Bedok Point: Retail Market Overview (the “Independent Property Consultant”)** : Urbis Pty Ltd
Level 12, 120 Collins Street
Melbourne VIC 3000
Australia

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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 39 to 43 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 Acquisition of Bedok Point (Ordinary Resolution)

The Manager is seeking Unitholders’ approval for the proposed acquisition of the property known as Bedok Point¹, located at 799 New Upper Changi Road, Singapore 467351 (“**Bedok Point**” or the “**Property**”, and the proposed acquisition of Bedok Point, the “**Acquisition**”).

(ii) Resolution 2: The Proposed Issue of up to 55.0 million New Units under the Private Placement (Ordinary Resolution)

The Manager is seeking Unitholders’ approval for the proposed issue of up to 55.0 million new Units (“**New Units**”) pursuant to a private placement of New Units (the “**Private Placement**”) to part finance the Acquisition, with the balance thereof to be funded by borrowings.

(iii) Resolution 3: 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, in the event that the Private Placement is not fully subscribed by other investors, to subscribe under the Private Placement (the “**FCL Group Placement**”) up to their pre-placement unitholdings, in percentage terms. 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 2 (the Private Placement) and Resolution 3 (the FCL Group Placement) are each conditional upon Resolution 1 (the Acquisition) being passed; and**
- (ii) Resolution 3 (the FCL Group Placement) is conditional upon Resolution 2 (the Private Placement) being passed.**

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

¹ Being the whole of Lots 10529L, 10530N, 4711V and 4710W all of Mukim 27 together with the building erected thereon.

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

OVERVIEW OF THE ACQUISITION

Pursuant to the conditional sale and purchase agreement dated 29 July 2011 (the “**Conditional Sale and Purchase Agreement**”) made between the Trustee and Woodlands Complex Pte. Ltd., a direct wholly-owned subsidiary of FCL (the “**Vendor**”), the Vendor shall sell the Property to the Trustee together with the plant and equipment and the Trustee shall purchase the Property together with the plant and equipment upon the terms and subject to the conditions of the Conditional Sale and Purchase Agreement.

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

Description of Bedok Point

The table below sets out a summary of selected information on Bedok Point as at 30 June 2011:

Gross Floor Area (sq ft)	133,598
Net Lettable Area (sq ft)	80,985
Number of Committed Leases	74
Number of Storeys	4 (with two basement levels)
Car Park Lots	76
Title	Leasehold estate of 99 years commencing from 15 March 1978
Committed Occupancy	97.4%

Bedok Point is located in Bedok Town Centre in Singapore’s eastern region and is strategically located at the corner of New Upper Changi Road and Bedok Central. Its location provides good street frontage on New Upper Changi Road which is a major east-west road linking Changi and Tampines to the city area.

The Property is a four-storey multi-tenanted retail mall comprising two basement levels and four levels above ground. Its main retail levels from Basement 1 to Level 4 accommodate a diverse tenant base comprising restaurants, food outlets, a food court, speciality retail units, a book store and entertainment outlets. A total of 76 car park lots are provided at Basement 2.

The Property’s locality is predominantly residential in nature comprising mainly Housing & Development Board (“**HDB**”) flats, private condominium developments, educational institutions and public amenities such as Bedok swimming complex, Bedok sports hall, Bedok stadium and Bedok public library.

Bedok Point is well-served by public transport, being conveniently located near the Bedok MRT station and Bedok bus interchange. It also benefits from good vehicular access to the city area and other parts of Singapore with good accessibility to the East Coast Parkway and Pan Island Expressway.

The Property obtained its temporary occupation permit (“**TOP**”) in November 2010 and commenced operations in mid-December 2010. The Certificate of Statutory Completion for the Property has been issued on 22 July 2011.

Valuations and Purchase Consideration for Bedok Point

The Manager has commissioned an independent property valuer, Knight Frank Pte Ltd (“**Knight Frank**”), and the Trustee has commissioned another independent property valuer, Jones Lang LaSalle Property Consultants Pte Ltd (“**JLL**”), to value Bedok Point.

The open market value of Bedok Point as at 1 July 2011 determined by Knight Frank and JLL is S\$128.0 million and S\$126.0 million, respectively. In arriving at the open market value, Knight Frank relied on the investment method and discounted cash flow method while JLL relied on the capitalisation method and discounted cash flow method.

(See **Appendix D** of this Circular for further details, including the valuation certificate and the valuation summary.)

Pursuant to the terms and subject to the conditions of the Conditional Sale and Purchase Agreement (including the approval of Unitholders), Bedok Point shall be acquired at a purchase consideration of S\$127.0 million (the “**Purchase Consideration**”), which was the average of the two independent valuations as set out above.

Estimated Acquisition Cost of the Acquisition

The current estimated total acquisition cost of the Acquisition (the “**Acquisition Cost**”) is approximately S\$129.1 million, comprising:

- (i) the Purchase Consideration of S\$127.0 million;
- (ii) the acquisition fee of S\$1.27 million (being 1.0% of the Purchase Consideration) (the “**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 million¹ which will be incurred by FCT in connection with the Acquisition.

As the Acquisition will constitute an “interested party transaction” under paragraph 5 of Appendix 2 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”) issued by the Monetary Authority of Singapore, the Acquisition Fee payable to the Manager will be in the form of Units (the “**Acquisition Fee Units**”), 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 17 August 2011, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), FCL holds an aggregate deemed interest in 333,686,584 Units (which is equivalent to approximately 43.2% of the 771,816,584 Units in issue as at the Latest Practicable Date) and is therefore regarded as a “controlling Unitholder” of FCT under both the Listing Manual of the SGX-ST (the “**Listing Manual**”) and the Property Funds Appendix.

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

As the Vendor is a direct wholly-owned subsidiary of FCL, for the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, the Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

(See paragraph 4.7.2 of the Letter to Unitholders for further details.)

RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION

Yield Accretion

Unitholders are expected to enjoy a higher distribution per Unit (“DPU”) as a result of the Acquisition being made at a purchase consideration which is reflective of the levels of cash flow which the Property is expected to generate, in combination with an optimal debt and equity financing plan to be determined by the Manager.

Unitholders are expected to enjoy an increase in the DPU from 8.50 cents (reflecting a DPU yield of 5.86% based on the closing price of a Unit of S\$1.45 as at the Latest Practicable Date) to 8.58 cents (reflecting a DPU yield of 5.92% based on the closing price of a Unit of S\$1.45 as at the Latest Practicable Date), which is an increase of 0.88%, for the Forecast Period after the Acquisition, based on the illustrative number of new Units to be issued pursuant to the Acquisition of approximately 48.4 million, being the sum of 47.5 million New Units to be issued in connection with the Private Placement and 0.9 million Acquisition Fee Units. The above assumes that (a) the Acquisition is funded through a combination of a debt (S\$65.0 million drawn down from the FCT Acquisition Loan Facilities (as defined herein)) and the proceeds from the Private Placement, and (b) the New Units and the Acquisition Fee Units are issued at an illustrative issue price of S\$1.38 (the “**Illustrative Issue Price**”).

In addition, the Property has a forecast NPI yield of 5.5%¹ as compared to the implied NPI yield of 5.3%² for the Existing Portfolio (as defined herein) as at 30 June 2011. The Manager therefore expects the Acquisition to be yield accretive to Unitholders.

Competitive Strengths of Bedok Point

Bedok Point is strategically located in the town centre of an established high population density housing estate and enjoys high levels of connectivity to public transportation facilities. In addition, Bedok Point benefits from captive shopper catchments, high occupancy rates, diverse base of quality tenants, and exposure to the resilient suburban retail property market in Singapore.

Strategic Location and Good Connectivity to Transportation Hub

Bedok Point is located in Bedok Town Centre in Singapore’s eastern region. The Property offers good connectivity to the Bedok transportation hub as it is located just 300 metres east of Bedok MRT station and near the major regional bus interchange in Bedok Town Centre. Bedok Point also benefits from good vehicular access to the city area and other parts of Singapore with good accessibility via the East Coast Parkway and Pan Island Expressway.

¹ The forecast NPI yield of the Property is computed based on the forecast NPI of the Property during the Forecast Period 2012 (as defined herein) divided by the Purchase Consideration.

² The implied NPI yield of 5.3% for the Existing Portfolio is computed by dividing the forecast NPI of the Existing Portfolio by the implied property value as at 30 June 2011. The implied property value as at 30 June 2011 is the value of FCT’s market capitalisation and total borrowings as at 30 June 2011.

New Suburban Mall with Potential for Growth

Bedok Point is a new suburban mall which obtained its TOP in November 2010 and commenced operations in mid-December 2010. In the five and a half months between mid-December 2010 and May 2011, the Property's total reported turnover was S\$24.9 million, with an average occupancy rate of 97.8%. This turnover represents an average of S\$56 per sq ft of net lettable area ("NLA") per month. The total turnover for Bedok Point in 2011 is expected to be between S\$60.0 million to S\$65.0 million or S\$62 to S\$67 per sq ft of NLA per month. (Please see Section 2.3 "Centre Performance To Date" on page 16 of "Bedok Point: Retail Market Overview" as set out in **Appendix F** of this Circular (the "**Urbis Report**") for further details.)

Captive Shopper Catchments

Bedok Point's strategic location and strong food and beverage ("**F&B**") and entertainment trade mix provides a convenient place for dining and entertainment as well as convenience shopping. It serves an estimated resident population of 139,100 in its primary trade area and a further 130,300 in its secondary trade area. In the five and a half months between mid-December 2010 and May 2011, Bedok Point reported an aggregate shopper traffic of approximately 5.2 million¹.

Exposure to the Stable and Resilient Suburban Retail Property Market

Although Singapore has benefited from steady growth in market rents and high occupancy rates between 2004 and 2008, the combined effects of the recession and the glut of new space on Orchard Road in 2009 have placed downward pressure on rents and occupancy. However, as suburban malls have limited supply and tend to serve mainly captive trade areas, they are less dependent on the variable tourist market. As such, suburban prime rents decreased by only 4.0% as opposed to 12.0% for Orchard Road prime rents over the same period between the third quarter of 2008 and the first quarter of 2010. (Please see Section 1.9 "Retail Property Performance Metrics" on page 10 of the Urbis Report for further details.)

Bedok Point's trade mix and its emphasis on basic and essential types of goods and services will strengthen FCT's exposure to Singapore's resilient suburban retail property market.

Limited Supply of Retail Space in Singapore

According to the Independent Property Consultant², Singapore's total retail floor space per capita is low relative to comparable markets such as Hong Kong, China and Japan. Moreover, the total additional new shopping centre floor space in the eastern region of Singapore is expected to be relatively small. (Please see Section 1.8 "Retail Supply" on pages 9 and 10 of the Urbis Report for further details.)

Within Bedok Point's trade area, the CapitaLand Limited group is expected to complete a new retail centre of around 240,000 sq ft of NLA on the site of the Bedok bus interchange by the first half of 2014. Although the completion of the new retail centre will present a challenge for Bedok Point, there is room in the market for both centres, given that the trade area currently has no other shopping centres. Also, due to its larger size, the CapitaLand property will likely have a fairly different trade mix. (Please see Section 2.8.2 "Proposed New Supply" on page 23 of the Urbis Report for further details.)

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

¹ Based on data recorded by electronic traffic counters.

² Please refer to **Appendix F** for further details.

Consistent with the Manager's Investment Strategy

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

Greater Income Diversification and Enlarged Tenant Base

The Acquisition is expected to benefit FCT and Unitholders by improving income diversification and reducing the reliance of FCT's income stream on the contribution by any single asset or any major tenants. Following the Acquisition, the maximum contribution to FCT's NPI by any single property within FCT's property portfolio will decrease from 50.5% to 46.8% based on the forecast NPI contribution for the period from 1 October 2011 to 30 September 2012 (the "**Forecast Period 2012**"). Following the Acquisition, it is expected that FCT's tenant base will be enlarged and further diversified with the addition of more than 70 new tenants including established chains such as "K Box" (a karaoke chain) and "Sushi Tei", which were not tenants in the Existing Portfolio as at 30 June 2011.

Further Geographical Diversification and Larger Market Share

The Acquisition will allow FCT to diversify its portfolio of properties geographically and to gain exposure to the market in and around Bedok housing estate as well as in the eastern region of Singapore. Additionally, the Acquisition will enlarge FCT's share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants.

Greater Trading Liquidity

The New Units, when issued, will increase FCT's free float of Units on the SGX-ST which, in turn, is expected to result in improved trading liquidity, thus potentially benefiting Unitholders.

Purely for illustrative purposes only, assuming that approximately 48.4 million new Units are issued pursuant to the Acquisition (comprising 47.5 million New Units to be issued under the Private Placement and 0.9 million new Units to be issued as Acquisition Fee Units) at the Illustrative Issue Price, FCT's free float is expected to increase to 59.2% (if no New Units are placed to the FCL Group) or 56.7% (if New Units are placed to the FCL Group up to their pre-placement unitholdings, in percentage terms). The 48.4 million new Units represent 5.9% of the aggregate of (a) the number of FCT units in issue as at 30 June 2011 and (b) 48.4 million new Units.

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

METHOD OF PROPOSED FINANCING

Private Placement

The Manager proposes to issue up to 55.0 million New Units to part finance the Acquisition, with the balance to be funded by borrowings (which may include drawing down on the FCT Acquisition Loan Facilities).

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

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

In the event that the Acquisition and the Private Placement are approved by Unitholders, but market conditions are not conducive to carry out the Private Placement or the Private Placement cannot be effected on acceptable terms, the Manager may decide to delay the Acquisition. Depending on the then prevailing market situation and if it is in the interest of Unitholders to do so, the Acquisition may be fully financed by debt.

The Manager will work with the Sole Financial Adviser and any one or more underwriter(s) which may be appointed by the Manager to underwrite the Private Placement (the “**Underwriter(s)**”), to determine the structure of the Private Placement, the time schedule for the Private Placement and the issue price of the New Units (the “**Issue Price**”), taking into account the then prevailing market conditions and other factors that the Manager and the Sole Financial Adviser may consider relevant. The Manager will announce details of the Private Placement at the appropriate time.

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

Debt Financing

The Manager may utilise any one or a combination of the FCT Acquisition Loan Facilities to part finance the 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.

In determining FCT’s financing plans for the overall interests of FCT and Unitholders, the Manager will take into account, among other things, the then 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 4.1.2 of the Letter to Unitholders for further details.)

Consequential Adjustment to Distribution Period

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

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, in the event that the Private Placement is not fully subscribed by other investors, to subscribe under the Private Placement for up to such number of New Units which enables the FCL Group to maintain its pre-placement unitholdings, in percentage terms at the level immediately prior to the issue of New Units under the Private 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.

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 base¹, greater investor interest in FCT and an increase in FCT's weighting in certain benchmark equity indices. Assuming that the maximum number of 55.0 million New Units are issued under the Private Placement, and further assuming that the FCL Group does not subscribe for any New Units under the Private Placement, the free float of Units on the SGX-ST is expected to increase by approximately 12.6% and FCL's percentage unitholding in FCT is expected to reduce from 43.2% as at the Latest Practicable Date to 40.4%², upon the completion of 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.

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

¹ The unitholding interest of existing Unitholders may be diluted by the issue of New Units.

² To take into account the estimated number of Units to be issued to the Manager as payment for the Acquisition Fee pursuant to Clause 15.2.1 of the Trust Deed.

INDICATIVE TIMETABLE

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	10 September 2011 at 5.00 p.m.
Date and time of the Extraordinary General Meeting (the "EGM")	:	12 September 2011 at 5.00 p.m.
Target date for completion of the Acquisition	:	To be determined (but is expected to be no later than March 2012)

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 Private Placement.

LETTER TO UNITHOLDERS

FRASERS CENTREPOINT TRUST

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

Directors of the Manager

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

Registered Office

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

24 August 2011

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 Acquisition of Bedok Point (Ordinary Resolution);
- (ii) Resolution 2: The Proposed Issue of up to 55.0 million New Units under the Private Placement (Ordinary Resolution); and
- (iii) Resolution 3: The Proposed Subscription of New Units by the FCL Group under the Private Placement (Ordinary Resolution).

Unitholders should note that:

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

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

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

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

2. RESOLUTION 1: THE PROPOSED ACQUISITION OF BEDOK POINT

2.1 Description of Bedok Point

Bedok Point is located in Bedok Town Centre in Singapore's eastern region and is strategically located at the corner of New Upper Changi Road and Bedok Central. Its location provides good street frontage on New Upper Changi Road which is a major east-west road linking Changi and Tampines to the city area.

The Property is a four-storey multi-tenanted retail mall comprising two basement levels and four levels above ground. Its main retail levels from Basement 1 to Level 4 accommodate a diverse tenant base comprising restaurants, food outlets, a food court, speciality retail units, a book store and entertainment outlets. A total of 76 car park lots are provided at Basement 2.

The Property's locality is predominantly residential in nature comprising mainly HDB flats, private condominium developments, educational institutions and public amenities such as Bedok swimming complex, Bedok sports hall, Bedok stadium and Bedok public library.

Bedok Point is well-served by public transport, being conveniently located near the Bedok MRT station and Bedok bus interchange. It also benefits from good vehicular access to the city area and other parts of Singapore with good accessibility to the East Coast Parkway and Pan Island Expressway.

The Property obtained its TOP in November 2010 and commenced operations in mid-December 2010. The Certificate of Statutory Completion for the Property has been issued on 22 July 2011.

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

2.2 Valuations and Purchase Consideration for Bedok Point

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

The open market value of Bedok Point as at 1 July 2011 determined by Knight Frank and JLL is S\$128.0 million and S\$126.0 million, respectively. In arriving at the open market value, Knight Frank relied on the investment method and discounted cash flow method while JLL relied on the capitalisation method and discounted cash flow method.

(See **Appendix D** of this Circular for further details, including the valuation certificate and the valuation summary.)

Pursuant to the terms and subject to the conditions of the Conditional Sale and Purchase Agreement (including the approval of Unitholders), Bedok Point shall be acquired at the Purchase Consideration of S\$127.0 million (see paragraph 2.3 below for further details), which was arrived at on a willing buyer and willing seller basis and is the average of the two independent valuations as set out above.

2.3 Conditional Sale and Purchase Agreement

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

2.4 Estimated Acquisition Cost

The current estimated Acquisition Cost is approximately S\$129.1 million, comprising:

- (i) the Purchase Consideration of S\$127.0 million;
- (ii) the Acquisition Fee of S\$1.27 million (being 1.0% of the Purchase Consideration) payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed; and
- (iii) the estimated professional and other fees and expenses of approximately S\$0.8 million¹ which will be incurred by FCT in connection with the Acquisition.

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

2.5 Conditions Precedent for the Completion

Completion of the Acquisition is conditional upon the following conditions precedent (collectively, the “Conditions Precedent”):

- (i) an instrument of lease in respect of Lots 10529L and 10530N both of Mukim 27 having been executed by HDB and the Vendor, such instrument to be in the form and to contain provisions which are acceptable to the Trustee (acting on the recommendation of the Manager);
- (ii) a variation of lease instrument in respect of each of the Existing Leases² having been executed by HDB and the Vendor, such instruments to contain provisions which are acceptable to the Trustee (acting on the recommendation of the Manager);
- (iii) the HDB Approval³ being issued by HDB;
- (iv) where HDB requires the Vendor or the Trustee to obtain written approvals from the authorities specified by HDB, such approvals having been issued;
- (v) Unitholders’ approval being obtained for the Acquisition and the Private Placement;
- (vi) no written notice having been issued by the Manager to the Trustee before the Completion Date⁴ that, in the Manager’s reasonable opinion, the market conditions then prevailing are not conducive for (i) the raising of adequate funds (including the Private Placement) and/or (ii) the raising of funds (including the Private Placement) on reasonable terms or in a manner that will be beneficial to the overall interests of FCT and the Unitholders, for the purpose of completing the purchase of the Property;

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

² “Existing Leases” means, collectively, (i) instrument of lease dated 18 June 1981 and registered at the Singapore Land Authority as Instrument No.I/87123B in respect of Lot 4710W Mukim 27, and (ii) instrument of lease dated 6 January 1982 and registered at the Singapore Land Authority as Instrument No.I/03042C in respect of Lot 4711V Mukim 27.

³ “HDB Approval” means the approval of HDB to:

- (a) the sale of the Property by the Vendor to the Trustee; and
- (b) the mortgage and/or charge of the Property by the Trustee to its mortgagee and/or chargee on Completion.

⁴ “Completion Date” means (a) the date falling three months after the date of the Sale and Purchase Agreement or (b) the date falling 21 days after the date on which the last of the Conditions Precedent has been fulfilled, whichever date is later or such other date as may be agreed between the Vendor and the Trustee.

- (vii) (in the event that the Manager launches the Private Placement) there being no stop order or similar order having been issued by the Monetary Authority of Singapore or any court or other judicial, governmental or regulatory authority in relation to the Private Placement;
- (viii) (in the event that the Manager launches the Private Placement) the approval in-principle of the SGX-ST for the listing and quotation of the New Units to be issued under the Private Placement not having been revoked or withdrawn; and
- (ix) (in the event that the Manager launches the Private Placement and the Private Placement is underwritten) the obligations of the underwriter(s) to the Private Placement under the relevant underwriting agreement to be entered into between the Manager and the relevant underwriter(s) (the “**Underwriting Agreement**”) being unconditional, and the Underwriting Agreement not having been terminated.

In the event that any of the Conditions Precedent above in relation to the Private Placement are not met, the Manager may nonetheless request that the Trustee waives the relevant Condition Precedent(s) and proceeds with the completion of the Acquisition with full debt financing if it is in the interest of Unitholders to do so.

The Trustee has, pursuant to the Conditional Sale and Purchase Agreement, paid to the Vendor a deposit of 10.0% of the Purchase Consideration on 5 August 2011. The Trustee shall, on completion of the Acquisition, pay to the Vendor the balance of 90.0% of the Purchase Consideration.

3. THE RATIONALE FOR THE ACQUISITION

3.1 Yield Accretion

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

Unitholders are expected to enjoy an increase in the DPU from 8.50 cents (reflecting a DPU yield of 5.86% based on the closing price of a Unit of S\$1.45 as at the Latest Practicable Date) to 8.58 cents (reflecting a DPU yield of 5.92% based on the closing price of a Unit of S\$1.45 as at the Latest Practicable Date), which is an increase of 0.88%, for the Forecast Period after the Acquisition, based on the illustrative number of new Units to be issued pursuant to the Acquisition of approximately 48.4 million, being the sum of 47.5 million New Units to be issued in connection with the Private Placement and 0.9 million Acquisition Fee Units. The above assumes that (a) the Acquisition is funded through a combination of a debt (S\$65.0 million drawn down from the FCT Acquisition Loan Facilities) and the proceeds from the Private Placement, and (b) the New Units and the Acquisition Fee Units are issued at the Illustrative Issue Price.

In addition, the Property has a forecast NPI yield of 5.5%¹ as compared to the implied NPI yield of 5.3%² for the Existing Portfolio as at 30 June 2011. The Manager therefore expects the Acquisition to be yield accretive to Unitholders.

¹ The forecast NPI yield of the Property is computed based on the forecast NPI of the Property during the Forecast Period divided by the Purchase Consideration.

² The implied NPI yield of 5.3% for the Existing Portfolio is computed by dividing the forecast NPI of the Existing Portfolio by the implied property value as at 30 June 2011. The implied property value as at 30 June 2011 is the value of FCT’s market capitalisation and total borrowings as at 30 June 2011.

To illustrate the DPU accretion arising from the Acquisition, assuming the Acquisition is funded by a combination of a debt of S\$65.0 million drawn from the FCT Acquisition Loan Facilities and proceeds from the Private Placement, the table below shows the Forecast Period 2012 DPU in relation to (i) the Existing Assets; and (ii) the Existing Assets and the Property (the “**Enlarged Assets**”).

Assumed issue price of New Units	No. of New Units Issued	Forecast Period 2012 DPU		
		Existing Assets (cents)	Enlarged Assets (cents)	DPU Accretion (%)
1.28	51,261,420	8.503	8.539	0.42
1.29	50,864,044	8.503	8.543	0.47
1.30	50,472,783	8.503	8.547	0.52
1.31	50,087,494	8.503	8.551	0.56
1.32	49,708,043	8.503	8.555	0.61
1.33	49,334,299	8.503	8.559	0.66
1.34	48,966,132	8.503	8.563	0.70
1.35	48,603,420	8.503	8.567	0.75
1.36	48,246,042	8.503	8.571	0.79
1.37	47,893,881	8.503	8.575	0.84
1.38	47,546,824	8.503	8.578	0.88
1.39	47,204,761	8.503	8.582	0.92
1.40	46,867,584	8.503	8.586	0.96
1.41	46,535,190	8.503	8.589	1.01
1.42	46,207,477	8.503	8.593	1.05
1.43	45,884,348	8.503	8.596	1.09
1.44	45,565,707	8.503	8.599	1.13
1.45	45,251,460	8.503	8.603	1.17
1.46	44,941,519	8.503	8.606	1.21
1.47	44,635,794	8.503	8.609	1.24
1.48	44,334,201	8.503	8.613	1.28

The assumed borrowing is based on a realistic illustrative debt funding level of 51.2% of the Purchase Consideration, in light of current market conditions. In conjunction with the other assumptions set out in this Circular, the above assumed borrowings will increase FCT’s Aggregate Leverage from 31.7% as at 30 June 2011 to 33.5% immediately after the Acquisition. It has been further assumed that the balance of the Acquisition Cost will be funded by the net proceeds from the Private Placement.

To illustrate the DPU accretion arising from the Acquisition, assuming the Acquisition is funded by a combination of a debt drawn from the FCT Acquisition Loan Facilities and proceeds from the Private Placement at the Illustrative Issue Price, the table below shows the Forecast Period 2012 DPU in relation to (i) the Existing Assets and (ii) the Enlarged Assets.

Debt Proceeds ⁽¹⁾ S\$('000)	Equity Proceeds ⁽¹⁾ S\$('000)	Gearing ⁽²⁾ (%)	Forecast Period 2012 DPU ⁽³⁾		
			Existing Assets (cents)	Enlarged Assets (cents)	DPU Accretion (%)
60,000	67,000	47.2	8.503	8.556	0.62
65,000	62,000	51.2	8.503	8.578	0.88
70,000	57,000	55.1	8.503	8.601	1.15
75,000	52,000	59.1	8.503	8.624	1.42
80,000	47,000	63.0	8.503	8.647	1.69
85,000	42,000	66.9	8.503	8.670	1.96
90,000	37,000	70.9	8.503	8.694	2.24

Notes:

- (1) Proceeds raised are calculated based on the Purchase Consideration.
(2) Gearing is calculated by using the debt proceeds divided by the Purchase Consideration.
(3) Computation includes the Acquisition Cost.

The Forecast DPU Tables must be read together with the detailed forecast statement of FCT's Net Income and distribution for the Forecast Period 2012, the accompanying assumptions and sensitivity analysis in **Appendix B** of this Circular (collectively, the "**Profit Forecast**") and the report of Ernst & Young LLP, who have been appointed as the independent accountants (the "**Independent Accountants**") and examined the Profit Forecast, in **Appendix C** of this Circular.

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

3.2 Competitive Strengths of Bedok Point

Bedok Point is strategically located in the town centre of an established high population density housing estate and enjoys high levels of connectivity to public transportation facilities. In addition, Bedok Point benefits from captive shopper catchments, high occupancy rates, a diverse base of quality tenants, and exposure to the resilient suburban retail property market in Singapore.

3.2.1 Strategic Location and Good Connectivity to Transportation Hub

Bedok Point is located in Bedok Town Centre in Singapore's eastern region. It is strategically located at the corner of New Upper Changi Road and Bedok Central providing good street frontage on New Upper Changi Road which is a major east-west road linking Changi and Tampines to the city area.

The Property offers good connectivity to the Bedok transportation hub as it is located just 300 metres east of Bedok MRT station and near the major regional bus interchange in Bedok Town Centre. Bedok Point also benefits from good vehicular access to the city area and other parts of Singapore with good accessibility via the East Coast Parkway and Pan Island Expressway.

The strategic location and good connectivity is expected to provide Bedok Point with captive pedestrian traffic from the MRT station and bus interchange.

3.2.2 New Suburban Mall with Potential for Growth

Bedok Point is a new suburban mall which obtained its TOP in November 2010 and commenced operations in mid-December 2010. In the five and a half months between mid-December 2010 and May 2011, the Property's total reported turnover was S\$24.9 million, with an average occupancy rate of 97.8%. This turnover represents an average of S\$56 per sq ft of NLA per month. The total turnover for Bedok Point in 2011 is expected to be between S\$60.0 million to S\$65.0 million or S\$62 to S\$67 per sq ft of NLA per month. (Please see Section 2.3 "Centre Performance To Date" on page 16 of the Urbis Report for further details.)

While Bedok Point does not have any major anchor tenants, it benefits from a diverse trade mix. This allows the Manager to manage its tenancy mix more flexibly and to better negotiate for higher rents in the future.

3.2.3 Captive Shopper Catchments

Bedok Point's strategic location and strong F&B and entertainment trade mix provides a convenient place for dining and entertainment as well as convenience shopping. It serves an estimated resident population of 139,100 in its primary trade area and a further 130,300 in its secondary trade area. In the five and a half months between mid-December 2010 and May 2011, Bedok Point reported an aggregate shopper traffic of approximately 5.2 million¹.

The Property benefits from a diverse range of different customer groups, from a large number of PMEBS (Professionals, Managers, Executives and Businessmen) to students and families who patronise the mall. These customer groups are attracted by the wide range of F&B, entertainment and convenience shopping and essential goods and services offered by Bedok Point.

The Manager believes that these attributes will enhance the Property's ability to draw a high volume of shoppers, thereby sustaining the Property's occupancy rates, rental rates and income.

3.2.4 Exposure to the Stable and Resilient Suburban Retail Property market

Although Singapore has benefited from steady growth in market rents and high occupancy rates between 2004 and 2008, the combined effects of the recession and the glut of new space at Orchard Road in 2009 have placed downward pressure on rents and occupancy.

Between the third quarter of 2008 and the first quarter of 2010, prime rents on Orchard Road decreased by 12.0% (and continued to decrease till the first quarter of 2011) due to the abovementioned factors. This is in stark contrast to prime rents in suburban malls which were more resilient, decreasing by only 4.0% over the same period. This is because suburban malls have limited supply and tend to serve mainly captive trade areas and are less dependent on the variable tourist market. (Please see Section 1.9 "Retail Property Performance Metrics" on page 10 of the Urbis Report for further details.)

¹ Based on data recorded by electronic traffic counters.

The Manager believes Bedok Point's trade mix and its emphasis on basic and essential types of goods and services will strengthen FCT's exposure to Singapore's resilient suburban retail property market.

3.2.5 Limited Supply of Retail Space in Singapore

According to the Independent Property Consultant, Singapore's total retail floor space per capita is low relative to comparable markets such as Hong Kong, China and Japan. At 10.7 sq ft per capita, this is approximately 9.3% lower than Hong Kong's 11.8 sq ft per capita. Singapore's total retail floor space per capita is expected to be stable and by 2013, the floor space per capita will have only increased slightly to 10.8 sq ft. (Please see Section 1.8 "Retail Supply" on pages 9 and 10 of the Urbis Report for further details.)

Moreover, the total additional new shopping centre floor space in the eastern region of Singapore is expected to be relatively small, with a cumulative 341,000 sq ft (inclusive of Bedok Point) expected to be added over the four year period from 2010 to 2013. This accounts for only 8.0% of the new shopping centre floor space expected in Singapore over this period.

Within Bedok Point's trade area, the CapitaLand Limited group is expected to complete a new retail centre of approximately 240,000 sq ft of NLA on the site of the Bedok bus interchange by the first half of 2014. Although the completion of the new retail centre will present a challenge for Bedok Point, there is room in the market for both centres, given that the trade area currently has no other shopping centres. Also, due to its larger size, the CapitaLand property will likely have a fairly different trade mix. (Please see Section 2.8.2 "Proposed New Supply" on page 23 of the Urbis Report for further details.)

Therefore, the Manager believes that Bedok Point occupies an enviable position in a trade area that is currently under-supplied for enclosed shopping centre floor space. With the addition of the property to be completed by the CapitaLand Limited group, the shopping centre floor space per capita in the Bedok Point trade area will increase from 0.3 sq ft to 1.1 sq ft which is still comparatively low.

3.3 Consistent with the Manager's Investment Strategy

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

3.4 Greater Income Diversification and Enlarged Tenant Base

The Acquisition is expected to benefit FCT and Unitholders by improving income diversification and reducing the reliance of FCT's income stream on the contribution by any single asset or any major tenants.

Following the Acquisition, the maximum contribution to FCT's NPI by any single property within FCT's property portfolio will decrease from 50.5% to 46.8% (based on the forecast NPI contribution for the Forecast Period 2012, as illustrated in the table below).

Net Property Income Contribution for the Forecast Period 2012

	Existing Portfolio	Existing Portfolio and Bedok Point (the "Enlarged Portfolio")
Causeway Point	50.5%	46.8%
Northpoint	34.7%	32.1%
YewTee Point	9.7%	9.0%
Anchorpoint	5.1%	4.7%
Bedok Point		7.4%
Total	100.0%	100.0%

Following the Acquisition, it is expected that FCT's tenant base will be enlarged and further diversified with the addition of more than 70 new tenants including established chains such as "K Box" (a karaoke chain) and "Sushi Tei", which were not tenants in the Existing Portfolio as at 30 June 2011. As at 30 June 2011, the top 10 committed tenants of the Existing Portfolio by Gross Rental Income¹ accounted for 25.3% of the Existing Portfolio, whereas the top 10 committed tenants of the Enlarged Portfolio will account for a reduced 23.2% of the Enlarged Portfolio's Gross Rental Income. The enlarged tenant base as a result of the Acquisition will thus diversify FCT's income stream and reduce FCT's reliance on the income contribution from any one or more major tenants.

3.5 Further Geographical Diversification and Larger Market Share

The Acquisition will allow FCT to diversify its portfolio of properties geographically and to gain exposure to the market in and around Bedok housing estate as well as in the eastern region of Singapore. Additionally, the Acquisition will enlarge FCT's share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants.

3.6 Greater Trading Liquidity

The New Units, when issued, will increase FCT's free float of Units on the SGX-ST which, in turn, is expected to result in improved trading liquidity, thus potentially benefiting Unitholders.

Purely for illustrative purposes only, assuming that approximately 48.4 million new Units are issued pursuant to the Acquisition (comprising 47.5 million New Units to be issued under the Private Placement and 0.9 million new Units are issued as Acquisition Fee Units) at the Illustrative Issue Price, FCT's free float is expected to increase to 59.2% (if no New Units are placed to the FCL Group) or 56.7% (if New Units are placed to the FCL Group up to their pre-placement unitholdings, in percentage terms). The 48.4 million new Units represent 5.9% of the aggregate of (a) the number of FCT units in issue as at 30 June 2011 and (b) 48.4 million new Units.

¹ "Gross Rental Income" refers to base rental income (after rent rebates, refunds, credits or discounts and rebates for rent-free periods, where applicable, but excluding turnover rent), service charge and advertising & promotion levy payable by tenants.

4. DETAILS OF THE ACQUISITION

4.1 Method of Proposed Financing

4.1.1 Private Placement

The Manager proposes to issue up to 55.0 million New Units to part finance the Acquisition, with the balance to be funded by borrowings (which may include drawing down on the FCT Acquisition Loan Facilities).

In determining the funding structure for the Acquisition, the Manager will take into account, among other things, the then prevailing market conditions as well as the impact on FCT's capital structure and DPU, so that the Acquisition will be in 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 51.2% of the Purchase Consideration, in light of current market conditions. However, the actual debt and equity funding plan to be adopted by the Manager will depend on, among others, prevailing market conditions, the demand for New Units, the Issue Price and the terms and interest rates of available debt and loan facilities. Based on current market conditions, it is expected that following the completion of the Acquisition and the Private Placement, FCT's Aggregate Leverage will not differ materially from the illustration provided in paragraph 3.1 above.

(See paragraph 5.1 below for further details.)

4.1.2 Debt Financing

The Manager has put in place the following FCT Acquisition Loan Facilities, which may be utilised to part finance the 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., of which S\$12.7 million has been drawn down to pay the 10.0% deposit described at paragraph 2.5 of this Circular. DBS Bank Ltd. has also granted to FCT an increase of S\$30.0 million under this facility for a tenure of six months, subject to certain conditions, effective from the date of first drawdown or 30 September 2011, whichever is the earlier¹;
- (ii) a S\$20.0 million bridge loan facility with Oversea-Chinese Banking Corporation Limited, which has not been utilised as at the Latest Practicable Date;
- (iii) a S\$30.0 million revolving credit facility with Citibank N.A., Singapore Branch, of which S\$10.0 million has been utilised as at the Latest Practicable Date;
- (iv) a S\$500.0 million multicurrency medium term note programme established through FCT MTN Pte. Ltd., of which S\$215.0 million has been issued 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

¹ This is one of several facilities that the Manager has put in place to provide flexibility. The sum of S\$12.7 million, together with any other amounts which may be drawn down, will be repaid with other loan and debt facilities to be raised in due course and/or proceeds from the Private Placement.

- (v) a S\$1.0 billion multicurrency secured medium term note programme by Star Topaz Limited, under which there are no outstanding notes as at the Latest Practicable Date. Star Topaz Limited 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 of the FCT Acquisition Loan Facilities currently utilised by FCT:

Facility	Amount Utilised (S\$'000)	Interest Rate (%)	Maturity
S\$130.0 million multicurrency bridge loan facility with DBS Bank Ltd.	12,700	1.1700	September 2011
S\$30.0 million revolving credit facility with Citibank N.A., Singapore Branch ⁽¹⁾	10,000	1.4731	August 2011
S\$500.0 million multicurrency medium term note programme established through FCT MTN Pte. Ltd.	75,000	4.8000	June 2012
	55,000	2.8300	February 2013
	60,000	2.8000	January 2014
	25,000	3.5000	February 2015

Note:

- (1) The Manager is planning to renew this facility for an additional term of three months.

The Manager may utilise any one or a combination of the FCT Acquisition Loan Facilities to part finance the 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.

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

4.1.3 Aggregate Leverage of FCT

As mentioned in paragraph 3.1 above, based on the illustration that borrowings of S\$65.0 million are incurred to part finance the Acquisition with the balance thereof being funded by net proceeds from the Private Placement, FCT's Aggregate Leverage will increase from 31.7% as at 30 June 2011 to 33.5% immediately after the Acquisition.

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

(See paragraph 4.2 below for further details.)

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

4.2 FCT's Corporate Rating

As at the Latest Practicable Date, FCT has a "BBB+" long term credit rating (with a stable outlook) from Standard & Poor's Rating Services ("**S&P**") and a "Baa1" corporate family rating (with a stable outlook) from Moody's Investors Service ("**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 Appendix provide that the aggregate leverage of a REIT may exceed 35.0% of its deposited property, subject to a cap of 60.0% of its deposited property, so long as it obtains and discloses a credit rating from S&P, Moody's or Fitch, Inc.

4.3 Certain Financial Information Relating to the Acquisition

Based on assumptions set out in this Circular, the following table sets out certain selected financial information in relation to the Acquisition assuming that the Acquisition is completed on 1 October 2011 and 100.0% of the income from Bedok Point accrues to FCT from 1 October 2011:

Forecast Period 2012 (1 October 2011 to 30 September 2012)

Gross Revenue (S\$'000)	11,794.5
Property Expenses (S\$'000)	(4,792.4)
Net Property Income⁽¹⁾ (S\$'000)	7,002.1
Property Yield⁽²⁾	5.5%

Notes:

- (1) See **Appendix B** of this Circular for the major assumptions relied on in deriving the forecast NPI of Bedok Point for the Forecast Period 2012.
- (2) Calculated using the NPI divided by the Purchase Consideration.

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

4.4 Pro Forma Financial Effects of the Acquisition

The pro forma financial effects of the Acquisition on the DPU 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 2010 ("**FY2010**", and the financial statements of FCT for FY2010, the "**FY2010 Audited Financial Statements**"), the annualised Profit Forecast of Bedok Point for the Forecast Period 2012 taking into account the Acquisition, as well as the estimated costs of the Private Placement set out in paragraph 5.4 below, and assuming that:

- (i) approximately 47.5 million New Units are issued at the Illustrative Issue Price to part finance the Acquisition, with the balance thereof of S\$65.0 million being funded by borrowings;
- (ii) the Acquisition Fee payable to the Manager are paid in the form of Units issued at the Illustrative Issue Price; and
- (iii) the number of Units in respect of the portion of the Manager's management fee for the Forecast Period 2012, which is assumed to be paid in the form of Units, is computed based on the price of S\$1.45 per Unit (being the closing price of the Units on SGX-ST on the Latest Practicable Date).

The Profit Forecast of Bedok Point for the Forecast Period 2012 has been used in the preparation of the pro forma financial effects of the Acquisition. The Manager is of the view that the historical financial information of Bedok Point in respect of FY2010 will not provide Unitholders with accurate or meaningful representation of the performance of Bedok Point as Bedok Point obtained TOP only in November 2010 and as with newly built multi-tenanted retail malls in general, Bedok Point only attained operating, occupancy and income stability several months after obtaining the TOP. The Manager is therefore of the view that using the Profit Forecast of Bedok Point for the Forecast Period 2012 prepared with the benefit of, among other things, full or close to full committed occupancies and stabilised trends with respect to operating expenses will provide Unitholders with more accurate and meaningful representation of the performance of Bedok Point.

4.4.1 Pro Forma DPU

The following table sets out the pro forma financial effects of the Acquisition on FCT's DPU for FY2010, as if the Acquisition had been completed on 1 October 2009, and Bedok Point had been held for the full period of FY2010.

	Existing Assets	Enlarged Assets
Net Income Before Tax (S\$'000)	52,960	57,369
Distributable Income (S\$'000)	59,177	63,921
Issued Units ('000)	767,573 ⁽¹⁾	816,193 ⁽²⁾
DPU (cents)	8.20 ⁽³⁾	8.30

Notes:

- (1) Number of issued and issuable units as at 30 September 2010.
- (2) Includes (i) approximately 47.5 million New Units issued under the Private Placement and approximately 0.9 million new Units issued as Acquisition Fee Units, both at the Illustrative Issue Price; and (ii) approximately 0.2 million new Units issued as part payment for the Manager's management fee for FY2010, at an assumed issue price of S\$1.45 per Unit.
- (3) Computed based on the distributable income of FCT for FY2010 over the number of Units issued and issuable as at the end of the relevant periods.

4.4.2 Pro Forma NAV

The following table sets out the pro forma financial effects of the Acquisition on the NAV per Unit as at 30 September 2010, as if the Acquisition had been completed on 30 September 2010.

	Existing Assets	Enlarged Assets
NAV (S\$'000)	974,258 ⁽¹⁾	1,038,713 ⁽²⁾
Issued Units ('000)	767,277 ⁽³⁾	816,040 ⁽⁴⁾
NAV per Unit (S\$)	1.27	1.27

Notes:

- (1) Based on the FY2010 Audited Financial Statements and adjusted for the distribution in November 2010 of FCT's distributable income in respect of the period from 1 July 2010 to 30 September 2010.
- (2) Assuming (i) borrowings of S\$65.0 million are taken up to part finance the Acquisition and (ii) the valuation of Bedok Point as at 30 September 2010 was S\$127.0 million.
- (3) Number of issued and issuable units as at 30 September 2010.
- (4) Includes approximately 47.5 million New Units issued under the Private Placement and approximately 0.9 million new Units issued as Acquisition Fee Units, both at the Illustrative Issue Price.

4.4.3 Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of FCT as at 30 September 2010, as if the Acquisition had been completed on 30 September 2010 and adjusted to reflect the following assumptions:

- (i) approximately 47.5 million New Units are issued to part finance the Acquisition at the Illustrative Issue Price; and
- (ii) approximately 0.9 million new Units are issued as Acquisition Fee Units at the Illustrative Issue Price.

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

	Actual	Adjusted for the Acquisition
	(S\$'000)	(S\$'000)
Short-term debt:		
Secured debt	260,000	260,000
Unsecured debt	45,000	45,000
Total short-term debt	305,000	305,000
Long-term debt:		
Secured debt	—	—
Unsecured debt	155,000	220,000 ⁽¹⁾
Total long-term debt	155,000	220,000
Total debt:	460,000	525,000
Unitholders' funds	974,258 ⁽²⁾	1,041,143 ⁽³⁾
Expenses relating to the Private Placement	—	(2,430)
Total Unitholders' funds	974,258	1,038,713
Total Capitalisation	1,434,258	1,563,713

Notes:

- (1) Based on the illustration that borrowings of approximately S\$65.0 million are incurred to part finance the Acquisition.
- (2) Based on the FY2010 Audited Financial Statements and adjusted for the distribution in November 2010 of FCT's distributable income in respect of the period from 1 July 2010 to 30 September 2010.
- (3) Based on the assumption that the valuation of Bedok Point as at 30 September 2010 was S\$127.0 million.

4.5 Profit Forecast

The following table sets out FCT's forecast consolidated statement of net income and distribution for the Forecast Period 2012 which has been prepared in accordance with the accounting policies adopted by FCT for FY2011. In the preparation of the forecast consolidated statement of net income and distribution for the Forecast Period 2012, specific non-cash items which have no impact on distributable income have been excluded in the presentation of the distributable income to Unitholders. The Profit Forecast is set out in **Appendix B** of this Circular.

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

FORECAST CONSOLIDATED STATEMENT OF NET INCOME AND DISTRIBUTION OF FCT — EXISTING ASSETS AND BEDOK POINT

S\$'000	FY2010	Forecast Period (1 October 2011 to 30 September 2012) ⁽¹⁾		
		Existing Assets	Bedok Point	Enlarged Assets
Gross Rent	100,349	117,248	10,926	128,174
Other Revenue	14,389	12,276	868	13,144
Gross Revenue	114,738	129,524	11,794	141,318
Property Manager's Fee	(4,406)	(4,908)	(421)	(5,329)
Property Tax	(10,187)	(10,981)	(968)	(11,949)
Maintenance Expenses	(13,417)	(16,594)	(2,206)	(18,800)
Other Property Expenses	(6,678)	(9,242)	(1,197)	(10,439)
Property Expenses	(34,688)	(41,725)	(4,792)	(46,517)
Net Property Income	80,050	87,799	7,002	94,801
Interest Income	16	—	—	—
Borrowing Costs	(17,712)	(19,133)	—	(20,920)
Trust Expenses	(1,182)	(1,419)	—	(1,486)
Manager's Management Fees	(8,212)	(9,072)	—	(9,810)
Net Income	52,960	58,175	—	62,585
Net Tax Adjustments ⁽²⁾	2,253	3,940	—	4,275
Distribution from Associate	3,964	3,746	—	3,746
Income available for distribution	59,177	65,861	—	70,606
Distributable Income to Unitholders⁽³⁾	59,177	65,861	—	70,606
Units in Issue ('000) ⁽⁴⁾	767,573	775,220	—	823,840
Basic DPU (cents)	8.20	8.50	—	8.58

Notes:

- (1) The forecast DPU will vary to the extent that the New Units under the Private Placement are issued on a date other than 1 October 2011.
- (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 2012 are based on 100.0% of the total income available for distribution.
- (4) Units in issue at the end of the Forecast Period 2012 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 Private Placement, (ii) as Acquisition Fee Units and (iii) as part payment of the Manager's management fee for the Forecast Period 2012 which is assumed to be paid in the forms of Units. For (i) and (ii), the Illustrative Issue Price was assumed; for (iii), a price of S\$1.45 per Unit has been assumed. The assumed number of New Units to be issued under the Private Placement to part finance the Acquisition is approximately 47.5 million.

4.6 Financial Update

The DPU for FCT in respect of the nine-month period ended 30 June 2011 is 5.97 cents. While the asset enhancement exercise of Causeway Point continues, refurbished sections have opened for trading, drawing strong shopper traffic and positive feedback. An upturn in revenue contribution from Causeway Point is expected, leading to a rebound in income for the fourth quarter. The Manager expects the DPU for the full year ending 30 September 2011 to be comparable to the DPU for the full year ended 30 September 2010 of 8.20 cents.

4.7 Requirement for Unitholders' Approval

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

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

Bedok Point

Comparison of:	Bedok Point	Existing Assets	Relative figure (%)
Net Property Income ⁽¹⁾ (S\$'000)	7,002	87,799	8.0
Purchase Consideration against market capitalisation (S\$'000)	127,000	1,119,134 ⁽²⁾	11.3

Notes:

- (1) Forecast NPI in respect of the Forecast Period 2012.
- (2) Market capitalisation computed based on 771,816,584 Units in issue as at the Latest Practicable Date and the price of S\$1.45 per Unit (being the closing price of the Units on the SGX-ST on the Latest Practicable Date).

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

4.7.2 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where FCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of FCT's latest audited net tangible assets ("NTA"), Unitholders' approval is required in respect of the transaction. Based on the FY2010 Audited Financial Statements, the NTA of FCT was S\$989.3 million. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year ending on 30 September 2011 ("FY2011") 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\$49.5 million, such a transaction would be subject to Unitholders' approval. The Purchase Consideration of S\$127.0 million¹ (which is 12.8% of the NTA of FCT as at 30 September 2010) exceeds the said thresholds.

¹ The Manager is also entitled to receive, in the form of Units, the Acquisition Fee of S\$1.27 million in respect of the Acquisition.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by FCT whose value exceeds 5.0% of FCT's latest audited NAV. Based on the FY2010 Audited Financial Statements, the NAV of FCT was S\$989.3 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\$49.5 million, such a transaction would be subject to Unitholders' approval. The Purchase Consideration of S\$127.0 million (which is 12.8% of the NAV of FCT as at 30 September 2010) exceeds the said threshold.

As at the Latest Practicable Date, FCL holds an aggregate deemed interest in 333,686,584 Units (which is equivalent to approximately 43.2% of the 771,816,584 Units in issue as at the Latest Practicable Date) and is therefore regarded as a "controlling Unitholder" of FCT under the Listing Manual and the Property Funds Appendix.

As FCL has a 100% direct interest in the Vendor:

- (i) for the purposes of Chapter 9 of the Listing Manual, the Vendor (being an associate of a controlling Unitholder) is an "interested person" of FCT and the Acquisition constitutes an "interested person transaction"; and
- (ii) for the purposes of Paragraph 5 of the Property Funds Appendix, the Vendor (being an associate of a controlling Unitholder) is an "interested party" of FCT and the Acquisition constitutes an "interested party transaction".

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

4.8 Existing Interested Person Transactions

Property Management Agreements

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

If FCT acquires Bedok Point, it will be managed by the Property Manager. The Trustee, the Manager and the Property Manager have entered into a property management agreement on 29 July 2011 for the provision of services in respect of Bedok Point for the period commencing on the date of completion of the Acquisition (or such other date as the parties may agree in writing) and ending on 4 July 2016 (the "**Bedok Point PMA**"). Under the terms of the Bedok Point PMA, 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 respect of Bedok Point as follows:

- (i) 2.0% per annum of the Gross Revenue of Bedok Point;
- (ii) 2.0% per annum of the NPI (calculated before accounting for the Property Manager's fees payable under the Bedok Point PMA in the relevant fiscal year ending 30 September) of Bedok Point; and
- (iii) 0.5% per annum of the NPI (calculated before accounting for the Property Manager's fees payable under the Bedok Point PMA in the relevant fiscal year ending 30 September) of Bedok Point, in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

As disclosed in the table in paragraph 4.5 above, the forecast Property Manager's fee for Bedok Point in respect of the Forecast Period 2012 is approximately S\$0.4 million. The terms of the Bedok Point PMA are similar to the terms of other property management agreements entered into between the Manager, the Trustee and the Property Manager in relation to the properties in the Existing Portfolio.

By approving the Acquisition, Unitholders would also be deemed to have approved the provision of services by the Property Manager in respect of Bedok Point on the completion of the Acquisition pursuant to and in accordance with the terms of the Bedok Point PMA, and the payment of fees thereunder to the Property Manager.

On 28 April 2011, the property management agreements between the Property Manager, the Trustee and the Manager in respect of Causeway Point, Northpoint and Anchorpoint dated 5 July 2006 were renewed for a further term of five years expiring on 4 July 2016, on the same terms and conditions including the fees payable to the Property Manager.

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 FY2011 up to the Latest Practicable Date.

4.9 Advice of the Independent Financial Adviser

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

Accordingly, as the Acquisition involves the purchase of Bedok Point where (i) the Purchase Consideration will be payable in cash, (ii) independent valuations have been obtained from Knight Frank and JLL for the purpose of the purchase of Bedok 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 Acquisition is an "interested person transaction".

However, for purposes of good corporate governance and to ensure that there is an independent analysis of the Acquisition, the Manager has appointed an independent financial adviser to review the Acquisition. The Manager has appointed PricewaterhouseCoopers Corporate Finance Pte Ltd (the "IFA") to advise the independent directors¹ of the Manager (the "Independent Directors") in relation to the Acquisition. A copy of the non-mandatory letter from the IFA to the Independent Directors and the Trustee (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 14 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, the IFA is of the opinion that the Acquisition is based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders.

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

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

4.10 Interests of Directors of the Manager

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

- (i) Dr Chew Tuan Chiong is the Chief Executive Officer and Executive Director of the Manager, a director of other entities within the FCL Group other than the Manager and has a deemed interest in up to 25,875 shares in Fraser and Neave, Limited (“**F&NL**”) (which has an indirect 100.0% interest in the Vendor) arising from the grant of a conditional award of restricted shares under the F&NL Restricted Share Plan (the “**F&NL RSP**”);
- (ii) Mr Anthony Cheong Fook Seng is a Non-Executive Director of the Manager, a director of FCL, the Vendor and other entities within the F&NL group (comprising F&NL and its subsidiaries) other than the Manager and has (i) a direct interest in 50,000 Units (which is equivalent to 0.006% of the 771,816,584 Units in issue as at the Latest Practicable Date) and (ii) a direct and deemed interest in an aggregate of 360,800 shares in F&NL (which has an indirect 100.0% interest in the Vendor), a direct interest in 3,204,400 options to acquire shares in F&NL, a deemed interest in up to 145,500 shares in F&NL arising from the grant of a conditional award of restricted shares under the F&NL RSP and a deemed interest in up to 52,000 shares in F&NL arising from the grant of a conditional award of performance shares under the F&NL Performance Share Plan (the “**F&NL PSP**”);
- (iii) Mr Chia Khong Shoong is a Non-Executive Director of the Manager, a director of FCL, the Vendor and other entities within the FCL Group other than the Manager and has a deemed interest in up to 115,000 shares in F&NL arising from the grant of a conditional award of restricted shares under the F&NL RSP and a deemed interest in up to 30,666 shares in F&NL arising from the grant of a conditional award of performance shares under the F&NL PSP;
- (iv) 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 0.013% of the 771,816,584 Units in issue as at the Latest Practicable Date);
- (v) Mr Lim Ee Seng is a Non-Executive Director of the Manager, a director of FCL, the Vendor 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 0.026% of the 771,816,584 Units in issue as at the Latest Practicable Date) and (ii) a direct interest in 100,000 shares in F&NL, a direct interest in 2,409,000 options to acquire shares in F&NL, a deemed interest in up to 382,374 shares in F&NL arising from the grant of a conditional award of restricted shares under the F&NL RSP and a deemed interest in up to 262,168 shares in F&NL arising from the grant of a conditional award of performance shares under the F&NL PSP;
- (vi) 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 0.013% of the 771,816,584 Units in issue as at the Latest Practicable Date); and
- (vii) Mr Christopher Tang Kok Kai is a Non-Executive Director of the Manager, a director of other entities within the FCL Group other than the Manager and has (i) a direct interest and a deemed interest in an aggregate of 670,000 Units (which is equivalent to approximately 0.087% of the 771,816,584 Units in issue as at the Latest Practicable Date) and (ii) a direct interest in 624,690 options to acquire shares in F&NL, a deemed interest in up to 136,500 shares in F&NL arising from the grant of a conditional award of restricted shares under the F&NL RSP and a deemed interest in up to 48,000 shares in F&NL arising from the grant of a conditional award of performance shares under the F&NL PSP.

Details concerning the F&NL RSP and F&NL PSP may be found in the annual report of F&NL, a copy of which is available on the web-site of F&NL (<http://www.fraserandneave.com>).

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

4.11 Interests of Substantial and Controlling Unitholders

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

- (i) FCL has a direct 100.0% interest in the Vendor and has a deemed interest in 333,686,584 Units;
- (ii) F&NL has an indirect 100.0% interest in the Vendor and has a deemed interest in 333,686,584 Units;
- (iii) FCL Trust Holdings Pte. Ltd. is a related company (as defined in the Companies Act Chapter 50 of Singapore (the “**Companies Act**”)) of the Vendor 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) of the Vendor and has a direct interest in 20,186,584 Units.

While FCT has other Substantial Unitholders (details of which have been announced on SGXNET¹), based on information available to the Manager as at the Latest Practicable Date, none of these Substantial Unitholders has an interest, direct or indirect, in the Acquisition, and therefore their details have not been disclosed in this Circular as such details are not relevant.

4.12 Directors’ Service Contracts

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

5. RESOLUTION 2: THE PROPOSED ISSUE OF UP TO 55.0 MILLION NEW UNITS UNDER THE PRIVATE PLACEMENT

5.1 Overview of the Private Placement and Use of Proceeds

The Manager is seeking Unitholders’ approval for the issue of up to 55.0 million New Units pursuant to the Private Placement to part finance the Acquisition Cost, with the balance thereof to be funded by borrowings (which may include drawing down on the FCT Acquisition Loan Facilities).

In determining the funding structure for the Acquisition, the Manager will take into account the then prevailing market conditions as well as the impact on FCT’s capital structure and DPU, among other things, so that the Acquisition is beneficial to the overall interests of FCT and Unitholders.

The illustrative debt and equity funding plan adopted in this Circular is based on an illustrative debt funding level of 51.2% of the Purchase Consideration, in light of current market conditions. However, the actual debt and equity funding plan to be adopted by the Manager will depend on,

¹ An internet-based corporate announcement submission system maintained by the SGX-ST.

among others, the then prevailing market conditions, the demand for New Units, the Issue Price and the terms and interest rates of available debt and loan facilities. Based on the then market conditions, it is expected that following the completion of the Acquisition and the Private Placement, FCT's Aggregate Leverage will not differ materially from the illustration provided in paragraph 3.1 above.

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

In the event that the Acquisition and the Private Placement are approved by Unitholders, but market conditions are not conducive to carry out the Private Placement or the Private Placement cannot be effected on acceptable terms, the Manager may decide to delay the Acquisition. Depending on the then prevailing market situation and if it is in the interest of Unitholders to do so, the Acquisition may be fully financed by debt. In the event that the Acquisition is fully financed by debt, the resultant aggregate leverage ratio of FCT at the start of the Forecast Period 2012 immediately after the Acquisition will be 37.2%.

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

The Issue Price under the Private Placement will be determined between the Manager and the Sole Financial Adviser and Underwriter(s) closer to the date of commencement of the Private Placement. The actual number of New Units to be issued pursuant to the Private Placement will depend on the aggregate amount of proceeds to be raised from the Private Placement and the Issue Price. The Issue Price will be subject to 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 will undertake to the SGX-ST that it will not, and the Sole Financial Adviser and Underwriter(s) will undertake 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 and Underwriter(s), the Manager and the Sole Financial Adviser and Underwriter(s) will undertake 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 Private Placement and such existing Unitholders do not have the opportunity to participate in the Private Placement.

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

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

The Private Placement is subject to, among others, the then prevailing market conditions and agreement to the terms of and execution of the Underwriting Agreement.

5.2 Rationale for the Private Placement

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

5.3 Underwriting by Underwriter

It is anticipated that the Private Placement will be underwritten by one or more Underwriter(s) on the terms and subject to the conditions of the Underwriting Agreement.

The Underwriter(s) will be paid an underwriting commission pursuant to the Underwriting Agreement.

5.4 Costs of the Private Placement

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

- (i) the financial advisory commission and related expenses payable to the Sole Financial Adviser in relation to the Private Placement;
- (ii) the underwriting and selling commission and related expenses payable to the Underwriter(s) in relation to the Private Placement; and
- (iii) professional and other fees and expenses to be incurred by FCT in connection with the Private Placement.

The costs and expenses in connection with the Private Placement will vary according to the amount of gross proceeds to be raised. Based on the Illustrative Issue Price and assuming that the maximum number of 55.0 million New Units are issued under the Private Placement to raise gross proceeds of S\$75.9 million, the Manager estimates that the costs and expenses to be incurred by FCT in connection with the Private Placement will be approximately S\$2.7 million (including fixed costs of approximately S\$1.0 million).

5.5 Consequential Adjustment to Distribution Period

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

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

5.6 Status of the New Units

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

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

5.7 Requirement for Unitholders' Approval

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

6. RESOLUTION 3: THE PROPOSED SUBSCRIPTION OF NEW UNITS BY THE FCL GROUP UNDER THE PRIVATE PLACEMENT

6.1 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, in the event that the Private Placement is not fully subscribed by others, to subscribe under the Private Placement for up to such number of New Units which enables the FCL Group to maintain its pre-placement unitholdings, in percentage terms at the level immediately prior to the issue of New Units under the Private 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.

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 base¹, greater investor interest in FCT and an increase in FCT's weighting in certain benchmark equity indices. Assuming that the maximum number of 55.0 million New Units are issued under the Private Placement, and further assuming that the FCL Group does not subscribe for any New Units under the Private Placement, the free float of Units on the SGX-ST is expected to increase by approximately 12.6% and FCL's percentage unitholding in FCT is expected to reduce from 43.2% as at the Latest Practicable Date to 40.4%² upon the completion of the Private Placement.

¹ The unitholding interest of existing Unitholders may be diluted by the issue of New Units.

² To take into account the estimated number of Units to be issued to the Manager in payment for the Acquisition Fee pursuant to Clause 15.2.1 of the Trust Deed.

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

Name	Interest in Units		
	Direct Interest in Units	Deemed Interest in Units	Percentage of total number of Units in issue ⁽¹⁾
FCL	—	333,686,584 ⁽²⁾	43.2%
FCL Trust Holdings Pte. Ltd.	313,500,000	—	40.6%
The Manager	20,186,584	—	2.6%

Notes:

(1) Based on 771,816,584 Units in issue as at the Latest Practicable Date.

(2) FCL is deemed to be interested in 315,500,000 Units held by FCL Trust Holdings Pte. Ltd. and 20,186,584 Units held by the Manager.

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

6.2 Requirement for Unitholders' Approval

6.2.1 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.

6.2.2 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 Private Placement, 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% 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.

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

7. RECOMMENDATIONS

7.1 On the Proposed 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 Acquisition set out in paragraph 3 above, the Independent Directors believe that the Acquisition is based on normal commercial terms and would not be prejudicial to the interests of FCT and its minority Unitholders.

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

7.2 On the Proposed Private Placement

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

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

7.3 On the Proposed 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 set out in paragraph 6.1 above, the Audit Committee believes 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 3 relating to the subscription of New Units by the FCL Group under the Private Placement.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 5.00 p.m. on 12 September 2011 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 Acquisition), Resolution 2 (the Private Placement) and Resolution 3 (the FCL Group Placement).

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

9. ABSTENTIONS FROM VOTING

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

As at the Latest Practicable Date, FCL Trust Holdings Pte. Ltd. and the Manager are direct wholly-owned subsidiaries of FCL. Through FCL Trust Holdings Pte. Ltd. and the Manager, FCL has a deemed interest in 333,686,584 Units, comprising approximately 43.2% of the 771,816,584 Units in issue as at the Latest Practicable Date.

9.2 Abstention from Voting

Resolution 1: The Proposed Acquisition of Bedok Point

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 the Vendor, a direct wholly-owned subsidiary of FCL, is the vendor of Bedok Point, FCL will abstain, and will ensure that FCL Trust Holdings Pte. Ltd. abstains, from voting at the EGM on each of Resolution 1 (the Acquisition).

The Manager hereby undertakes to abstain from voting at the EGM on Resolution 1 (the Acquisition).

Resolution 3: 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 will abstain, and will ensure that FCL Trust Holdings Pte. Ltd. abstains, from voting at the EGM on Resolution 3 relating to the FCL Group Placement.

The Manager hereby undertakes to abstain from voting at the EGM on Resolution 3 relating to the FCL Group Placement.

10. ACTION TO BE TAKEN BY UNITHOLDERS

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

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Manager's registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not later than 5.00 p.m. on 10 September, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

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

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, the Private Placement, FCT and its subsidiaries and the FCL Group Placement as at the date of this Circular and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. 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 in its proper form and context.

The forecast consolidated financial information set out in **Appendix B** of this Circular have been stated by the Directors after making all reasonable due and careful enquiries and to the best of their knowledge and belief based on information available as of the date of this Circular.

12. 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 Private Placement contained in paragraph 5.1 above constitutes true disclosure of all material facts about the Private Placement as at the date of this Circular and that there are no material facts the omission of which would make any statement about the Private Placement contained in the said paragraphs misleading in any material respect as at the date of this Circular.

13. 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 Urbis Report and the Non-Mandatory IFA Letter, and all references thereto, in the form and context in which they are included in this Circular.

14. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager¹ at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the full valuation report on Bedok Point issued by Knight Frank;
- (ii) the full valuation report on Bedok Point issued by JLL;
- (iii) the Urbis Report;
- (iv) the Conditional Sale and Purchase Agreement;
- (v) the Bedok Point PMA;
- (vi) the Independent Accountant's Report on the Profit Forecast;
- (vii) the Non-Mandatory IFA Letter;
- (viii) the FY2010 Audited Financial Statements; and
- (ix) the written consents of the Independent Accountant, 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 the Illustrative Issue Price and on the Manager's assumptions as explained in this Circular including, but not limited to, **Appendix B** of this Circular. The Units' DPU yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Illustrative Issue Price used in the computing of DPU information in this Circular. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, which are considered by the Manager to be appropriate and reasonable as at the date of this Circular. The forecast financial performance of FCT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of this Circular for details of the forecasts and consider the assumptions used and make their own assessment of the future performance of FCT.

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

This Circular is not for distribution, directly or indirectly, in or into 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:

Acquisition	:	The proposed acquisition of Bedok Point
Acquisition Cost	:	Approximately S\$129.1 million, being the total acquisition cost of the Acquisition, comprising the Purchase Consideration, the 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 Acquisition
Acquisition Fee	:	The acquisition fee of S\$1.27 million payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed
Acquisition Fee Units	:	Units to be issued to the Manager as payment of the Acquisition Fee
Aggregate Leverage	:	The ratio of the total borrowings and deferred payments (if any) to the value of the Deposited Property
Bedok Point or Property	:	The property know as Bedok Point, located at 799 New Upper Changi Road, Singapore 467351, being the whole of Lots 10529L, 10530N, 4711V and 4710W all of Mukim 27 together with the building erected thereon
Bedok Point PMA	:	The property management agreement entered into between the Trustee, the Manager and the Property Manager on 29 July 2011 for the provision of services in respect of Bedok Point on completion of the Acquisition
Committed Leases or Committed Lease	:	Leases in respect of which definitive agreements have been entered into between the lessor and lessee
Companies Act	:	Companies Act, Chapter 50 of Singapore
Conditional Sale and Purchase Agreement	:	The conditional sale and purchase agreement entered into between the Trustee and the Vendor on 29 July 2011 for the sale of Bedok Point to the Trustee
Deposited Property	:	All the assets of FCT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EGM	:	The extraordinary general meeting of Unitholders to be held at 5.00 p.m. on 12 September 2011 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
Enlarged Assets	:	Comprises the Existing Assets and Bedok Point
Enlarged Portfolio	:	Comprises the Existing Portfolio and Bedok Point
Existing Assets	:	Comprises the Existing Portfolio and other assets held by FCT as at the Latest Practicable Date

Existing Portfolio	:	The portfolio of properties currently held by FCT, comprising Anchorpoint, Causeway Point, Northpoint and YewTee Point
Existing Units	:	The Units in issue on the day immediately prior to the date on which the New Units are issued under the Private Placement
F&B	:	Food and beverage
F&NL	:	Fraser and Neave, Limited
F&NL RSP	:	F&NL Restricted Share Plan
F&NL PSP	:	F&NL Performance Share Plan
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 Manager proceeds with the Private Placement and the demand for the New Units under the Private Placement is not fully met by investors other than the FCL Group
FCT	:	Frasers Centrepoint Trust
FCT Acquisition Loan Facilities	:	The loan and debt facilities available to FCT and which may be utilised to part finance the Acquisition in accordance with the funding structure to be determined by the Manager, as described in paragraph 4.1.2 of the Letter to Unitholders
Forecast DPU Table	:	The table showing FCT's forecast DPU for the Forecast Period 2012 set out in paragraph 4.5 of the Letter to Unitholders
Forecast Period 2012 or FP2012	:	The period beginning 1 October 2011 and ending 30 September 2012
FRS	:	Financial Reporting Standards
FY	:	Financial year ended or, as the case may be, ending 30 September
FY2010	:	The financial year ended 30 September 2010
FY2010 Audited Financial Statements	:	The audited financial statements of FCT for FY2010
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) and 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, licence fees, casual leasing income and other miscellaneous income
GST	:	Goods and services tax

HDB	:	Housing and Development Board
IFA	:	PricewaterhouseCoopers Corporate Finance Pte Ltd
Illustrative Issue Price	:	The illustrative issue price of S\$1.38 per New Unit
Independent Accountants	:	Ernst & Young LLP
Independent Directors	:	The independent directors of the Manager, being Mr Philip Eng Heng Nee, Mr Bobby Chin Yoke Choong and Mr Soh Kim Soon
Independent Property Consultant or Urbis	:	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	:	17 August 2011, being the latest practicable date prior to the printing of this Circular
Listing Manual	:	The Listing Manual issued by the SGX-ST
Manager	:	Fraser's Centrepoint Asset Management Ltd., as manager of FCT
Market Day	:	A day on which the SGX-ST is open for trading in securities
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 or NLA	:	Comprises the floor area in a building that is to be leased and in respect of which a rent is payable, which generally excludes common areas (such as corridors, public atrium and toilets) and areas used to accommodate building and property management facilities and services
Net Property Income or NPI	:	Comprises Gross Revenue less Property Expenses
New Units	:	The new Units proposed to be issued under the Private Placement

Non-Mandatory IFA Letter	:	The non-mandatory letter from the IFA to the Independent Directors set out in Appendix E of this Circular
NTA	:	Net tangible assets
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Other Revenue	:	In respect of a property, includes revenue from car parks, turnover rents, licence fees, casual leasing income and other miscellaneous income
per cent. or %	:	Per centum or percentage
Private Placement	:	The proposed issue of up to 55.0 million New Units pursuant to a private placement to institutional and other investors to part finance the Acquisition
Profit Forecast	:	The forecast statement of FCT's Net Income and distribution for the Forecast Period 2012, the accompanying key assumptions and sensitivity analysis set out in Appendix B of this Circular
Property Funds Appendix	:	The Property Funds Appendix 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
Property Manager	:	Frasers Centrepont Property Management Services Pte. Ltd.
Property Expenses	:	Comprises property tax, the Property Manager's fee and other property expenses (including utilities expenses, reimbursement of salaries and related manpower expenses, marketing expenses, repairs and maintenance expenses, general and administrative expenses and other miscellaneous expenses)
Purchase Consideration	:	S\$127.0 million, being the purchase consideration for Bedok Point in relation to the Acquisition
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
Substantial Unitholder	:	A person with an interest in one or more Units constituting not less than 5.0% of the total number of Units in issue
TOP	:	Temporary Occupancy Permit

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, a first amending restating deed dated 7 May 2009 and a second supplemental deed dated 22 January 2010, 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 Private Placement
Underwriting Agreement	:	The underwriting agreement to be entered into between the Manager and the relevant underwriter(s) in relation to the Private Placement
Unit	:	A unit representing an undivided interest in FCT
Unitholder	:	The registered holder for the time being of a Unit, including a person so registered as a joint holder, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, a depositor with CDP whose securities account with CDP is credited with Units
Urbis Report	:	The report titled “Bedok Point: Retail Market Overview” as set out in Appendix F of this Circular
Vendor	:	Woodlands Complex Pte. Ltd.

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

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

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

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

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

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BEDOK POINT, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

The following sections set out selected information in respect of Bedok Point, the Existing Portfolio and the Enlarged Portfolio (comprising the Existing Portfolio and Bedok 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 Bedok 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. BEDOK POINT

Bedok Point is located in Bedok Town Centre in Singapore's eastern region and is strategically located at the corner of New Upper Changi Road and Bedok Central. Its location provides good street frontage on New Upper Changi Road which is a major east-west road linking Changi and Tampines to the city area.

The Property is a four-storey multi-tenanted retail mall comprising two basement levels and four levels above ground. Its main retail levels from Basement 1 to Level 4 accommodate a diverse tenant base comprising restaurants, food outlets, a food court, speciality retail units, a book store and entertainment outlets. A total of 76 car park lots are provided at Basement 2.

As at 30 June 2011, the Property has a NLA of 80,985 sq ft and a committed occupancy of 97.4%. Bedok Point is held under a leasehold title of 99 years commencing from 15 March 1978.

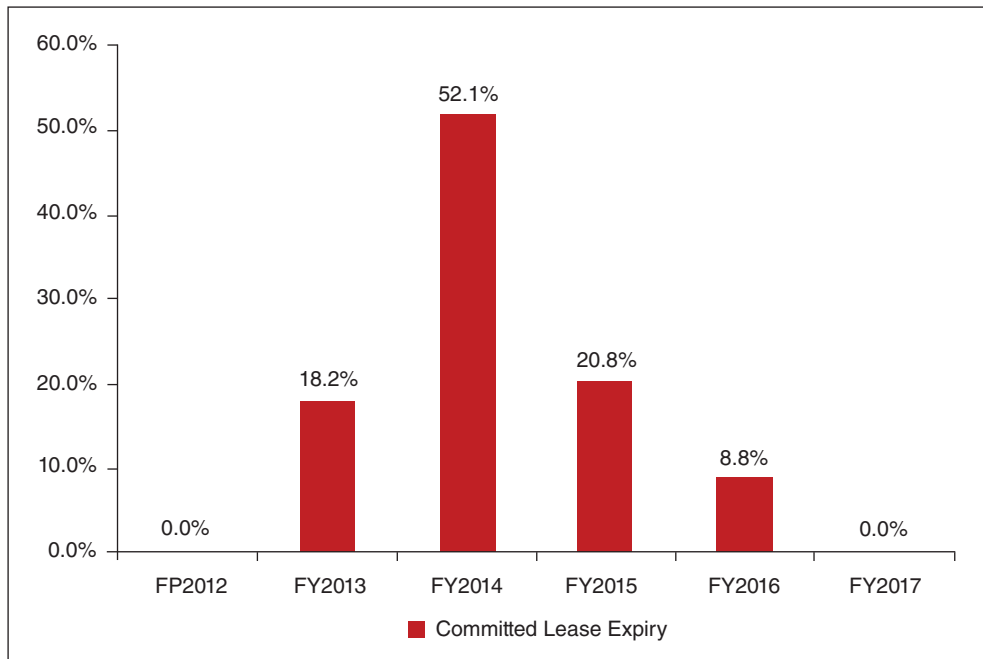
The table below sets out a summary of selected information on Bedok Point as at 30 June 2011.

Gross Floor Area (sq ft)	133,598
Net Lettable Area (sq ft)	80,985
Number of Committed Leases	74
Number of Storeys	4 (with two basement levels)
Car Park Lots	76
Title	Leasehold estate of 99 years commencing from 15 March 1978
Committed Occupancy	97.4%

The Property obtained its TOP in November 2010 and commenced operations in mid-December 2010. The Certificate of Statutory Completion for the Property has been issued on 22 July 2011.

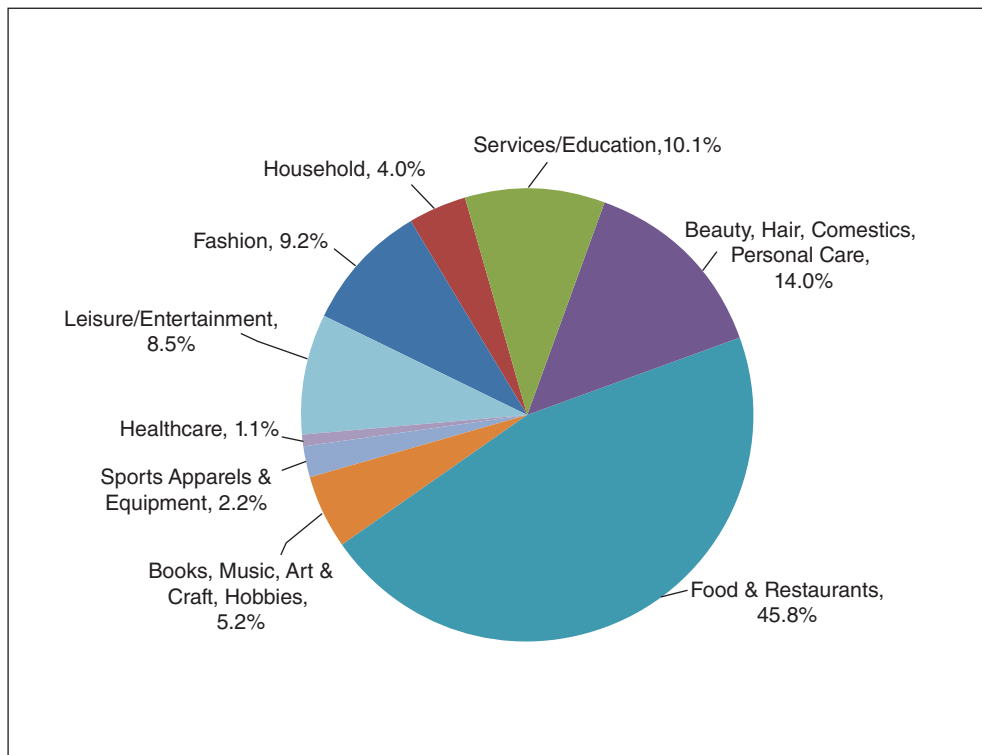
1.1 Lease Expiry Profile for Bedok Point (as at 30 June 2011)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Committed Leases in Bedok Point for the Forecast Period 2012 and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.



1.2 Trade Sector Analysis for Bedok Point (as at 30 June 2011)

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



1.3 Top 10 Tenants of Bedok Point (as at 30 June 2011)

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

Top 10 Tenants	% of Gross Rental Income
K Box (Bedok Central) Pte. Ltd.	32.4%
Sushi-Tei Pte. Ltd.	
Kung Fu Paradise Pte. Ltd.	
Beijing 101 Hair Consultants Pte. Ltd.	
Banquet Holdings Pte. Ltd.	
Louisiana QSR Pte. Ltd.	
L.A.I. Singapore Pte. Ltd.	
Pastatrix International Pte. Ltd.	
Paradise Inn (2) Pte. Ltd.	
Pro Trim (II) Hair Studio	
Other Tenants	67.6%
Total	100.0%

2. EXISTING PORTFOLIO

The table below sets out selected information about the Existing Portfolio as at 30 June 2011.

	Causeway Point	Northpoint	Anchorpoint	YewTee Point
Gross Floor Area (sq ft)	629,160	364,595	102,736	117,112
Net Lettable Area (sq ft)	418,543	235,522	71,610	73,120
Number of Committed Leases	203	189	67	80
Car Park Lots	747	236	128 ¹	83 ²
Title	Leasehold estate of 99 years commencing from 30 October 1995	Leasehold estate of 99 years commencing from 1 April 1990	Freehold	Leasehold estate of 99 years commencing from 3 January 2006
Valuation (S\$'000)³	730,000	503,000	76,000	130,000
Percentage of aggregate value of Existing Portfolio	50.7%	35.0%	5.3%	9.0%
Committed Occupancy	94.7%	99.6%	98.1%	96.2%
Net Property Income for Forecast Period 2012 (S\$'000)	44,339	30,442	4,519	8,499

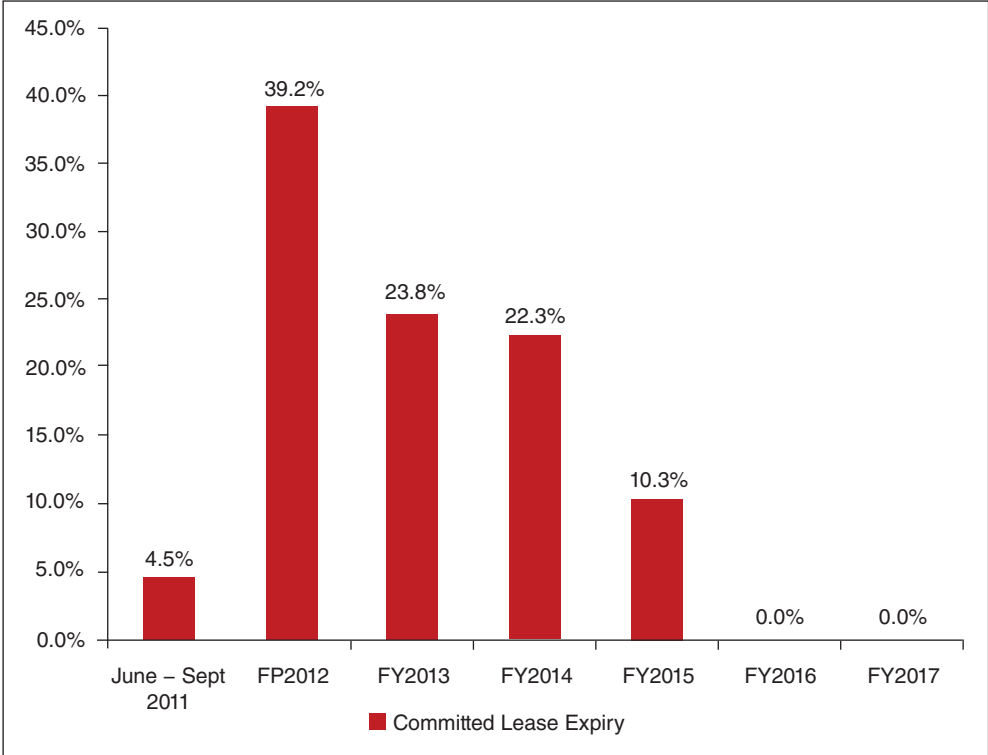
¹ Located at Anchorpoint but are part of common property of strata sub-divided mix-use development, which comprises Anchorpoint and The Anchorage (a condominium) (collectively, the "Anchorpoint Development"), managed by the Management Corporation Strata Title Plan No. 2304, being the Management Corporation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

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

³ Independent valuation as at 30 September 2010.

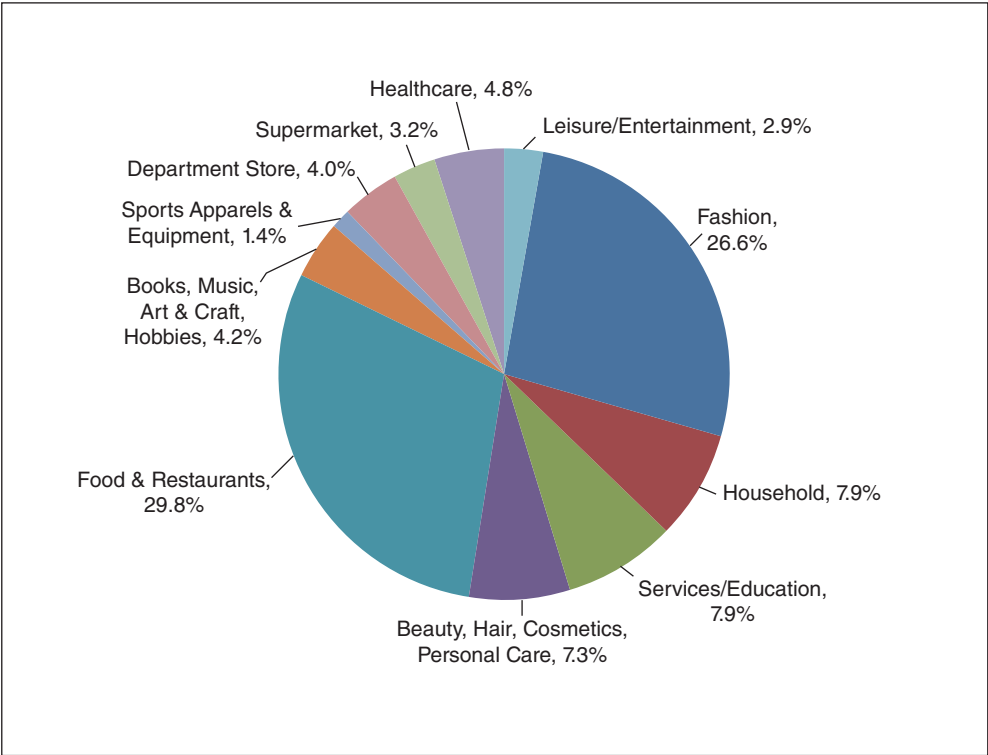
2.1 Lease Expiry Profile for the Existing Portfolio (as at 30 June 2011)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Committed Leases in the Existing Portfolio for June 2011 – September 2011, the Forecast Period 2012 and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.



2.2 Trade Sector Analysis for Existing Portfolio (as at 30 June 2011)

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



2.3 Top 10 Tenants of the Existing Portfolio (as at 30 June 2011)

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.	25.3%
Metro (Private) Limited	
Courts (Singapore) Limited	
Banquet Holdings Pte. Ltd.	
Food-Link Services Pte. Ltd.	
G2000 Apparel (S) Pte. Ltd.	
Popular Book Company Pte. Ltd.	
Koufu Pte. Ltd.	
NTUC Fairprice Co-Operative Ltd.	
Cathay Cineplexes Pte. Ltd.	
Other Tenants	74.7%
Total	100.0%

3. ENLARGED PORTFOLIO

The table below sets out selected information about the Enlarged Portfolio as at 30 June 2011.

	Existing Portfolio	Bedok Point	Enlarged Portfolio
Gross Floor Area (sq ft)	1,213,603	133,598	1,347,201
Net Lettable Area (sq ft)	798,795	80,985	879,780
Number of Committed Leases	539	74	613
Car Park Lots	1,194 ¹	76	1,270
Valuation (S\$'000)	1,439,000 ²	127,000 ³	1,566,000
Committed Occupancy	96.6%	97.4%	96.7%
Net Property Income for Forecast Period 2012 (S\$'000)	87,799	7,002	94,801

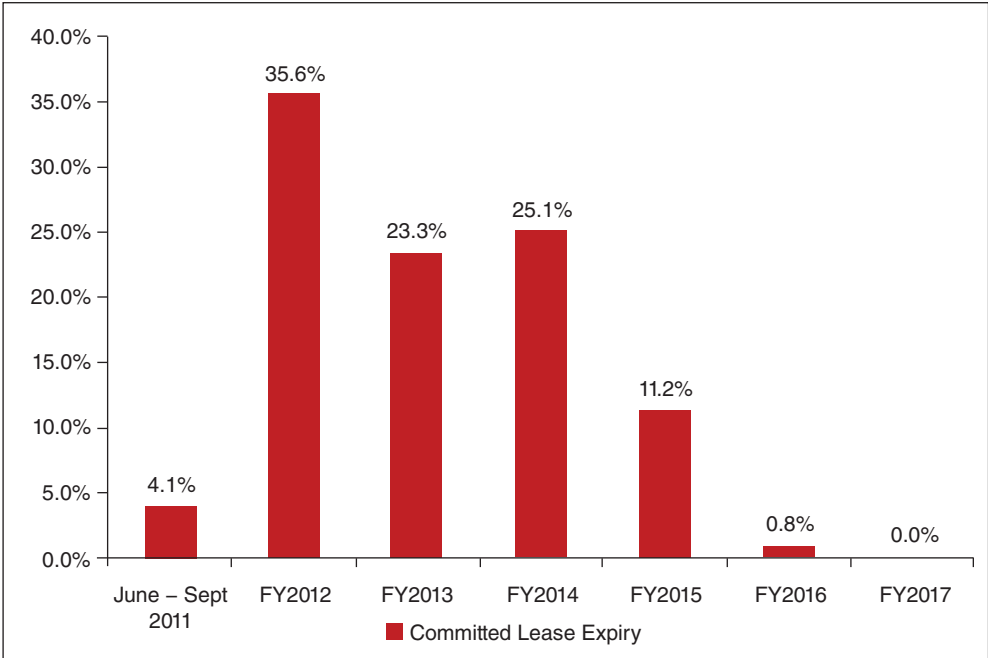
¹ Including 128 car park lots located at Anchorpoint, which are part of Anchorpoint Development's common property managed by the Anchorpoint Management Corporation.

² Independent valuation as at 30 September 2010.

³ Bedok Point Purchase Consideration.

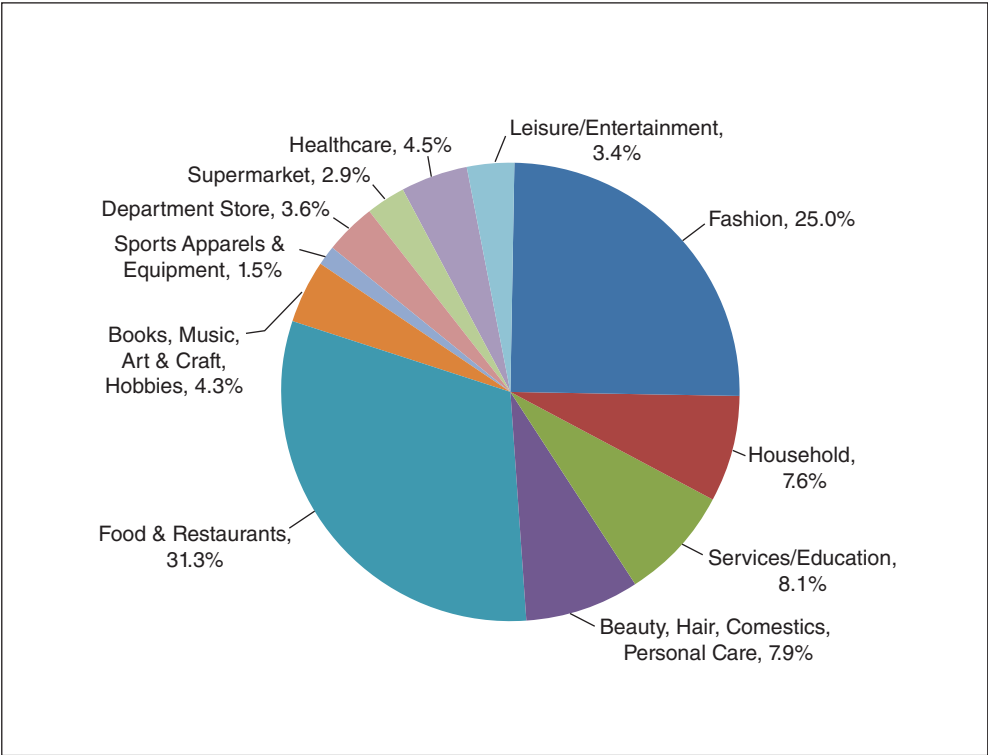
3.1 Lease Expiry Profile for the Enlarged Portfolio (as at 30 June 2011)

The graph below illustrates the expiry profile (by Gross Rental Income) of the Committed Leases in the Enlarged Portfolio for June 2011 – September 2011, the Forecast Period 2012 and the next five financial years (each comprising a 12-month period ending on 30 September) thereafter.



3.2 Trade Sector Analysis for Enlarged Portfolio (as at 30 June 2011)

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



3.3 Top 10 Tenants of the Enlarged Portfolio (as at 30 June 2011)

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.	23.2%
Metro (Private) Limited	
Courts (Singapore) Limited	
Banquet Holdings Pte. Ltd.	
Food-Link Services Pte. Ltd.	
G2000 Apparel (S) Pte. Ltd.	
Popular Book Company Pte. Ltd.	
Koufu Pte. Ltd.	
NTUC Fairprice Co-Operative Ltd.	
Cathay Cineplexes Pte. Ltd.	
Other Tenants	76.8%
Total	100.0%

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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 2012, which has been prepared in accordance with the accounting policies adopted by FCT for FY2011. In the preparation of the forecast consolidated statement of net income and distribution for the Forecast Period 2012, specific non-cash items which have no impact on distributable income have been excluded in the presentation of the distributable income to Unitholders. The Profit Forecast has been examined by the Independent Accountants and should be read together with their report contained in **Appendix C** of this Circular as well as the assumptions and sensitivity analysis set out in Section B of this appendix.

FORECAST CONSOLIDATED STATEMENT OF NET INCOME AND DISTRIBUTION OF FCT — EXISTING ASSETS AND BEDOK POINT

	FY2010	Forecast Period (1 October 2011 to 30 September 2012) ⁽¹⁾		
		Existing Assets	Bedok Point	Enlarged Assets
S\$'000				
Gross Rent	100,349	117,248	10,926	128,174
Other Revenue	14,389	12,276	868	13,144
Gross Revenue	114,738	129,524	11,794	141,318
Property Manager's Fee	(4,406)	(4,908)	(421)	(5,329)
Property Tax	(10,187)	(10,981)	(968)	(11,949)
Maintenance Expenses	(13,417)	(16,594)	(2,206)	(18,800)
Other Property Expenses	(6,678)	(9,242)	(1,197)	(10,439)
Property Expenses	(34,688)	(41,725)	(4,792)	(46,517)
Net Property Income	80,050	87,799	7,002	94,801
Interest Income	16	—		—
Borrowing Costs	(17,712)	(19,133)		(20,920)
Trust Expenses	(1,182)	(1,419)		(1,486)
Manager's Management Fees	(8,212)	(9,072)		(9,810)
Net Income	52,960	58,175		62,585
Net Tax Adjustments ⁽²⁾	2,253	3,940		4,275
Distribution from Associate	3,964	3,746		3,746
Income available for distribution	59,177	65,861		70,606
Distributable Income to Unitholders⁽³⁾	59,177	65,861		70,606
Units in Issue ('000) ⁽⁴⁾	767,573	775,220		823,840
Basic DPU (cents)	8.20	8.50		8.58

Notes:

- (1) The forecast DPU will vary to the extent that the New Units under the Private Placement are issued on a date other than 1 October 2011.
- (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 2012 are based on 100.0% of the total income available for distribution.
- (4) Units in issue at the end of the Forecast Period 2012 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 Private Placement, (ii) as payment for the Acquisition Fee and (iii) as part payment of the Manager's management fee for the Forecast Period 2012 which is assumed to be paid in the forms of Units. For (i) and (ii), the Illustrative Issue Price has been assumed; for (iii), a price of S\$1.45 per Unit (being the closing 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 Private Placement to part finance the Acquisition is approximately 47.5 million.

1. SECTION A: ASSUMPTIONS

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

1.1 Gross Revenue

Gross Revenue comprises (a) Gross Rental Income and (b) Other Revenue earned from the Enlarged Portfolio. 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 Existing Portfolio and Bedok Point which are attributable to Committed Leases as at 30 June 2011 are set out in the table below.

	Forecast Period 2012
Existing Portfolio	75.5%
Bedok Point	97.3%

(i) Base rental income

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

	Forecast Period 2012 (S\$'000)
Existing Portfolio	99,720
Bedok Point	8,640

The Manager has assessed the market rent for each portion of the lettable area in each property as at 30 June 2011. The market rent is the rent which the Manager believes could be achieved if each lease was renegotiated as at 30 June 2011, 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 2012, the Manager has assumed that the base rent for the new lease (or renewed lease) which commences in the Forecast Period 2012, to be the market rent.

(ii) Service charge and advertising & promotion levy

The service charge and advertising & promotion levy are contributions paid by tenants towards the Property Expenses (as defined herein) of the Enlarged Portfolio. In order to forecast service charge and advertising & promotion levy, the Manager has used service charges and advertising & promotion levy payable under the Committed Leases. If a Committed Lease expires in the Forecast Period 2012, the Manager has assumed that the service charge and advertising & promotion levy payable for the new lease (or renewed lease) will be the same as the amount payable under the existing Committed Lease. The forecast service charge and advertising & promotion levy of the Existing Portfolio and Bedok Point are set out in the table below.

	Forecast Period 2012 (S\$'000)
Existing Portfolio	17,528
Bedok Point	2,286

(iii) Lease renewal rate and vacancy allowance

For the leases expiring during the Forecast Period 2012, the Manager has reviewed the details of each of these leases with regards to the likelihood of renewal. There are no committed leases of Bedok Point expiring in the Forecast Period 2012. Based on the Manager's assessment, leases of the Existing Portfolio expiring in the Forecast Period 2012 which are expected to be renewed constitute 15.2% of the Gross Rental Income of the Existing Portfolio for the Forecast Period 2012.

For the balance of the leases of the Existing Portfolio expiring during the Forecast Period 2012 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 one month.

(iv) Occupancy rate

The forecast average occupancy rates (weighted by NLA) for the Existing Portfolio and Bedok Point during the Forecast Period 2012 are set out in the table below.

	Forecast Period 2012
Existing Portfolio	94.6%
Bedok Point	97.7%

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

1.1.2 Other Revenue

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

(i) Turnover rent

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

As at 30 June 2011, the percentage (by NLA) of leases with turnover rent provisions out of all the Committed Leases in the Existing Portfolio and Bedok Point are set out in the table below.

	As at 30 June 2011
Existing Portfolio	86.1%
Bedok Point	94.0%

For the Forecast Period 2012, the percentage contributions of turnover rent to the Gross Revenue of the Existing Portfolio and Bedok Point are set out in the table below.

	Forecast Period 2012
Existing Portfolio	4.5%
Bedok Point	4.0%

(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 Enlarged Portfolio. For the Forecast Period 2012, the percentage contributions of other income (excluding turnover rent) to the Gross Revenue of the Existing Portfolio and Bedok Point are set out in the table below.

	Forecast Period 2012
Existing Portfolio	5.0%
Bedok Point	3.4%

1.2 Property Expenses

Property expenses consist of (a) Property Manager's fee, (b) property tax, (c) maintenance expenses and (d) other miscellaneous property expenses. A summary of the assumptions which have been used in deriving the Property Expenses for the Forecast Period 2012 is set out below:

1.2.1 Property Manager's Fee

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

1.2.2 Property Tax

It has been assumed that the applicable property tax rate for the Enlarged Portfolio for the Forecast Period 2012 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 2012 is computed based on the base rental income and rental income from kiosks, car park income (net of associated operating expenses) and any other income that are taxable.

1.2.3 Maintenance Expenses

Maintenance expenses include the general repairs and maintenance costs of, as well as non-capital expenditures to improve, the Enlarged Portfolio. The Manager plans to adopt a policy of regular maintenance on all operating aspects of the Enlarged Portfolio 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 Development¹. The maintenance expenses for Anchorpoint include the contributions to the management fund and sinking fund established by the Anchorpoint Management Corporation.

In the case of YewTee Point, the YewTee Point Management Corporation is responsible for the repair, maintenance and operation of, as well as the capital expenditure and improvement works relating to, the common property of YewTee Development² including the limited common property for the exclusive benefit of YewTee Point. The maintenance expenses for YewTee Point include the contributions to the management fund and sinking fund established by the YewTee Point Management Corporation³ and the subsidiary management corporation of the limited common property in the YewTee Development which are for the exclusive benefit of YewTee Point.

For each property in the Enlarged Portfolio, an individual assessment has been made of the repairs and maintenance expenses for the Forecast Period 2012, on the basis of, among other things, the general state of repair of the Enlarged Portfolio, actual

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

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

³ The Management Corporation Strata Title Plan No. 3516, being the management corporation of YewTee Development established under the Building Maintenance & Strata Management Act.

historical repairs and maintenance expenses and the rates under the existing service and maintenance contracts with suppliers. For the Forecast Period 2012, the estimated maintenance expenses, expressed as a percentage of Gross Revenue for the Existing Portfolio and Bedok Point, are set out in the table below. The figure for Bedok Point is comparatively higher as it is a small property relative to some of the larger properties in the Existing Portfolio and therefore does not enjoy similar economy of scale.

	Forecast Period 2012
Existing Portfolio	12.8%
Bedok Point	18.7%

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 in the Enlarged Portfolio, an individual assessment has been made of such property expenses for the Forecast Period 2012, on the basis of, among other things, actual historical expenses and existing service and maintenance contracts with suppliers.

For the Forecast Period 2012, the estimated other property expenses, expressed as a percentage of Gross Revenue for the Existing Portfolio and Bedok Point, are set out in the table below. The figure for Bedok Point is comparatively higher as it is subject to sub-letting fee payable to the relevant authority and it is a small property relative to some of the larger properties in the Existing Portfolio and therefore does not enjoy similar economy of scale.

	Forecast Period 2012
Existing Portfolio	7.1%
Bedok Point	10.2%

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 NPI.

In the profit forecast, 30.0% 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 Securities Berhad. The distribution amount for the Forecast Period 2012 is estimated based on actual historical distribution received.

1.6 Borrowing Costs

The Manager has assumed an all-in, effective average interest rate of 2.75% per annum (including margin and amortisation of upfront fee for credit facilities) for the borrowings that will be taken up to part finance the acquisition of Bedok Point. As a point of reference, the 3-year Singapore dollar swap offer rate was 0.32% per annum as at the Latest Practicable Date. The Manager has assumed a blended interest rate of 3.63% for the borrowings relating to the Existing Assets.

1.7 Capital Expenditure

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

	Forecast Period 2012 (S\$'000)
Existing Portfolio	39,582
Bedok Point	43

1.8 Investment Properties

For the period ending 30 June 2011, the Manager has made a hypothetical assumption that the carrying value for the Existing Portfolio is S\$1.5 billion (based on the aggregate valuation of the Existing Portfolio by independent professional valuers as at 30 September 2010) adjusted for subsequent capitalised capital expenditure. It has been assumed that the property valuations of the Existing Portfolio for the Forecast Period 2012 will only increase by the amount of forecast capital expenditure shown in paragraph 1.7 above. This assumption is made when estimating the value of the Deposited Property for the purposes of forecasting the base fee component in the Manager's management fee and the Trustee's fee.

The carrying value for Bedok Point is hypothetically assumed to be S\$127.0 million. It has been assumed that the valuation of Bedok Point for the Forecast Period 2012 will only increase by the amount of forecast capital expenditure shown in paragraph 1.7 above. This assumption is made when estimating the value of the Deposited Property for the purposes of forecasting the base fee component in the Manager's management fee and the Trustee's fee.

1.9 Accounting Standards

The Manager has assumed that there is no significant change in applicable accounting standards or other financial reporting requirements during the Forecast Period 2012 that may have a material bearing on the forecast distributable income of FCT.

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.

1.10 Other Assumptions

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

- Other than the acquisition of Bedok Point, the property portfolio remains unchanged;
- There will be no material change to the respective carrying value of the property assets and other investments held by FCT;
- Other than for the purposes mentioned in this Circular, there will be no further capital raised during the Forecast Period 2012;
- There will be no material change to the taxation legislation or other legislation;
- There will be no material change to the tax ruling dated 15 March 2006 issued by the Inland Revenue Authority of Singapore on the taxation of FCT and the Unitholders;
- All leases and licences are enforceable and will be performed in accordance with their terms; and
- 100.0% of FCT's distributable income in respect of the Forecast Period 2012 will be distributed.

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

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

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

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

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

2.1 Gross Revenue

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

Impact on DPU pursuant to changes in Gross Revenue

Based on the Illustrative Issue Price	Distribution per Unit
	Forecast Period 2012
(cents)	Enlarged Assets
Gross Revenue is 1.0% above Base Case	8.75
Base Case ⁽¹⁾	8.58
Gross Revenue is 1.0% below Base Case	8.41

Note:

- (1) Refers to the relevant figures appearing in, or underlying, the "Forecast Consolidated Statement of Net Income and Distribution of FCT — Existing Assets and Bedok Point" under paragraph 4.5 of the Letter to Unitholders.

2.2 Property Expenses

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

Impact on DPU pursuant to changes in Property Expenses

Based on the Illustrative Issue Price	Distribution per Unit
	Forecast Period 2012
(cents)	Enlarged Assets
Property Expenses are 2.5% above Base Case	8.44
Base Case ⁽¹⁾	8.58
Property Expenses are 2.5% below Base Case	8.72

Note:

- (1) Refers to the relevant figures appearing in, or underlying, the “Forecast Consolidated Statement of Net Income and Distribution of FCT — Existing Assets and Bedok Point” under paragraph 4.5 of the Letter to Unitholders.

2.3 Borrowing Costs

Changes in interest rates in respect of the borrowings to be incurred to part finance the acquisition of Bedok Point and to finance capital expenditure and other additions as well as other loans which are subject to refinancing under the Forecast Period 2012 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 the Illustrative Issue Price	Distribution per Unit
	Forecast Period 2012
(cents)	Enlarged Assets
Interest Rates are 25 Basis Points above Base Case	8.50
Base Case ⁽¹⁾	8.58
Interest Rates are 25 Basis Points below Base Case	8.66

Note:

- (1) Refers to the relevant figures appearing in, or underlying, the “Forecast Consolidated Statement of Net Income and Distribution of FCT — Existing Assets and Bedok Point” under paragraph 4.5 of the Letter to Unitholders.

INDEPENDENT ACCOUNTANTS' REPORT ON THE PROFIT FORECAST

24 August 2011

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

Dear Sirs:

Letter from the Independent Accountants in relation to the examination of prospective financial information for the financial year ending 30 September 2012

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 acquisition of Bedok Point and the proposed issue of up to 55.0 million new units to part finance the acquisition of Bedok 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 and Bedok Point for the financial year ending 30 September 2012 (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. The actual results may therefore differ materially from the Profit Forecast. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast.

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

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner-in-charge: Liew Choon Wai

VALUATION CERTIFICATES AND VALUATION SUMMARY

Knight Frank



VALUATION CERTIFICATE

Property	: 799 New Upper Changi Road "Bedok Point" Singapore 467351
Client	: Frasers Centrepoint Asset Management Ltd (as Manager of Frasers Centrepoint Trust) 438 Alexandra Road #21-00 Alexandra Point Singapore 119958
Legal Description	: Lot Nos : 4710W, 4711V, 10529L and 10530N Mukim : 27
Tenure	: 99 years with effect from 15 March 1978 (balance term of about 65.7 years as at 1 July 2011)
Basis Of Valuation	: Market value subject to existing tenancies and occupancy arrangements
Land Area	: 4,136.6 approximately, subject to final survey
Master Plan 2008	: "Commercial" with a gross plot ratio of 3.0
Brief Description	: Bedok Point is a 4-storey shopping complex with 2 basement levels. It is located on the northern side of New Upper Changi Road, at the fringe of Bedok Town Centre and within walking distance to the Bedok MRT station and Bedok Bus Interchange. The subject property accommodates retail units, restaurants, food outlets, food kiosks, food court, book store, arcade and entertainment/karaoke from Basement 1 to 4th storey. A total of 76 car parking lots (including 2 lots for the handicapped) are provided at Basement 2. The Temporary Occupation Permit was issued on 2 November 2010.
Tenancy Profile	: K Box (Bedok Central) Pte Ltd, Challenger Technologies Limited, Sushi-Tei Pte Ltd, Banquet Holdings Pte Ltd and retail speciality tenancies
Gross Floor Area	: 12,411.7 sm
Lettable Floor Area	: 7,523.8 sm
Subletting Fee	: A subletting fee based on 2% of the net subletting rent is payable to HDB
Valuation Approaches	: Investment and Discounted Cash Flow
Date Of Valuation	: 1 July 2011
Open Market Value	: \$128,000,000/- (Dollars One Hundred And Twenty-Eight Million Only)
Assumptions, Disclaimers, Limitations & Qualifications	: <i>This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this certificate which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorized use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
Prepared By	: Knight Frank Pte Ltd

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Cert No. 160076



LIMITING CONDITIONS

This property Valuation and Report is subject to the following limiting conditions:-

- (1) The Valuer's responsibility in connection with this report is limited to the client to whom the report is addressed. The valuer disclaims all responsibility and will accept no liability to any other party.
- (2) Reproduction of this report in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement without the Valuer's prior written approval of the form and context in which may appear is prohibited.
- (3) The opinion expressed in this Valuation Report is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.
- (4) All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.
- (5) The Valuer does not warrant to the client to whom the report is addressed and any other person the title or the rights of any person with regard to the property.
- (6) Unless otherwise stated all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this report that information has been supplied to the valuer by another party, this information is believed to be reliable and the valuer shall not be held responsible or liable if this should prove not to be so.
- (7) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- (8) The Valuer is not obliged to give testimony or to appear in Court with regard to this report, with reference to the property unless specific arrangement has been made therefor.



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Company Reg No. 198004794D Agency Licence No. L3007326E
Company Reg No. 197600508N



Valuation (Land & Building)

By Hand

Your Ref : -
Our Ref : TKC:CHH:ih:110519

HSBC Institutional Trust Services (Singapore) Limited
as trustee of Frasers Centrepoint Trust
21 Collyer Quay
#10-01 HSBC Building
Singapore 049320

July 18, 2011

Dear Sirs,

**VALUATION OF 799 NEW UPPER CHANGI ROAD
BEDOK POINT SINGAPORE 467351 (THE "PROPERTY")**

In accordance with your instructions to determine the market value of the Property as at July 1, 2011 ("date of valuation").

Our valuation is prepared in accordance with our 'General Principles Adopted in the Preparation of Valuations and Reports', a copy of which is attached.

Our valuation of the Property is our opinion of the market value which we would define as intended to mean "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 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 purchaser with a special interest; and
- (e) that parties to the transaction had acted knowledgeably, prudently and without compulsion".

The above also applies to a willing buyer.

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**HSBC Institutional Trust Services (Singapore) Limited
as Trustee of Frasers Centrepoint Trust**

**- Valuation of 799 New Upper Changi Road
Bedok Point
Singapore 467351 (the "Property")**

July 18, 2011

Our valuation is made on the assumption that the owner sells the Property in the market subject to existing tenancies.

We have relied on the information provided by the manager of Frasers Centrepoint Trust on matters such as lettable/gross floor areas, floor plans, tenancy details, etc. All information provided as at June 30, 2011 is treated as correct and Jones Lang LaSalle accepts no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the manager, adviser or other party/parties whom Frasers Centrepoint Trust is contracting with. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale.

We have not carried out investigations on site in order to determine the suitability of ground conditions and services for the existing and proposed developments, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

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Page 3

**HSBC Institutional Trust Services (Singapore) Limited
as Trustee of Frasers Centrepoint Trust
- Valuation of 799 New Upper Changi Road
Bedok Point
Singapore 467351 (the "Property")**

July 18, 2011

In arriving at our opinion of value, we have considered the prevailing market conditions, especially those pertaining to the commercial sector of the property market. The valuation methods adopted to arrive at our opinion of values are the Discounted Cash Flow Approach and Direct Capitalization Approach. The Direct Comparison Method is used as a check against the derived values.

Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

Finally and in accordance with our standard practice, we must state that unless with our written approval this valuation is for the use only of HSBC Institutional Trust Services (Singapore) Limited as trustee of Frasers Centrepoint Trust. No responsibility is accepted to any other third party for the whole or any part of its contents.

We hereby certify that our valuers undertaking these valuations are authorized to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Faithfully,

Tan Keng Chiam
B. Sc. (Est. Mgt.) MSISV
Regional Director
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VALUATION SUMMARY

- Property : 799 New Upper Changi Road
Bedok Point
Singapore 467351 (the "Property")
- Legal Description : Lots 4710W, 4711V, 10529L and 10530N Mukim 27
- Site Area : 1,514.9 sq.m., 1,558.7 sq.m., 179.2 sq.m. and 883.8 sq.m.
respectively (Total: 4,136.60 sq.m.)
- Tenure : 99 years leasehold commencing from March 15, 1978.
- Subject Development : The Property is a 4-storey retail mall with 2 basements. The building is erected on a nearly trapezoidal-shaped plot of land at the access road level. The newly opened retail mall obtained its Temporary Occupation Permit on November 2, 2010. The trade mix comprises F&B, entertainment, retail and service offerings.

Vertical movement within is facilitated via a pair of escalators from B1 to 4th storey and 2 pairs of escalators on the 2nd storey, reinforced concrete staircases and a passenger and 2 service lifts with a loading capacity of 1020 kg and 1630 kg respectively. There are a total of 76 carpark lots located on the basement 2 of the Property.

The loading capacities within the building are as follows :-

Carpark	-	2.5 kN/m ²
Shops & Lobbies	-	4 kN/m ²
Toilet	-	2 kN/m ²
M & E	-	7.5 kN/ m ²


The accommodation and finished areas are generally of homogeneous/ceramic/carpet flooring. The common areas are finished with homogeneous/ceramic tile flooring. The toilets are completed with homogeneous tiled floor and walls.

Fire protection equipments provided within the building include fire extinguishers, hoses, reels, sprinklers and alarm system.

- Total Net Lettable Area (as provided) : 7,523.69 sq.m. (as at June 30, 2011)
- Valuation Approach : Discounted Cash Flow and Direct Capitalisation Methods
- Market Value : S\$126,000,000/- (Singapore Dollars One Hundred And Twenty-Six Million)
- Material Date of Valuation : July 1, 2011


JONES LANG LASALLE

TKC:CHH:ih:110519
July 18, 2011





GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

- 1) **VALUATION STANDARDS**
All work are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), subject to variations to meet local laws, customs, practices and market conditions.
- 2) **VALUATION BASIS**
Our valuations are made on the basis of Market Value, defined by the SISV as follows:

"Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."
- 3) **CONFIDENTIALITY**
Our Valuations and Reports are confidential to the party to whom they are addressed or their other professional advisors for the specific purpose(s) to which they refer. No responsibility is accepted to any other parties and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which they will appear.
- 4) **SOURCE OF INFORMATION**
Where it is stated in the report that information has been supplied by the sources listed, this information is believed to be reliable and we shall not be responsible for its accuracy nor make any warranty or representation of the accuracy of the information. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities.
- 5) **DOCUMENTATION**
We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that good title can be shown and there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have an effect on the value of the interest under consideration.
- 6) **TOWN PLANNING AND OTHER STATUTORY REGULATIONS**
Information on Town Planning is obtained from the set of Master Plan, Development Guide Plans (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.
- 7) **TENANTS**
Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.
- 8) **STRUCTURAL SURVEYS**
We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair are noted during the course of inspection, we are not able to give any assurance in respect of rot, termite or past infestation or other hidden defects.
- 9) **SITE CONDITIONS**
We do not normally carry out investigations on site in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.
- 10) **OUTSTANDING DEBTS**
In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.
- 11) **INSURANCE VALUE**
Our opinion of the insurance value is our assessment of the reinstatement cost for insurance purpose and it comprises the total cost of completely rebuilding the property to be insured, together with allowances for inflation, demolition and debris removal, professional fees, the prevailing G.S.T. (goods and services tax) and, if applicable, compliance with current regulations and by-laws.

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

24 August 2011

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

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

Dear Sirs

THE PROPOSED ACQUISITION OF BEDOK POINT

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the Circular dated 24 August 2011 to the Unitholders.

1. INTRODUCTION

This letter ("**Letter**") has been prepared for inclusion in the Circular in connection with, inter alia, the Acquisition including the Bedok Point PMA. This Letter sets out our view on the Acquisition as well as our recommendations to the Independent Directors and the Audit Committee, and the factors considered by PricewaterhouseCoopers Corporate Finance Pte Ltd ("**PwCCF**") in arriving at its opinion. The Circular and the Letter to Unitholders included therein will provide, inter alia, details of the Acquisition and the recommendation(s) of the Independent Directors in relation to the Acquisition, after having considered PwCCF's advice in this Letter.

1.1 Background

On 29 July 2011, the Trustee entered into the Conditional Sale and Purchase Agreement with the Vendor, a direct wholly-owned subsidiary of FCL. The Acquisition will be partly financed by the proceeds from the proposed Private Placement, with the balance funded through borrowings (which may include drawing down on the FCT Acquisition Loan Facilities). The salient terms for the Conditional Sale and Purchase Agreement are set out in paragraph 2.3 of the Letter to Unitholders.

The estimated Acquisition Cost is approximately S\$129.1 million, comprising:

- (a) the Purchase Consideration of S\$127.0 million;

- (b) the Acquisition Fee of S\$1.27 million (being 1.0% of the Purchase Consideration) payable to the Manager pursuant to Clause 15.2.1 of the Trust Deed; and
- (c) the estimated professional and other fees and expenses of approximately S\$0.8 million which will be incurred by FCT in connection with the Acquisition.

As the Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee payable to the Manager in respect of the Acquisition will be in the form of Units, which shall be issued at the illustrative issue price of S\$1.38 per new Unit and shall not be sold within one year from their date of issuance.

As the Vendor is a direct wholly-owned subsidiary of FCL, which is the controlling Unitholder of FCT, the Vendor (being an associate of a controlling Unitholder) is deemed to be an “interested person” of FCT in relation to the Acquisition, for the purposes of Chapter 9 of the Listing Manual. For similar reason, the Vendor is also deemed to be an “interested party” of FCT under Paragraph 5 of the Property Funds Appendix. Therefore, the Acquisition constitutes an “interested person transaction” under the Listing Manual and an “interested party transaction” under the Property Funds Appendix

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 NTA. Further thereto, Paragraph 5 of the Property Funds Appendix also imposes a similar requirement for an interested party transaction whose value exceeds 5.0% of FCT’s latest NAV.

Accordingly, in compliance with the requirements of Rule 906 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Manager is seeking the Unitholders’ approval for the Acquisition.

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.

The Acquisition will be payable in cash. The Manager has commissioned an independent property valuer, Knight Frank, and the Trustee has commissioned an independent property valuer, JLL, to value Bedok Point. 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 Acquisition is considered an “interested person transaction”.

However, for the purpose of good corporate governance and to ensure that independent analysis is performed on the Acquisitions, the Manager has appointed an independent financial advisor to review and to provide its view on the Acquisition.

Hence, it is in this context that PwCCF has been appointed to advise the Independent Directors and the Audit Committee of the Manager on whether the Acquisition, including the Bedok Point PMA, is based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders.

Detailed information on the Acquisition is set out in paragraphs 2 to 14 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 and the Audit Committee on whether the Acquisition, including the Bedok Point PMA, is 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 Acquisition.

We make no representation or warranty in relation to the merits of the Acquisition other than to express an opinion, from a financial point of view, on whether the Acquisition, including the Bedok Point PMA, is on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders. Our terms of reference do not require us to evaluate the strategic or long-term commercial merits of the Acquisition 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 Acquisition 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 accuracy or reliability of the information.

We have not made an independent evaluation of Bedok Point. We have, however, been furnished with the valuation reports for Bedok Point 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 Bedok Point but have relied upon the valuation reports prepared by JLL and Knight Frank. 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 Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, the Private Placement, FCT and its subsidiaries and the FCL Group Placement as at the date of this Circular and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. 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 in its proper form and context. The forecast consolidated financial information set out in Appendix B of this Circular have been stated by the Directors after making all reasonable due and careful enquiries and to the best of their knowledge and belief based on information available as of the date of this Circular. The foregoing is as set out in the "Directors' Responsibility Statement" in paragraph 11 of the Letter to Unitholders.

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:

- (a) rationale for the Acquisition;
- (b) purpose and scope of work of the Independent Valuers;
- (c) valuations of Bedok Point as appraised by the Independent Valuers;
- (d) the property yield of Bedok Point as compared with the following:
 - the properties in the 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**”).
- (e) terms and conditions of the Bedok Point PMA; and
- (f) the prevailing market, economic, industry, monetary and other relevant conditions, together with any information made available to us as of the Latest Practicable Date.

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 Acquisition 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 and the Audit Committee in their deliberation of whether Acquisition, including the Bedok Point PMA, 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 Acquisition 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 Acquisition 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 Bedok 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 purchaser with a special interest; and
- (e) that parties to the transaction have acted knowledgeably, prudently and without compulsion.

4. DETAILS CONCERNING BEDOK POINT AND THE ACQUISITION

4.1 Bedok Point

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

We note the following relevant information in relation to Bedok Point as at 30 June 2011:

Selected Information about Bedok Point	
Gross Floor Area	133,598 sq ft
Net Lettable Area	80,985 sq ft
Number of Storeys	4 (with two basement levels)
Car Park Lots	76
Number of Committed Leases	74
Title (Leasehold)	99 years commencing from 15 March 1978
Committed Occupancy	97.4%

4.2 The Acquisition

Detailed descriptions of the Acquisition are set out in paragraph 2 of the Letter to Unitholders. It is important for Unitholders to understand the terms of the Conditional Sale and Purchase Agreement. Therefore Unitholders are advised to read paragraph 2 of the Letter to Unitholders carefully.

The Purchase Consideration is S\$127.0 million and the Manager intends to partly finance the Purchase Consideration via the proceeds to be raised from the issue of up to 55.0 million New Units pursuant to the Private Placement, with the balance thereof funded by borrowings (which may include drawing down on the FCT Acquisition Loan Facilities).

4.3 Other Relevant Information

The Acquisition is subject to the satisfaction of a number of conditions which are set out below:

- (a) an instrument of lease in respect of Lots 10529L and 10530N both of Mukim 27 having been executed by HDB and the Vendor, such instrument to be in the form and to contain provisions which are acceptable to the Trustee (acting on the recommendation of the Manager);
- (b) a variation of lease instrument in respect of each of the Existing Leases having been executed by HDB and the Vendor, such instruments to contain provisions which are acceptable to the Trustee (acting on the recommendation of the Manager);
- (c) the HDB Approval being issued by HDB;
- (d) where HDB requires the Vendor or the Trustee to obtain written approvals from the authorities specified by HDB, such approvals having been issued;
- (e) Unitholders' approval being obtained for the Acquisition and the Private Placement;
- (f) no written notice having been issued by the Manager to the Trustee before the Completion Date that, in the Manager's reasonable opinion, the market conditions then prevailing are not conducive for (i) the raising of adequate funds (including the Private Placement) and/or (ii) the raising of funds (including the Private Placement) on reasonable terms or in a manner that will be beneficial to the overall interests of FCT and the Unitholders, for the purpose of completing the purchase of Bedok Point;
- (g) (in the event that the Manager launches the Private Placement) there being no stop order or similar order having been issued by the Monetary Authority of Singapore or any court or other judicial, governmental or regulatory authority in relation to the Private Placement;
- (h) (in the event that the Manager launches the Private Placement) the approval in-principle of the SGX-ST for the listing and quotation of the New Units to be issued under the Private Placement not having been revoked or withdrawn; and
- (i) (in the event that the Manager launches the Private Placement and the Private Placement is underwritten) the obligations of the underwriter(s) to the Private Placement under the relevant underwriting agreement to be entered into between the Manager and the relevant underwriter(s) being unconditional, and the Underwriting Agreement not having been terminated.

In the event that any of the Conditions Precedent above in relation to the Private Placement are not met, the Manager may nonetheless request that the Trustee waives the relevant Condition Precedent(s) and proceed with the completion of the Acquisition with full debt financing if it is in the interest of the Unitholders to do so.

The Trustee has, pursuant to the Conditional Sale and Purchase Agreement, paid to the Vendor a deposit of 10.0% of the Purchase Consideration on 5 August 2011. The Trustee shall, on completion of the Acquisition, pay to the Vendor the balance of 90.0% of the Purchase Consideration.

5. EVALUATION OF THE ACQUISITIONS

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

- (a) rationale for the Acquisition;
- (b) valuation of Bedok Point as appraised by the Independent Valuers;
- (c) the property yield of Bedok Point as compared to the each property in the Existing Portfolio;
- (d) the property yield of Bedok Point as compared to the Comparable Properties;
- (e) the property yield of Bedok Point as compared to the Comparable Transactions;
- (f) the terms and conditions of the Bedok Point PMA; and
- (g) other relevant considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

5.1 RATIONALE FOR THE ACQUISITION

The full text of the Manager's rationale for the Acquisition is set out in paragraph 3 of the Letter to Unitholders. **We recommend that the Independent Directors advise Unitholders to read this section of the Circular carefully.**

5.2 Valuation of Bedok Point 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 Bedok Point. The open market values of the Bedok Point as at 1 July 2011, as determined by Knight Frank and JLL, are set out below.

	Open Market Value		Purchase Consideration ⁽¹⁾
	Knight Frank	JLL	
Bedok Point	S\$128.0 million	S\$126.0 million	S\$127.0 million

Source: Circular

Note:

- (1) Exclude Acquisition Fees of S\$1.27 million, and professional and other fees and expenses of approximately S\$0.8 million.

In arriving at the open market values of the Bedok Point, 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 the 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 cash flow. As mentioned in Section 4 of this Letter, the committed occupancy of the Bedok Point is very close to 100% as at 30 June 2011. 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 and direct capitalisation/investment method, all of which are widely accepted methods for the purpose of valuing properties.

As illustrated in the table above, the Purchase Consideration is the average of the two respective independent valuations by Knight Frank and JLL.

Having considered the above, the Purchase Consideration does not appear to be unreasonable or prejudicial to the interests of FCT and its minority Unitholders.

5.3 The property yield of the Bedok Point as compared to the Existing Portfolio

The property yield of Bedok Point for the Forecast Period 2012 is estimated to be 5.5%. The property yield is calculated based on the forecast NPI for the Forecast Period 2012 for Bedok Point, divided by the Purchase Consideration.

In our evaluation, we recognise that the properties in the Existing Portfolio (comprising Northpoint Shopping Centre 1 and 2 (“**Northpoint**”), Causeway Point, Anchorpoint and YewTee Point) may not be directly comparable to Bedok Point. Furthermore, the properties in the Existing Portfolio are not identical to Bedok Point 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 implied property yield of Bedok Point and the properties in the Existing Portfolio.

Property	Valuation Date	Property Yield ⁽¹⁾
Causeway Point	September 10	5.73%
Northpoint 1 & 2	September 10	6.40% ⁽²⁾
Anchorpoint	September 10	5.43%
YewTee Point	September 10	6.71% ⁽²⁾
Average		6.07%
Median		6.07%
High		6.71%
Low		5.43%
Bedok Point	July 11	5.51%⁽³⁾

Source: Circular, company announcements and reports

Notes:

- (1) Property yields of the properties in the Existing Portfolio are computed based on NPI divided by market valuation of the respective property as extracted from FY10 (October 09 – September 10) Annual Report.
- (2) Northpoint 2 and YewTee Point were acquired in February 10. Property yields of these properties have been calculated based on the annualised NPI for FY10 as provided by Management.
- (3) Property yield of Bedok Point is computed based on the NPI for the Forecast Period 2012 divided by the Purchase Consideration of Bedok Point.

Based on the above analysis, we note that the implied property yield for Bedok Point at 5.51% falls within the range of property yields of the Existing Portfolio but below the average and median property yield of the Existing Portfolio.

Given that the property yield of Bedok Point is within the range of property yields of the properties in the Existing Portfolio, the Purchase Consideration does not appear to be unreasonable or prejudicial to the interests of FCT and its minority Unitholders.

5.4 The property yield of Bedok Point 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 Bedok Point 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 Bedok Point 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	5.73%	41.8	730	September 10
Northpoint 1 & 2	FCT	6.40% ⁽³⁾	32.2 ⁽³⁾	503	September 10
Anchorpoint	FCT	5.43%	4.1	76	September 10
YewTee Point	FCT	6.71% ⁽³⁾	8.7 ⁽³⁾	130	September 10
Tampines Mall	CMT ⁽⁴⁾	5.91%	46.8	792	December 10
Junction 8	CMT ⁽⁴⁾	5.91%	34.3	580	December 10
Lot One Shoppers' Mall	CMT ⁽⁴⁾	5.95%	26.0	437	December 10
Bukit Panjang Plaza	CMT ⁽⁴⁾	5.80%	14.8	255	December 10
IMM Building	CMT ⁽⁴⁾	7.44% ⁽⁷⁾	49.0	659	December 10
Rivervale Mall	CMT ⁽⁴⁾	3.3% ⁽⁷⁾	14.0 ⁽⁵⁾	94	December 10
Hougang Plaza	CMT ⁽⁴⁾			39	December 10
Sembawang Shopping Centre	CMT ⁽⁴⁾			123	December 10
Jurong Entertainment Centre	CMT ⁽⁴⁾			172	December 10
Average		5.98%			
Median		5.91%			
High		6.71%			
Low		5.43%			
Bedok Point		5.51%⁽⁶⁾			

Source: Circular, company announcements and reports.

Notes:

- (1) Property yields are calculated based on NPI divided by market valuation of the respective property.
- (2) Unless otherwise stated, NPI of properties owned by FCT is for the period October 09 – September 10. NPI of properties owned by CMT is for the period January 10 – December 10.
- (3) Northpoint 2 and YewTee Point were acquired in February 10. Property yields of these properties have been calculated based on the annualised NPI for FY10 as provided by Management.
- (4) "CMT" refers to CapitaMall Trust.
- (5) Not separately disclosed.

- (6) Computed based on the NPI for the Forecast Period 2012. As Bedok Point started operation in December 10, Management is of the view that the NPI for the Forecast Period 2012 is more meaningful than the NPI for FY11 (October 10 – September 11) as a comparison with the Comparable Properties.
- (7) Outliers specifically excluded from the analysis. IMM building is excluded as the property has notable office and warehouse components which comprise 57% of the total NLA. The portfolio comprising Rivervale Mall, Hougang Plaza, Sembawang Shopping Centre and Jurong Entertainment Centre is excluded as the NPI for Jurong Entertainment Centre was affected by asset enhancement works and a breakdown of the NPI by the respective properties in the portfolio is not publicly available.

Based on the above analysis, we note that the property yields of the Comparable Properties range between 5.43% and 6.71%. As such the implied property yield for Bedok Point is within the range of the Comparable Properties.

Based on the above, the Purchase Consideration does not appear to be unreasonable or prejudicial to the interests of FCT and its minority Unitholders.

5.5 The property yield of Bedok Point as compared to the Comparable Transactions

We have also extracted information from the Comparable Transactions involving purchases of comparable properties in Singapore by REITs and other property funds in the last three years, in order to compare the implied property yield for Bedok Point 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 Bedok Point 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 Bedok Point in terms of the aforesaid factors.

In addition, it should be noted that the market level of property yields fluctuates over time depending on, among other things, demand and supply situations and economic climate.

For the above reasons, while the Comparable Transactions taken as a whole may provide a broad and indicative benchmark for assessing the Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

Accordingly, 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 (\$'m)	Transaction Date	Property Yield ⁽¹⁾
Katong Mall	Perennial Katong Retail Trust	247.55	November 09	NA
Northpoint 2	FCT	165	January 10	5.78%
YewTee Point	FCT	126	January 10	5.87%
Jurong Point Extension	Prestige Realty Pte Ltd	670	June 11	Approximately 5% ⁽²⁾
Average				5.55%
Median				5.78%
High				5.87%
Low				5.00%
Bedok Point	FCT	127.0	July 11	5.51%

Source: Company announcements, reports and other published information

Notes:

- (1) The implied 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) Property yield of 5% is used for computation purposes.

From the table above, we noted that the Comparable Transactions were carried out at property yields ranging from approximately 5.00% to 5.87% at the point in time of the respective transaction. As such the implied property yield for Bedok Point is within the above range but slightly below the average and median of the property yields of Comparable Transactions.

Based on the above, the Purchase Consideration does not appear to be unreasonable or prejudicial to the interests of FCT and its minority Unitholders.

5.6 Other relevant considerations

5.6.1 Bedok Point PMA

We note that under the terms of the Bedok Point PMA entered into between the Manager, the Trustee and the Property Manager on 29 July 2011, the Property Manager will provide property management services for Bedok Point on completion of the Acquisition for a period ending on 4 July 2016.

The fees payable to the Property Manager pursuant to the Bedok Point PMA is set out as follows:

- (a) 2.0% per annum of the Gross Revenue of Bedok Point;
- (b) 2.0% per annum of the NPI of Bedok Point (calculated before accounting for the Property Manager's fees); and
- (c) 0.5% per annum of the NPI of Bedok Point (calculated before accounting for the Property Manager's fees), in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

The full text of information on the Bedok Point PMA is set out in paragraph 4.8 of the Letter to Unitholder.

We note that the terms and conditions of the Bedok Point PMA are generally in line with that of the Existing Portfolio and properties owned by comparable REITs listed on the SGX-ST. As such, the Bedok Point PMA does not appear to be unreasonable or prejudicial to Unitholders' interests.

5.6.2 No assurance of future profitability

Unitholders should note that there is no assurance of FCT's profitability after the completion of the Acquisition.

5.6.3 The Acquisition is not conditional upon approval of the Private Placement

Unitholders should note that the Acquisition is not conditional upon the approval of the Private Placement. However, the Private Placement is conditional upon the approval of the Acquisition.

5.6.4 Competitive strengths of Bedok Point

The full text of the competitive strengths of Bedok Point is set out in paragraph 3.2 of the Letter to Unitholders. **We recommend that Independent Directors advise Unitholders to read this section of the Circular carefully.**

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 Bedok Point. 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) Singapore had a total retail floor space per capita of 10.7 sq ft which is expected to increase slightly to 10.8 sq ft by 2013. The total retail floor space per capita is relatively low and reasonably stable over time. This indicates a good market for retail property investors as the threat of competition is more limited;
- (b) market rents in suburban retail malls are expected to experience only some small positive growth of 1%-2% in 2011 and higher growth of 2%-3% in 2012 and 2013; and
- (c) Singapore's suburban retail property market is relatively more resilient compared with that of the city areas due to the following factors:
 - suburban centres have a more limited supply
 - tend to serve fairly captive trade areas
 - less dependent on the variable tourist market.

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 Acquisition including the Bedok Point PMA. 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 Acquisition;
- (b) the Purchase Consideration of S\$127.0 million is the average of the open market values as appraised by the Independent Valuers;
- (c) the implied property yield of Bedok Point is generally within the range of property yields in respect of the properties in the Existing Portfolio, the Comparable Properties and the Comparable Transactions;
- (d) the terms and conditions of the Bedok Point PMA are in line with that of the Existing Portfolio and properties owned by comparable REITs listed on SGX-ST; and
- (e) higher resilience of the suburban retail property in Singapore (based on the "Singapore Retail Property Market Overview Report" by the Independent Property Consultant).

Having given due consideration to the rationale for the Acquisition and taking into account our evaluation of the Acquisition and subject to the qualifications set out in this Letter, we are of the

opinion as of the date of this Letter that the Acquisition, including the Bedok Point PMA, 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 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 and the Audit Committee for the purpose of their consideration of the Acquisition. The recommendation made by the Independent Directors to Unitholders shall remain the responsibility of the Independent Directors. This Letter may only be reproduced, disseminated or quoted in the form and context in which it appears in the Circular or with the prior consent of PwCCF. 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

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BEDOK POINT: RETAIL MARKET OVERVIEW



Bedok Point

Retail Market Overview

July 2011



DISCLAIMER

This report is prepared on the instructions of the party to whom or which it is addressed and is thus not suitable for use other than by that party. As the report involves future forecasts, it can be affected by a number of unforeseen 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.

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1 Singapore Retail Market Overview

1.1 REGIONAL CONTEXT

Singapore, an island nation off the southern tip of the Malaysian Peninsula, has 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. Having a strategic location on one of the world's highest volume shipping lanes, Singapore is a centre of trade, manufacturing and finance. Compared to other Asian countries such as China and Vietnam, which are characterised by low-cost production, Singapore has moved its industry from simple manufacturing to capital and knowledge intensive manufacturing, finance and the services sector.

As a trade hub, financial centre and manufactured goods 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.

Singapore's Central Area is home to the main commercial districts and tourist attractions. 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.

SINGAPORE REGIONAL CONTEXT

MAP 1.1



1.2 GROSS DOMESTIC PRODUCT

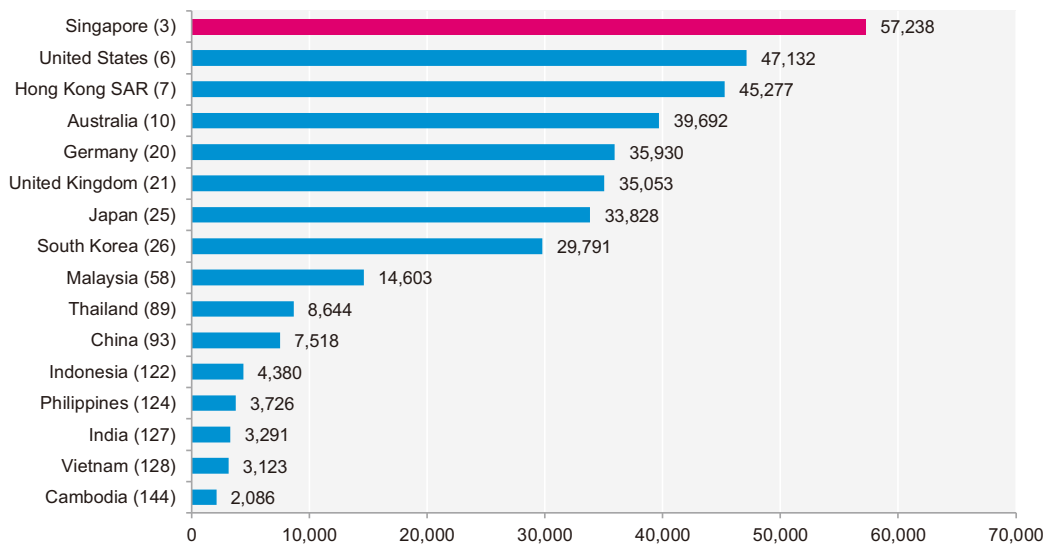
In 2010, Singapore had an estimated Gross Domestic Product (GDP) of USD 223 billion, or USD 292 billion when adjusted for Purchasing Power Parity (PPP).

Chart 1.1 compares the GDP per capita of Singapore with a selection of other countries in 2010. As shown in the chart, Singapore's PPP adjusted GDP per capita in 2010 was USD 57,238. This made it the third highest country in the IMF list for 2010, being some 18% higher than the United States and 21% higher than Hong Kong.

GDP Per Capita

SELECTED COUNTRIES, 2010 (USD, PPP ADJUSTED)

CHART 1.1



Source : IMF

Chart 1.2 shows past and forecast real GDP growth for Singapore. The high integration of Singapore's economy with global trade results in a volatile pattern of GDP growth. Singapore experienced an average real GDP growth of 5.8% during the period between 2000 and 2010. This was despite the global financial crisis (GFC), which saw real GDP growth decline to 1.5% in 2008 and -0.8% in 2009. In 2010, Singapore's economy emerged strongly from the downturn as the nascent global recovery propelled the nation's GDP growth to one of the highest levels recorded since independence, a 14.5% year-on-year increase.

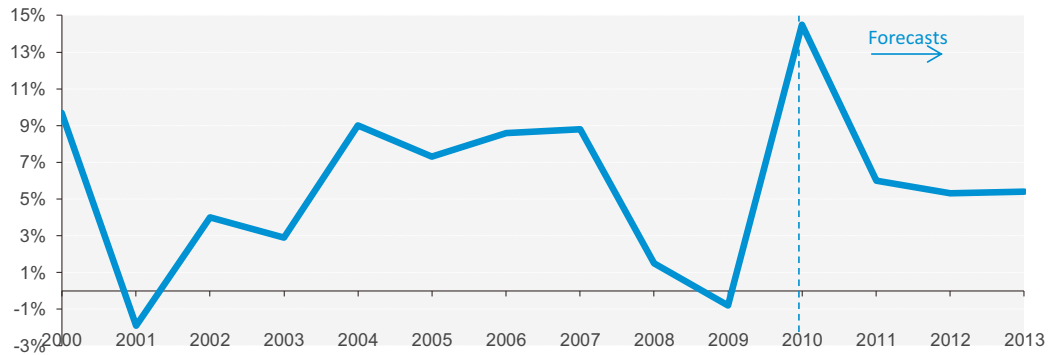
The recovery was driven by the manufacturing sector, particularly the strong yet volatile pharmaceutical industry, which grew by an estimated 29.9% for the year. Construction also performed strongly in 2010, although it finished the year on a flat note, contracting by 2.2% year-on-year in the final quarter. Meanwhile, the services sector grew by 10.5% for the year, driven by strong growth in tourism.

Beyond 2010, growth is forecast by Consensus Economics to moderate to 6.0% in 2011, 5.3% in 2012 and 5.4% in 2013. The Singapore Government broadly agrees, forecasting growth of between 5.0% and 7.0% for 2011 in May. There is, however, some downside risk. Persistent weakness in the US and high debt levels in some European economies pose some threat to the stability of the global financial system and overall rates of recovery from the GFC. As an open economy that is highly dependent on world trade, Singapore is particularly vulnerable to any potential future downturns in the world economy.

Real GDP Growth

SINGAPORE, 2000-2013

CHART 1.2



Source : Consensus Economics April 2011 and June 2011

1.3 PRIVATE CONSUMPTION EXPENDITURE

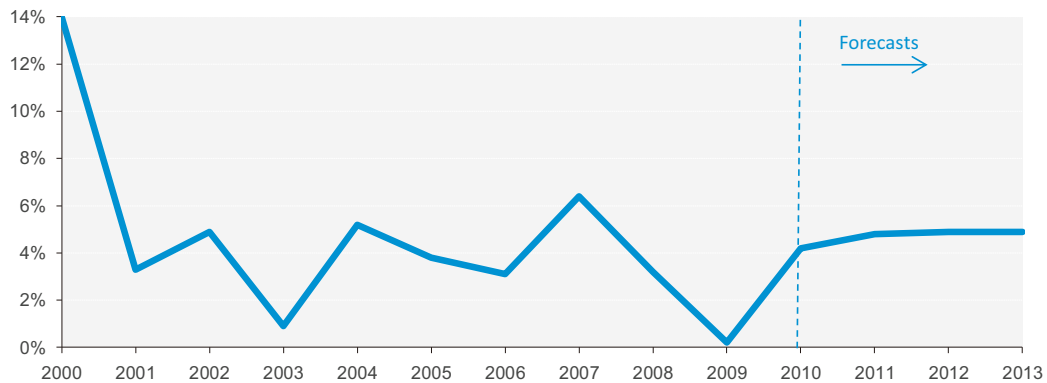
Private Consumption Expenditure (PCE) is the contribution of private households to GDP. It is relevant to the retail market as retail sales are a subset of PCE. Typically PCE growth tracks GDP growth, although it tends to be less volatile.

As shown in Chart 1.3, the GFC-induced recession affected household spending, reducing PCE growth to 3.2% in 2008 and 0.2% in 2009. The recovery in 2010 saw PCE grow by 4.2%. Looking forward, Consensus Economics is forecasting PCE growth at 4.8% in 2011, 4.9% in 2012 and 4.9% in 2013 (in real terms).

Real PCE Growth

SINGAPORE, 2000-2013

CHART 1.3



Source : Consensus Economics April 2011 and June 2011

1.4 INFLATION

Singapore has historically enjoyed low levels of inflation, typically between 0% and 2%, as shown in Chart 1.4. However in 2008, high world prices for commodities and food saw the Consumer Price Index (CPI) in Singapore grow by 6.6%. Due to the weakened global economy brought about by the financial crisis, inflationary pressures decreased in 2009 and consumer prices grew by only 0.6%.

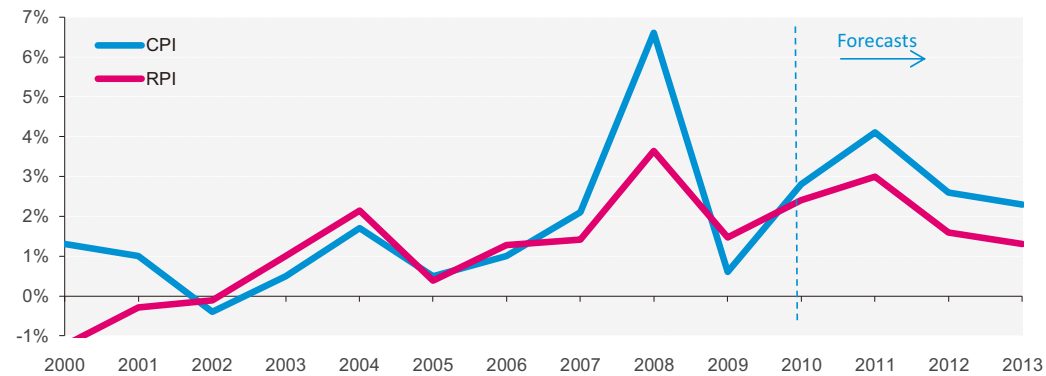
The resurgence in global demand brought about by the economic recovery saw inflationary pressures resume in 2010 and the CPI grew by 2.8%. Going forward, Consensus Economics forecasts inflation of 4.1% in 2011 before falling to 2.6% in 2012 and 2.3% in 2013.

Retail price inflation measures the price increase of retail goods only. As shown in Chart 1.4, it tends to track along fairly closely with consumer price inflation. Looking forward, we forecast that retail price inflation will be 3.0% in 2011 before slowing to 1.6% in 2012 and 1.3% in 2013.

Consumer and Retail Price Inflation

SINGAPORE, 2000-2013

CHART 1.4



CPI = Consumer Price Index

RPI = Retail Price Index

Source : Consensus Economics April 2011 and June 2011; Urbis

1.5 POPULATION & DEMOGRAPHICS

1.5.1 POPULATION

In 2010, Singapore had an estimated population of 5.1 million (see Chart 1.5). Of this number, 3.8 million were "residents" (i.e. citizens or permanent residents) equating to 74% of the total population. The remaining 1.3 million were "non-residents"; a group that comprises expatriate professionals and their families, unskilled workers in construction, manufacturing and domestic services, and international students.

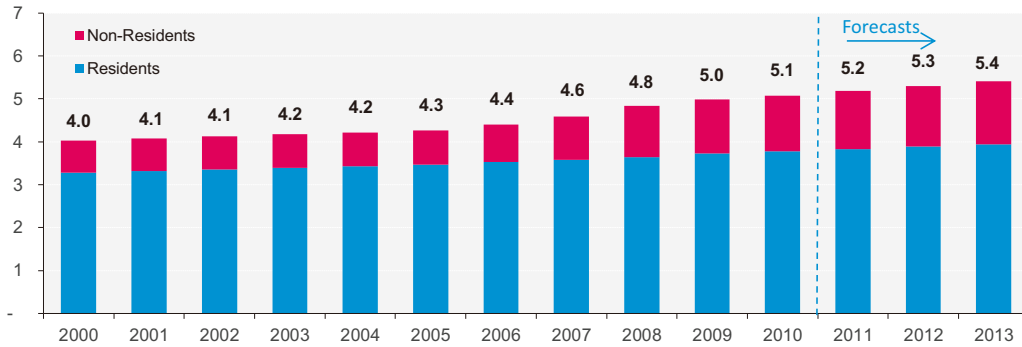
The growth of the "resident" population has been slow over the last decade, averaging 1.4% per annum between 2000 and 2010. Singapore's total population over that period increased by an average of 2.4% over the same period, meaning that population growth in Singapore has, to a large extent, been driven by growth in the "non-resident" population. This section of the population grew by an average of 5.8% per year over 2000-2010, driven by a more open immigration policy designed to alleviate skills shortages in Singapore's growing economy.

As shown in Chart 1.5, we forecast that by 2013, the total population of Singapore will be 5.4 million.

Resident & Non-Resident Population¹

SINGAPORE, 2000-2013 (MILLION PEOPLE)

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 Census 2010, Advanced Release; Urbis.

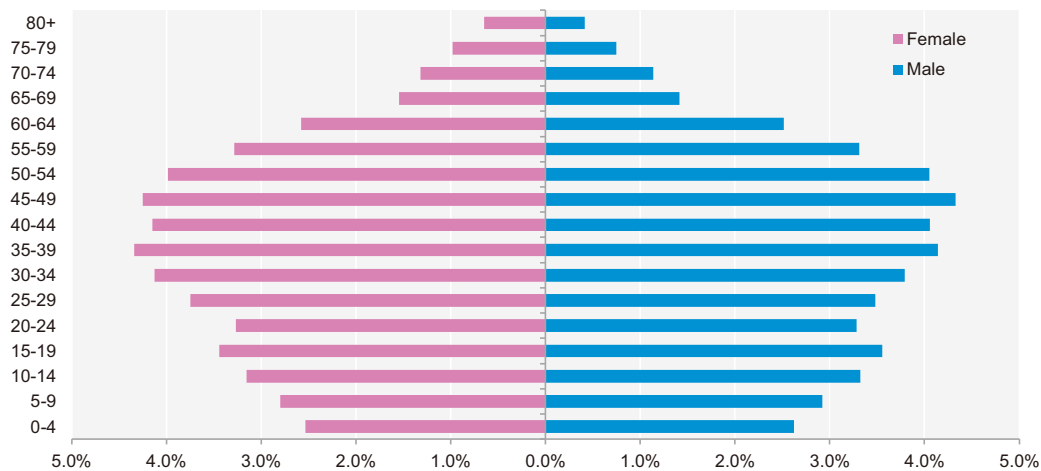
1.5.2 DEMOGRAPHICS

Chart 1.6 displays the age and sex distribution for Singapore Residents according to the 2010 Census. Like many advanced economies, Singapore's resident population is ageing due to a declining birth rate, with more than 50% of the resident population over the age of 35. Currently the age distribution is still bulging in the middle, meaning most of these people are of working age. However as this group of residents ages and retires, the resident workforce will be reduced. Attempting to curb the extent of this demographic shift, the government is addressing the declining birth rate through a range of fiscal incentives, family friendly workplace practices and other programmes. This is being augmented by a more liberal immigration programme favouring those who can fill skill shortages.

Resident Age Distribution

SINGAPORE, 2010

CHART 1.6



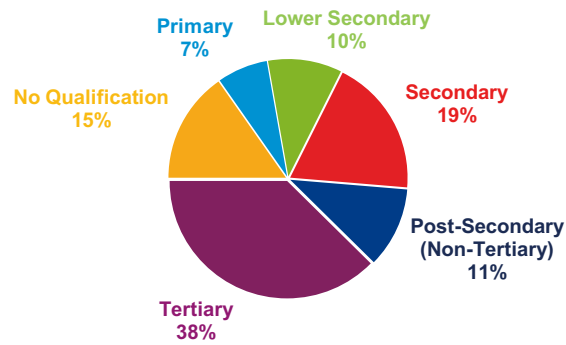
Source : Singapore Census 2010

As shown in Chart 1.7, the educational attainment of Singapore Residents is relatively high. Over a third of the non-student population above the age of 15 holds a tertiary qualification (either a University degree, Polytechnic diploma or other diploma). This section of the population, which tends to command higher incomes, is expected to continue to grow.

Educational Attainment of Residents Over 15¹

SINGAPORE, 2010

CHART 1.7



1. Excluding those currently studying
Source : Singapore Census 2010

Between 2000 and 2010, average monthly earnings in Singapore grew at an average annual rate of 3.0% to reach SGD 4,089 in 2010. The upward trend in incomes is a positive for retailers and owners of retail property, as the level of disposable income increases.

1.6 TOURIST VISITATION TO SINGAPORE

The tourism industry contributes significantly to the retail market in Singapore. Based on Urbis estimates, tourists accounted for approximately 17% of total retail sales in 2010, which is higher than the estimated 15% of retail sales that tourists accounted for in 2009.

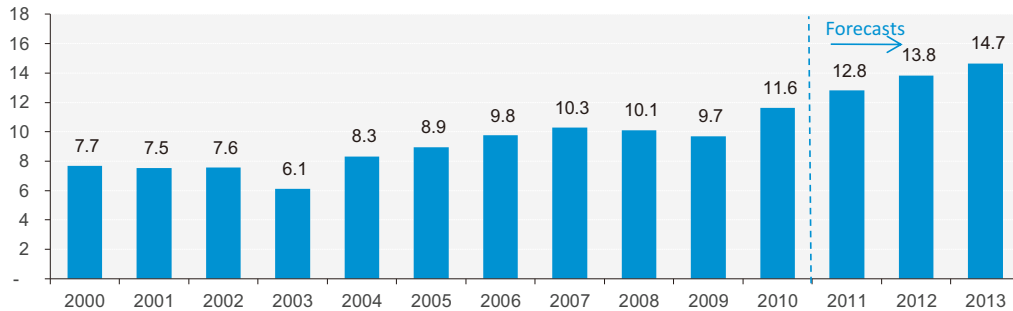
Singapore's tourism industry had an exceptional year in 2010. A global recovery in tourism coupled with the completion of several new tourist attractions, most notably the two new integrated resorts, and the hosting of several world events, such as the inaugural Youth Olympic Games, provided the industry with a significant boost. According to the Singapore Tourism Board, tourist arrivals in 2010 increased by 20.2% from the previous year, reaching a total of 11.6 million.

Growth in tourist arrivals is forecast by Urbis to continue in 2011 at 10.0% before moderating slightly to 8.0% in 2012 and 6.0% in 2013, with tourist arrivals expected to reach 14.7 million in 2013.

International Visitor Arrivals

SINGAPORE, 2000-2013 (MILLION)

CHART 1.8



Source : Singapore Tourism Board Statistics

1.7 RETAIL SALES

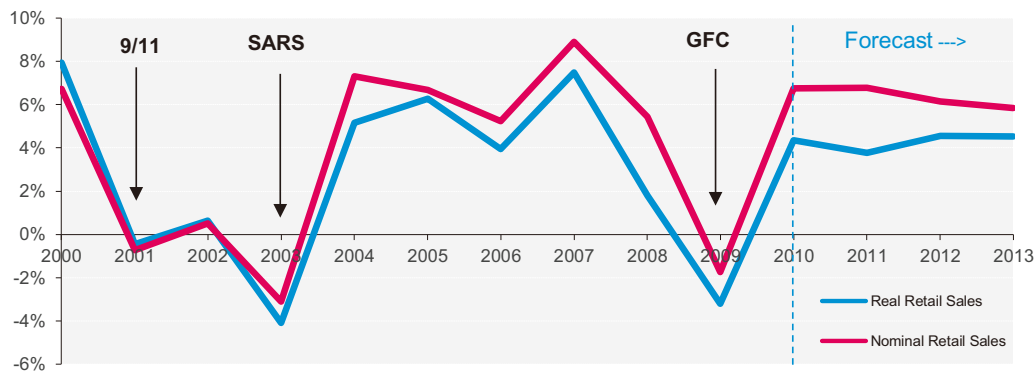
Chart 1.9 displays past and forecast retail sales growth for Singapore in both real and nominal (including inflation) terms. It shows that retail sales growth in Singapore has been volatile over the past decade, with decreases in sales corresponding to years in which the Singapore economy suffered due to external shocks (such as the September 11 terrorist attacks, the SARS epidemic, and the GFC). Despite this volatility, average nominal retail sales growth in Singapore continued at a robust 3.5% per annum between 2000 and 2010.

Looking forward, the positive outlook for the Singapore Economy leads us to anticipate strong growth in retail sales. We are forecasting that retail sales will increase by 6.8% in nominal terms in 2011, before moderating slightly to 6.1% in 2012 and 5.8% in 2013.

Retail Sales Growth¹

SINGAPORE, 2000 - 2015

CHART 1.9



1. Excludes motor vehicle sales but includes food catering sales

Source : Indices of Retail Sales and Catering Trade, Singapore Department of Statistics; Urbis

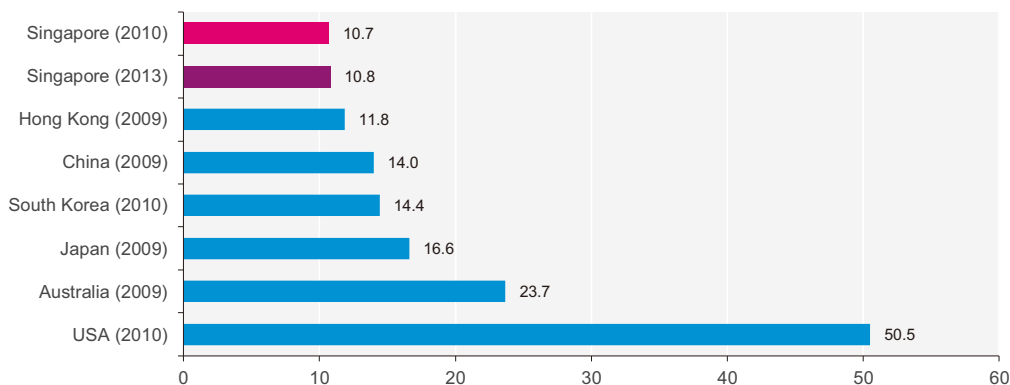
1.8 RETAIL SUPPLY

We estimate that Singapore had a total retail floorspace per capita of 10.7 sq.ft in 2010 (Chart 1.10). This is relatively low compared to the selection of countries displayed due to the highly regulated property sector and tight planning controls imposed by the government. By 2013, we forecast that the total retail floorspace per capita will have increased only slightly to 10.8 sq.ft. The fact that the per capita provision is relatively low and reasonably stable over time indicates a good market for retail property investors, as the threat of competition is more limited.

Total Retail Floorspace Per Capita

SELECTED COUNTRIES (SQ.FT)

CHART 1.10



Source : Urbis

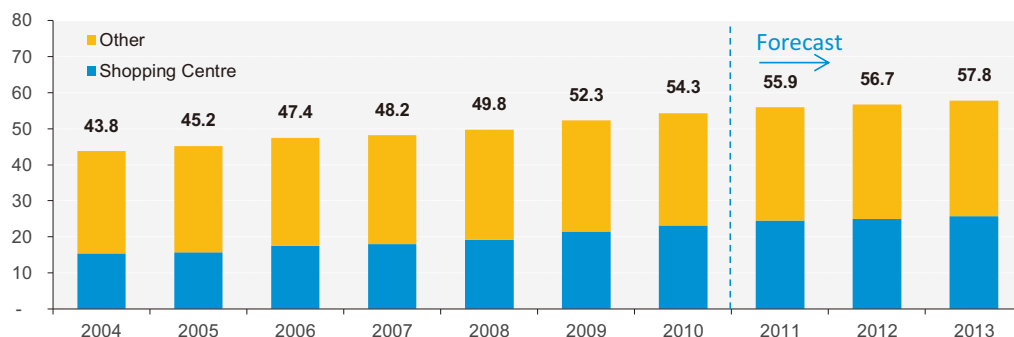
Chart 1.11 shows the total supply of retail floorspace in Singapore from 2004 till 2013. At the end of 2010, we estimate that Singapore had a total retail floorspace supply of 54.3 million sq.ft, of which 23.2 million sq.ft (43% of the total) was estimated to be in shopping centres. This is fairly high by international standards, reflecting both a regulatory framework that promotes shopping centre development and a consumer preference for enclosed, air-conditioned centres due to Singapore's hot and humid climate.

Looking forward, we expect that the total retail floorspace supply in Singapore will grow to 57.8 million sq.ft in 2013, and the shopping centre floorspace supply will grow to 25.8 million sq.ft. However, as discussed above, the growth in retail floorspace is not expected to significantly outpace population growth.

Retail Floorspace Supply¹

SINGAPORE, 2004-2013 (MIL SQ.FT)

CHART 1.11



1. At year end

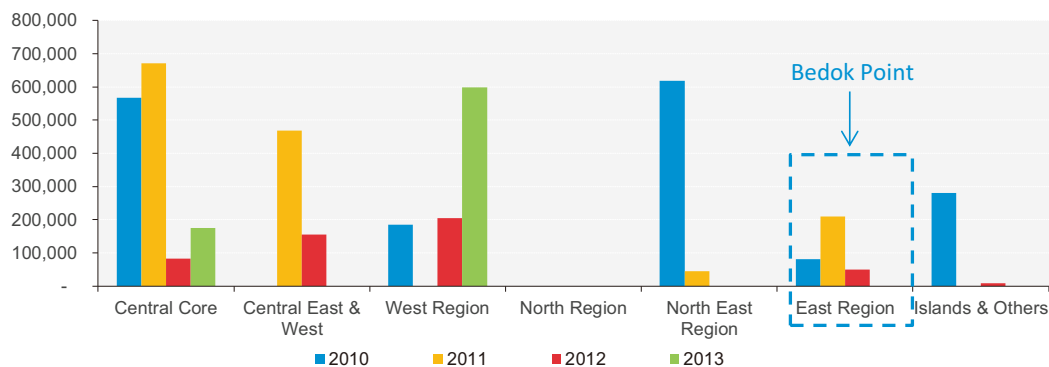
Source : Urbis

Chart 1.12 shows new shopping centre floorspace by region in Singapore for the years 2010 to 2013 (these are based on the planning regions defined by the URA). For the East Region, where Bedok Point is located, the total addition of new shopping centre floorspace is expected to be relatively small, with a cumulative 341,000 sq.ft (including Bedok Point) added over the four year period. This accounts for only 8% of the total new shopping centre stock expected for Singapore over this period. The most significant addition to the shopping centre stock in the East Region will be Changi City, a centre of around 210,000 sq.ft to be completed in late 2011.

New Shopping Centre Floorspace by Region

SINGAPORE, 2010-2013 (SQ.FT)

CHART 1.12



1. At year end
Source : URA; Urbis

1.9 RETAIL PROPERTY PERFORMANCE METRICS

Controlled release of new supply and a growing retail market saw a sustained period of growing rents and high occupancy throughout Singapore between 2004 and 2008. However, the combined effects of the recession and a glut of new space on Orchard Road in 2009 placed downward pressure on rents and occupancy, particularly in the Orchard Road submarket.

Chart 1.13 plots prime rents as quoted by CBRE for the Orchard Road and suburban submarkets between Q1 2004 and Q2 2011. It shows that, between Q3 2008 and Q1 2011, prime rents on Orchard Road decreased by a significant 19% due to the aforementioned factors. This downward trend seems now to have abated, with prime rents increasing by 0.7% quarter-on-quarter in Q2 2011.

Prime rents in suburban centres were more resilient during the economic crisis, decreasing by only 4% between Q3 2008 and Q1 2010, before beginning to increase again (in comparison, Orchard Road prime rents decreased by 12% over the same period and continued to decrease till Q1 2011). In general, Singapore's suburban property market tends to be less volatile in terms of retail turnover and rental income when compared to Orchard Road. This is because suburban centres have a more limited supply, tend to serve fairly captive trade areas, and are less dependent on the variable tourist market. Growth in prime rents for suburban centres seems to have tapered off slightly in Q2 2011, probably due to the large amount of supply recently added with the completion of nex at Serangoon in late 2010.

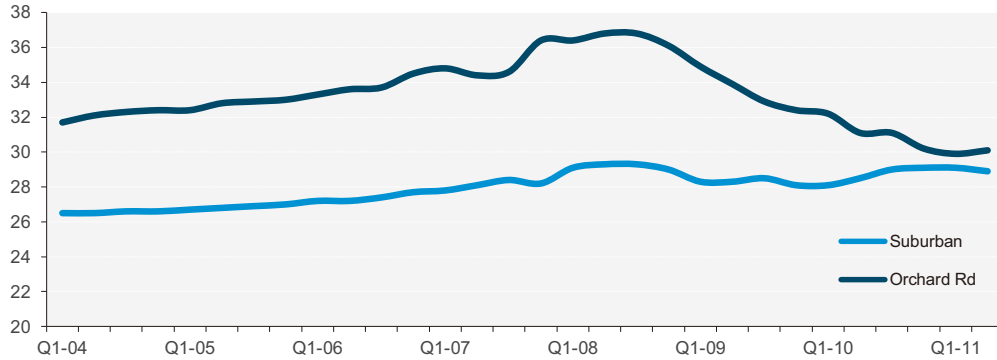
In terms of occupancy rates, the average occupancy for the suburban submarket was estimated at 95% in 2010. This average occupancy for Orchard Road was estimated at 94% in 2010, significantly lower than the 2008 average of 97%. The decrease in occupancy on Orchard Road was due to the GFC and the large increase in shopping centre floorspace in 2010, as mentioned earlier.

According to a recent report by Credit Suisse, cap rates in the Orchard Road area were around 5.0% in Q4 2010, a significant tightening from 5.7% in Q1 2009 which suggests that the market sentiment about rental growth prospects for these properties has improved. The report also suggests that the recent high prices paid for government land sales of suburban retail plots (such as Clementi Mall, Bedok Central, Punggol Central and Jurong East) indicate that valuations of suburban centres are also increasing.

Prime Retail Rents by Submarket

SINGAPORE, 2004 - 2011 (SGD/SQ.FT/MONTH)

CHART 1.13



Source : CBRE

1.10 RETAIL MARKET OUTLOOK

The economic outlook for Singapore remains strong, which should translate into strong growth in retail sales. Recent evidence also suggests that the market has absorbed much of the glut of floorspace added to Orchard Road in 2009, with rents in this submarket appearing to be stabilising.

As shown in Chart 1.14, we expect that rents on Orchard Road will stabilise in 2011, before returning to growth of 2%-3% per annum in 2012 and 2013. For the suburban submarket, we expect some small positive growth (1%-2%) in 2011 and higher growth of 2%-3% in 2012 and 2013.

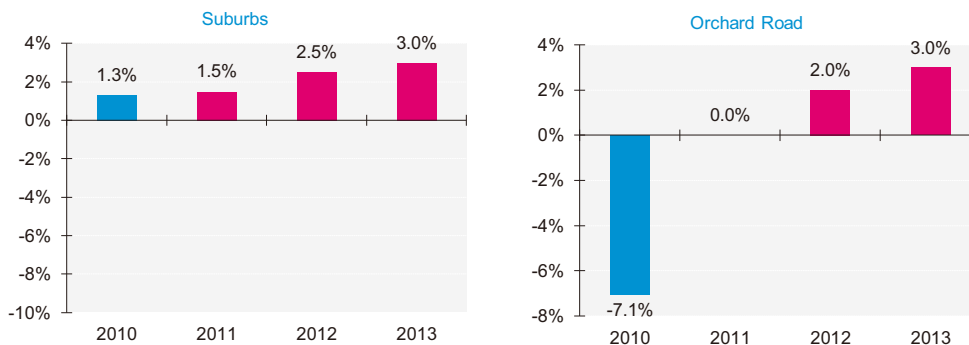
These are general forecasts for market rents; however specific centre performance will depend on specific property attributes, the trade area attributes and the competitive situation. As always, shopping centres that are well managed and in better condition will tend to out-perform the market.

Given the recent evidence of yield compression (as quoted above from the Credit Suisse report), we believe investors are bullish about the retail property market. We do not, therefore see much scope for further reductions in cap rates, and anticipate that they will stabilise in 2011.

Rental Growth Outlook

SINGAPORE, 2010 - 2013

CHART 1.14



Source : CBRE; Urbis

2 Bedok Point Retail Market Overview

2.1 LOCATION & ACCESSIBILITY

2.1.1 LOCATION & SURROUNDING LAND USES

Bedok Point is located in Bedok Town Centre in Singapore's East Region. The site is around 10 km east of the CBD. The centre is on the corner of New Upper Changi Road and Bedok Central, on the site of two former theatres (Bedok Theatre and Changi Theatre). New Upper Changi Road is a major east-west road, and Bedok Point's position gives it excellent street frontage. Maps 2.1 and 2.2 illustrate the location of the centre and the surrounding land uses.

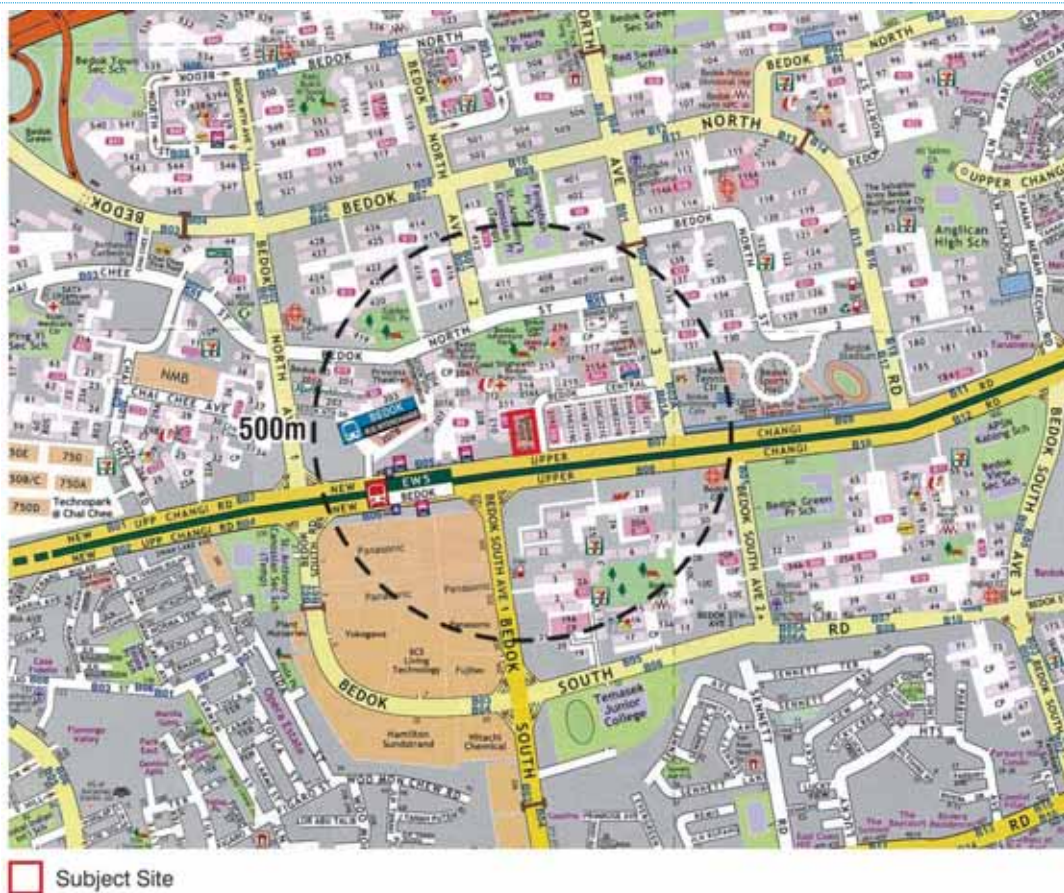
Bedok Point is located about 300m to the east of the exit of Bedok MRT Station. The Bedok Bus Interchange is located just to the north of the MRT station exit; however this interchange will soon be closed to accommodate a new mixed-use development and refurbished bus terminal, discussed further in Section 2.8.2. While the new terminal is being constructed, a temporary interchange will be located on the adjacent site to the west.

Surrounding the centre to the west, east and north is the Bedok Town Centre: a sizable town centre containing a concentration of retail and community facilities. Further afield to the west, north and east are HDB housing estates. To the south, across New Upper Changi Road, is a pocket of HDB housing and a small industrial estate. Further to the south, the housing stock is mainly privately owned, and is mostly detached or semi-detached. There are also a number of schools in the vicinity of Bedok Point.

LOCAL CONTEXT AERIAL PHOTOGRAPH

MAP 2.1



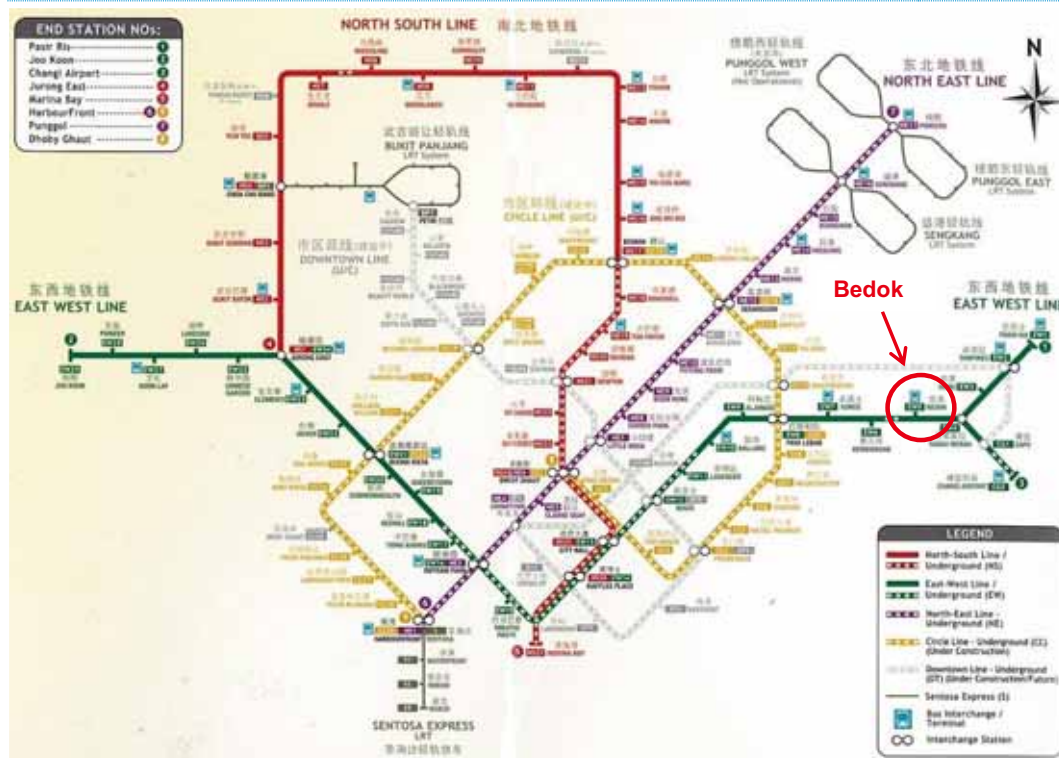


2.1.2 ACCESSIBILITY

Bedok Point has excellent accessibility by public transport. As mentioned earlier, the centre is located about 300m away from the exit of Bedok MRT Station. This station is on the East-West Line, which connects Joo Koon in the west to Pasir Ris in the east, also passing through stations in the CBD area, such as Raffles Place and City Hall (see Map 2.3).

The centre also has excellent accessibility by bus due to its proximity to the Bedok bus interchange in Bedok Town Centre. There is a considerable amount of pedestrian traffic between the MRT station and bus interchange, resulting in a large number of commuters in the vicinity of Bedok Point.

Bedok Point has good street frontage on New Upper Changi Road, a major east-west thoroughfare. The area is also conveniently linked to the East Coast Parkway, which is a major expressway in the east. This makes the centre very accessible by car. The car park entry for the centre is on the eastern side off Bedok Central. The centre has 76 car parks, and there are also a number of public car parks throughout Bedok Town Centre.



2.2 DESCRIPTION OF CENTRE & TENANT MIX

Bedok Point is a simple rectangular mall based around a central atrium area. It maintains an “open” feel to it, with many tenants, especially the restaurants, not fully walled-off. The centre has five retail levels (B1-L4) and parking on Level B2. The total Net Lettable Area (NLA) of the centre is 80,985 sq.ft (subject to final survey). Pictures 1-4 give some internal and external views of the centre.

Table 2.1 shows the breakdown of the centre by tenant category. Being a small centre, Bedok Point has few large tenants. The main anchors are the Banquet food court and some large entertainment tenancies (K Box and Timezone). 58,178 sq.ft, or 71.8% of the total NLA, is made up of retail specialty stores, which is a slightly high proportion for Singapore shopping centres. However smaller centres (typically less than 100,000 sq.ft NLA) tend to have higher ratios of specialty space, and an anchor ratio of around 70% is not unusual in these centres.

The highest proportion of specialty space is taken up by food catering (also known as food and beverages) tenancies, which comprise 38.1% of total NLA. Looking at non-retail tenancies, the two entertainment tenancies account for 13% of total NLA, while the language school accounts for 8.5% of total NLA. The centre currently has a vacancy rate of 2.6%, which is reasonably low for a suburban mall in Singapore, particularly one in its first year of trading.

The provision of 76 car parks on Level B2 equates to 0.9 spaces per 1,000 sq.ft of NLA. This is relatively low compared to other suburban malls, however, as mentioned above, the centre benefits from ample public car parks in the surrounding town centre.

Centre Composition

BEDOK POINT, JULY 2011

TABLE 2.1

	NLA ¹	
	(sq.ft)	(%)
Mini-Majors		
Banquet Food Court	3,283	4.1%
Total Mini-Majors	3,283	4.1%
Specialties		
Food Retail	301	0.4%
Food Catering	30,819	38.1%
Apparel	5,327	6.6%
Homewares	8,062	10.0%
Leisure/General	7,330	9.1%
Retail Services	6,339	7.8%
Total Specialties	58,178	71.8%
Total Centre Retail	61,461	75.9%
Non-Retail		
Entertainment	10,516	13.0%
Non Retail	6,921	8.5%
Total Non-Retail	17,437	21.5%
Vacant	2,087	2.6%
Total Centre	80,985	100.0%

1. Subject to final survey

Source: Frasers Centrepont Asset Management Ltd



PICTURE 1 – BEDOK POINT, EXTERNAL VIEW



PICTURE 2 – BEDOK POINT, CENTRAL ATRIUM



PICTURE 3 – BEDOK POINT, APPAREL RETAILERS



PICTURE 4 – BEDOK POINT, FOOD CATERING

2.3 CENTRE PERFORMANCE TO DATE

The centre's performance to date has been relatively typical of a newly opened centre, with monthly sales showing a steady increase (with the exception of January, the first full month of trading, which had high sales figures due to the lead-up to Chinese New Year). In the five and a half months between mid-December 2010 and May 2011, total reported turnover (including non-retail and entertainment) was SGD 24.9 million. This turnover represents an annualised figure of SGD 54.2 million, or a floorspace productivity of SGD 56 per sq.ft of NLA per month.

However, we expect that the centre's establishment effect will continue for the first few years of operation. We estimate that total turnover for 2011 is likely to be around SGD 60-65 million, or SGD 62-67 per sq.ft per month. Typically suburban malls in Singapore have an average turnover productivity of SGD 80-90 per sq.ft per month, which Bedok Point is currently below. However it must be kept in mind that this is the first year of trading for the centre, and we expect sales levels to improve in coming years as the centre moves to fully established trading patterns.

2.4 TARGET MARKET

Due to its small size and strong provision of F&B and entertainment, Bedok Point is mainly focused on capturing business from the local residential population. It offers a conveniently located place for dining and entertainment, as well as some convenience shopping.

The F&B offer at Bedok Point, which is a key part of the centre's trade mix, is of a higher standard than in surrounding hawker centres. The centre is also fully enclosed and air-conditioned, making it a more comfortable environment. This helps position Bedok Point as a higher-end dining experience than the outdoor hawker centres located in the vicinity.

Overall, the centre is aimed quite strongly at families in the local trade area. However, according to centre management, the strong F&B attracts different customer groups during different parts of the day:

- During lunch time, the centre attracts a large number of PMEBS (Professionals, Managers, Executives and Businessmen) from nearby areas, including the industrial park across New Upper Changi Road, Changi Business Park to the east, and Technopark @ Chai Chee to the west. (To encourage this, Frasers Centrepoint runs shuttle services at lunch time to Changi Business Park and Technopark @ Chai Chee).
- Between 3pm-5pm, a number of students from neighbouring schools visit the centre, enjoying its range of F&B and, entertainment options and also using the after-school study centres.
- At dinner time the centre is popular with families from the local trade area visiting for an evening meal.

2.5 TRADE AREA DEFINITION

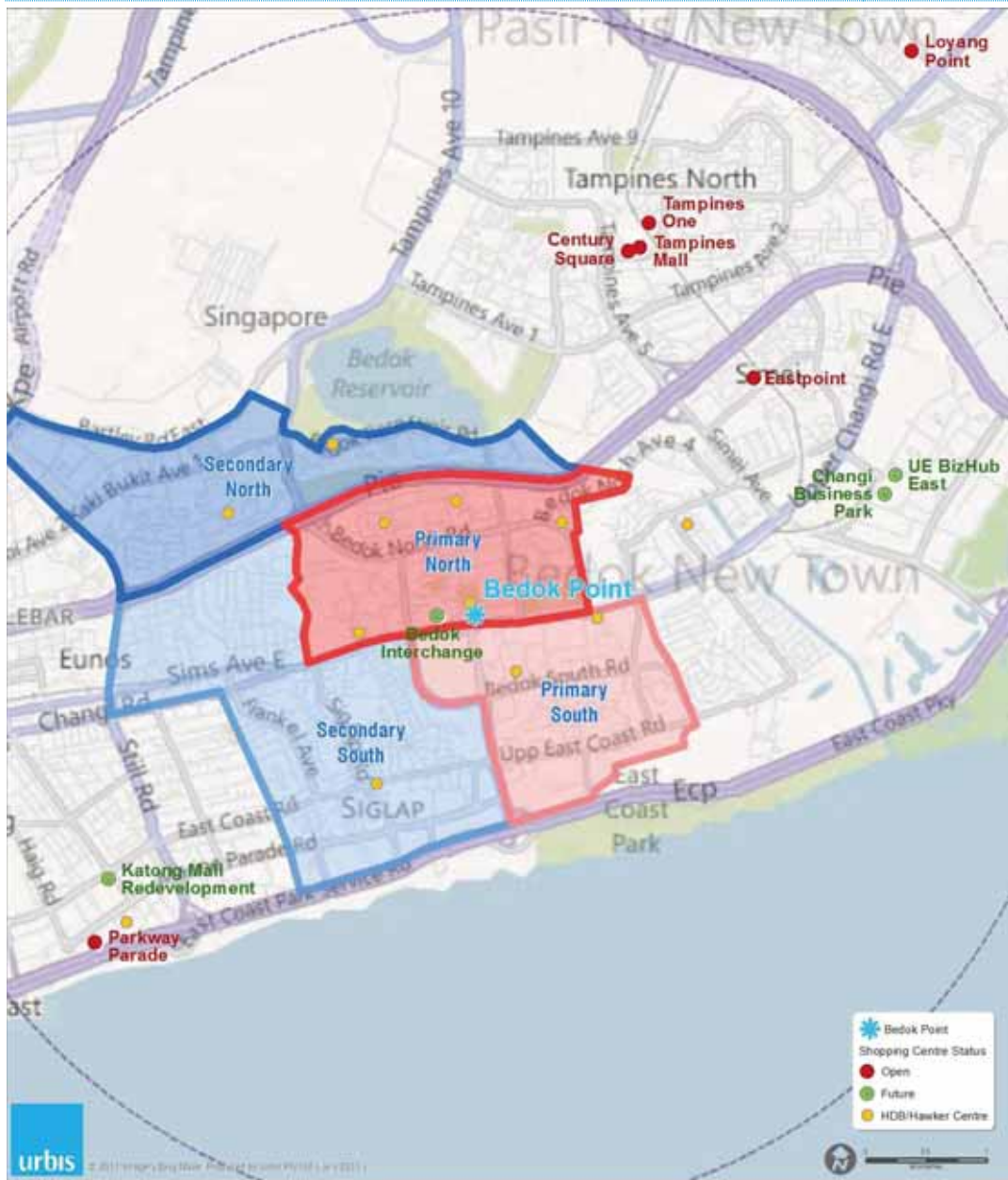
The definition of a trade area for any retail centre is determined by a number of factors including:

- The strength and attraction of the centre in question, determined by factors such as its composition, layout, ambience 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 the road network.
- The presence or absence of physical barriers such as rivers, railways, parks, industrial areas and freeways.

The best way to determine the trade area for an existing centre is through the use of an exit survey which records the residential address of the centre's customers. Although such a survey has not yet been conducted for Bedok Point, in July 2007 Urbis in conjunction with TNS Global Market Research conducted a telephone survey of residents in the local area for Frasers Centrepoint, when Bedok Point was in the planning phase. The results of this telephone survey, along with consideration of the above factors and our knowledge of similar centres in Singapore, has helped us to define a trade area for the centre.

The trade area defined for Bedok Point is illustrated in Map 2.4. It contains four sectors, two primary and two secondary, which are defined as follows:

- The **Primary North** sector extends from the Pan Island Expressway in the north to New Upper Changi Road in the south. It goes as far east as Bedok North Road and as far west as Chai Chee Drive. It includes the Bedok Town Centre but otherwise is mainly HDB housing.
- The **Primary South** sector extends from New Upper Changi Road as far south as the East Coast Parkway. It extends from Bedok South Road in the east to Bedok South Avenue 1 in the west. It has a mixture of HDB and private housing, as well as the business park on New Upper Changi Road.
- The **Secondary North** sector extends from the Pan Island Expressway to Bedok Reservoir and the Defu Industrial Estate in the north. It is bounded to the west by Eunos Link and to the east by Sungei Bedok Canal. The housing stock is mainly HDB, with some private housing overlooking Bedok Reservoir.
- The **Secondary South** sector extends from the Pan Island Expressway to the East Coast Parkway. It is bounded in the east by Chan Chee Drive and Bedok South Avenue 1, and to the west by Jalan Eunos and the Siglap Canal. This sector contains a high proportion of private housing.



2.6 TRADE AREA POPULATION & DEMOGRAPHICS

We estimate that in 2010 the total population of the Bedok Point trade area was 269,400 people (this estimate excludes any non-resident construction and manufacturing workers, who are deemed to not be a relevant market segment for the centre). The trade area population includes 139,100 people living in the primary trade area.

We forecast that by 2013, the trade area population will have grown at an average of 1.0% per year to reach 277,900 people, with 141,900 living in the primary trade area.

Trade Area Population

BEDOK POINT, 2010-2013

TABLE 2.2

Trade Area Sector	Population (000)		Av Annual Growth '10-13	
	2010	2013	(no.)	(%)
Primary				
North	90.3	91.6	419.9	0.5%
South	48.8	50.3	515.9	1.0%
Total Primary	139.1	141.9	935.8	0.7%
Secondary				
North	69.6	71.1	484.4	0.7%
South	60.7	64.9	1,393.0	2.2%
Total Secondary	130.3	135.9	1,877.4	1.4%
Total Trade Area	269.4	277.9	2,813.2	1.0%

Source: Singapore Census 2010; Housing Development Board Urbis

According to the 2010 Census, the average age of Singapore "residents" (i.e. citizens and permanent residents) in the trade area was 37.4 (see Table 2.3). This is slightly older than the national average of 36.1, and this is fairly uniform throughout the trade area, except for the Secondary North, which had an average age of 35.8. The main difference between the trade area age distribution and the national average is that the trade area has a lower proportion of under-15s, and a high proportion of over-60s.

Trade Area Age Profile¹

BEDOK POINT TRADE AREA, 2010

TABLE 2.3

Age Group	Primary		Secondary		Main TA	Singapore
	North	South	North	South		
0-14	15.0%	15.5%	16.8%	15.4%	15.6%	17.4%
15-24	13.1%	12.7%	15.6%	13.6%	13.8%	13.5%
25-39	22.8%	22.1%	22.6%	21.5%	22.4%	23.6%
40-59	31.5%	31.9%	32.2%	31.2%	31.7%	31.4%
60+	17.6%	17.8%	12.9%	18.3%	16.4%	14.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Av Age	37.9	38.0	35.8	38.0	37.4	36.1

1. Residents only

Source: Singapore Census 2010; Urbis

2.7 TRADE AREA SPENDING FORECASTS

We estimate that the average retail spending per capita for the trade area was SGD 5,696 in 2010, which was 2.9% above the national average (Table 2.4). The highest spending trade area sector is the Secondary South, which we estimate had a per capita spending figure 18.3% above the national average. The lowest spending sector is the Primary North, which we estimate had a per capita retail spending figure 2.3% below the national average.

By 2013, we forecast that the average retail spend per capita in the trade area will have grown in nominal terms to SGD 6,327, which implies an average annual growth rate of 3.6%.

Per Capita Retail Spending

BEDOK POINT TRADE AREA, 2010-2013

TABLE 2.4

Trade Area Sector	Variation from Sing. Av. (%)	Per Capita Retail Spending (SGD nominal)	
		2010	2013
Primary			
North	-2.3%	5,411	6,011
South	2.9%	5,696	6,327
Total Primary	-0.5%	5,511	6,123
Secondary			
North	-0.2%	5,525	6,137
South	18.3%	6,550	7,276
Total Secondary	8.4%	6,002	6,681
Total Trade Area	2.9%	5,696	6,327
Singapore	0.0%	5,538	6,151

Source: Household Income & Expenditure Survey 2007/08; Singstat; Urbis

Table 2.5 shows the calculated retail spending market for the Bedok Point trade area, derived by multiplying the per capita retail spending by the trade area population. We estimate that in 2010, the total trade area retail spending market was SGD 1.5 billion, with SGD 767 million coming from the primary sectors. By 2013, we forecast that the total market size will have grown (in nominal terms) to just under SGD 1.8 billion, with SGD 869 million coming from the primary sectors. This represents a total trade area growth rate of a healthy 4.7% per annum. This growth rate takes into account an average trade area population growth rate of 1.0% per annum, average real growth in retail spending per capita of 1.6% per annum, and retail price inflation of 2.0% per annum (there is a small error of 0.1% due to rounding).

Retail Spending Market

BEDOK POINT TRADE AREA, 2010-2013

TABLE 2.5

Trade Area Sector	Retail Spending Market (SGD mil)		Av Annual Growth '10-13	
	2010	2013	(mil)	(%)
Primary				
North	488.8	550.5	20.6	4.0%
South	277.8	318.4	13.5	4.7%
Total Primary	766.5	868.9	34.1	4.3%
Secondary				
North	384.6	436.2	17.2	4.3%
South	397.5	472.0	24.8	5.9%
Total Secondary	782.2	908.2	42.0	5.1%
Total Trade Area	1,548.7	1,777.0	76.1	4.7%

Source: Household Income & Expenditure Survey 2007/08; Singstat; Urbis

2.8 REVIEW OF COMPETITIVE ENVIRONMENT

2.8.1 EXISTING CENTRES

The main competition to Bedok Point is illustrated in Map 2.4 and listed in Table 2.6, photos are provided in Pictures 5-8. It can be seen that there is limited competition within the trade area. The main existing competition within the trade area is:

- **Bedok Town Centre:** This HDB town centre contains a substantial amount of retail, estimated to be around 235,000 sq.ft. The town centre has three small supermarkets (NTUC, Shop N Save and Sheng Siong) as well as a wet market and several hawker centres selling F&B. It has an open-air format, with many shops being in the lower floor of residential buildings with two or three stories of residential on top. The retail in this town centre will provide some competition to Bedok Point, particularly the hawker centres which offer price-competitive dining options. Bedok Point is, however differentiated from these centres in that it is fully enclosed and air-conditioned, and offers a more comfortable dining experience.
- **Other HDB/Hawker Centres:** There are several other HDB/Hawker centres of a smaller scale dispersed throughout the trade area. These are indicated on Map 2.4 as yellow dots. Like Bedok Town Centre they are pitched at a lower price-point than Bedok Point, and are not enclosed. However, they do provide alternate dining and convenience retail locations for trade area residents.

There are also centres just outside the trade area that will compete to some extent with Bedok Point, namely:

- **Eastpoint:** An ageing supermarket-based centre of some 210,000 sq.ft located adjacent to the Simei MRT station. This centre should not provide too much competition to Bedok Point because of its fairly limited dining and recreation options. However its convenient location adjacent to the MRT station does make it useful for convenience shopping.
- **Tampines Mall:** This 328,000 sq.ft centre is the largest of three malls located in Tampines Town Centres, adjacent to the MRT station. The anchor tenants, including an Isetan department store and an NTUC supermarket, make this one of the most popular centres for higher-order comparison shopping in the East Region. It also has a Golden Village Cineplex, making it a significant location for entertainment.
- **Century Square:** This mall, located adjacent to Tampines Mall, is 205,000 sq.ft (NLA) and anchored by a BHG department store, a Fairprice Finest supermarket and Century Cinemas. It is fairly old and not as well tenanted as its neighbour, but nonetheless adds to the strength of Tampines as a retail destination.
- **Tampines One:** The third and newest mall in Tampines Town Centre, Tampines One is 260,000 sq.ft (NLA) and is anchored by a Cold Storage supermarket. It has a strong focus on apparel specialties and F&B. Although newer, it does suffer from being at the opposite side of the MRT station to Tampines Mall and Century Square, and appears to receive less traffic as a result.
- **Parkway Parade:** This 520,000 sq.ft centre is located just to the west of the trade area. It is a very strong centre anchored by Isetan, Giant and Cold Storage. Like Tampines Mall, it is a strong centre for higher-order comparison shopping.

While the centres listed above are quite strong, they are mainly large centres which are used for higher-order comparison shopping. Hence they fulfil a higher role in the retail hierarchy than Bedok Point, which is more of a local centre focused on providing dining, entertainment and convenience shopping for the local trade area population.

Competing Retail Centres

BEDOK POINT

TABLE 2.6

TA Sector/ Centre	Distance (km)	NLA (sq.ft)	Major Tenants
Primary North			
Bedok Town Centre	0.0	235,000	NTUC, Shop N Save, Sheng Siong
Bedok Interchange (p)	0.3	240,000	n.a
Outside TA			
Eastpoint	3.3	210,000	NTUC, Best Denki
Tampines Mall	3.4	328,000	Isetan, NTUC, Courts, Popular, GV Cinemas
Century Square	3.4	205,000	BHG, Fairprice Finest, Century Cinemas
Tampines One	3.4	260,000	Cold Storage
Parkway Parade	3.8	575,000	Giant, Isetan, Cold Storage, Best Denki
Katong Mall (u/c)	3.7	207,000	Market Place, Golden Village
Changi City (u/c)	3.8	210,000	Supermarket
UE BizHub (u/c)	3.8	50,000	-

(u/c) = Under Construction

(p) = Proposed

Source: URA; Urbis



PICTURE 5 – TAMPINES MALL



PICTURE 6 – CENTURY SQUARE



PICTURE 7 – PARKWAY PARADE



PICTURE 8 – EASTPOINT

2.8.2 PROPOSED NEW SUPPLY

Future centres that will be of relevance to Bedok Point include:

- Bedok Interchange:** This centre will be on the site of the current Bedok Bus Interchange, which was sold by the Singapore Government to CapitaLand in 2010. Current information released by CapitaLand suggests that the centre will have around 240,000 sq.ft NLA over three levels (B2-L1). It will have direct links to the MRT underpass at the basement levels and the bus interchange will be integrated into L1. Not much is known about the proposed tenant mix at this stage. However given its larger size it is likely that it will require a fairly different trade mix to Bedok Point. We believe that the centre will probably be anchored by a supermarket, and have a stronger focus on apparel and non-food specialty stores. This centre is expected to be completed in the first half of 2014.
- Katong Mall:** This is an existing centre, located near Parkway Parade, that is being redeveloped by Perennial Retail Management. The refurbished mall will have an NLA of 207,000 sq.ft and will be anchored by a Cold Storage Market Place and Golden Village Cinemas. The mall is expected to open in Q3 2011.
- Changi City:** Is a 210,000 sq.ft centre being built by a Frasers-Ascendas joint venture in Changi Business Park. We understand that the mall will be anchored by a supermarket. Due to its location, the centre will be of limited relevance to Bedok Point except that it will provide competition for PMEBs working in Changi Business Park who currently travel to Bedok Point for lunch. This centre will be one of the first phases of the project completed and is expected in late 2011.
- UE Biz Hub:** Is a very small project adjacent to Changi City that will have 50,000 sq.ft NLA. It will probably be mostly F&B catering to workers in the business park, and hence, like Changi City, will compete for this market with Bedok Point. It is expected to be completed in 2012.

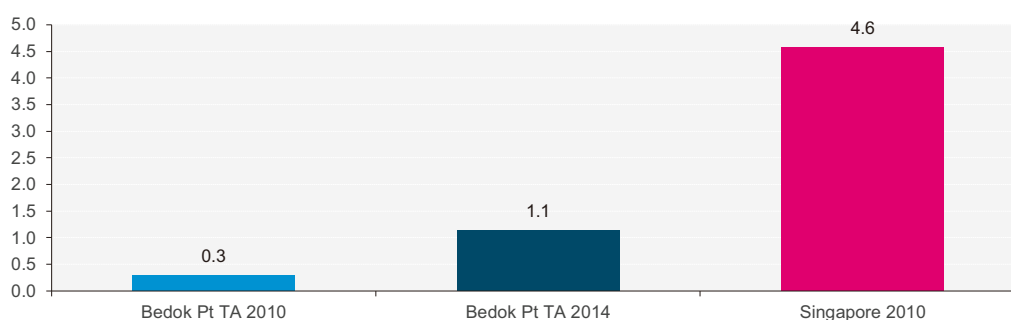
2.8.3 PER CAPITA SHOPPING CENTRE SPACE

Chart 2.1 compares the current level of shopping centre floorspace per capita in the Bedok Point trade area with the per capita provision after the completion of Bedok Interchange, and also with the current Singapore average. This chart strongly illustrates that the trade area currently has a very low provision of shopping centre floorspace, at 0.3 sq.ft per capita. While the addition of Bedok Interchange will significantly increase this provision to 1.1 sq.ft per capita, it will still be less than a quarter of the average Singapore provision in 2010 of 4.6 sq.ft per capita.

Per Capita Shopping Centre Floorspace Provision

BEDOK POINT TRADE AREA, 2010 & 2013 (SQ.FT)

CHART 2.1



Source : Urbis

2.9 CENTRE OUTLOOK

Bedok Point occupies an enviable position in a trade area that is currently undersupplied for shopping centre floorspace. It is a small centre and its trade mix is focused on providing dining, entertainment and convenience retail options for the trade area population. Trading figures for the first months of operation show growing sales, and we expect that they will continue to grow over the next couple of years as the centre settles into fully established trading patterns. Although the completion of the CapitaLand centre on the interchange site will present a challenge for Bedok Point, we believe that there is room in the market for both centres, given that the trade area currently has no other shopping centres, and also given that, due to its larger size, the CapitaLand centre will most likely have a fairly different trade mix. Also, the addition of the CapitaLand centre may actually help Bedok Point, by adding critical mass to help improve Bedok as a retail destination.

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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 12 September 2011 at 5.00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. THE PROPOSED ACQUISITION OF BEDOK POINT

That:

- (i) approval be and is hereby given for the acquisition of Bedok Point (as defined in the circular dated 24 August 2011 (the “**Circular**”) issued by Frasers Centrepoint Asset Management Ltd., as manager of FCT (the “**Manager**”), to unitholders of FCT (the “**Unitholders**”) from Woodlands Complex Pte. Ltd. (the “**Vendor**”) (a direct wholly-owned subsidiary of Frasers Centrepoint Limited) for an aggregate purchase consideration of S\$127.0 million (the “**Acquisition**”), on the terms and subject to the conditions set out in the conditional sale and purchase agreement entered into between the Vendor and HSBC Institutional Trust Services (Singapore) Limited, as trustee of FCT (the “**Trustee**”), in respect of the sale and purchase of Bedok Point (the “**Conditional Sale and Purchase Agreement**”);
- (ii) approval be and is hereby given for Frasers Centrepoint Property Management Services Pte. Ltd. (the “**Property Manager**”) to provide services on the completion of the Acquisition pursuant to and in accordance with the terms of the property management agreement entered into between the Trustee, the Manager and the Property Manager in respect of Bedok Point on 29 July 2011; 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 Acquisition.

ORDINARY RESOLUTION

2. THE PROPOSED ISSUE OF UP TO 55.0 MILLION NEW UNITS UNDER THE PRIVATE PLACEMENT

That subject to and contingent upon the passing of Resolution 1:

- (i) approval be and is hereby given for the issue of up to 55.0 million new units in FCT (“**New Units**”) under a private placement (the “**Private Placement**”) in the manner described in the Circular; and
- (ii) the Manager, any director of the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to the Private Placement.

ORDINARY RESOLUTION

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

That subject to and contingent upon the passing of Resolution 1 and Resolution 2:

- (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
24 August 2011

Important Notice

A unitholder of FCT entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a unitholder of FCT. The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the Company Secretary of the Manager at the registered office of the Manager at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes To Proxy Form

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

FRASERS CENTREPOINT TRUST

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

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 CPF approved agent banks so that their CPF approved agent banks may register, in the required format, with the Company Secretary, Frasers Centrepoint Asset Management Ltd. (Agent Banks: please see Note 8 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:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of FCT to be held at 5.00 p.m. on 12 September 2011 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 may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the Extraordinary General Meeting.

NOTE: The Chairman of the Extraordinary General Meeting will be exercising his right under paragraph 9 of Schedule 1 of the Deed of Trust constituting FCT (as amended) to demand a poll in respect of the resolutions to be put to the vote of members at the Extraordinary General Meeting and at any adjournment thereof. Accordingly, such resolutions at the Extraordinary General Meeting will be voted on by way of poll.

	Resolutions	No. of Votes For*	No. of Votes Against*
1.	To approve the Acquisition of Bedok Point (Ordinary Resolution)		
2.	To approve the issue of up to 55.0 million New Units under the Private Placement (Ordinary Resolution) (Conditional upon Resolution 1)		
3.	To approve the subscription of New Units by the FCL Group under the Private Placement (Ordinary Resolution) (Conditional upon Resolution 1 and Resolution 2)		

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

Dated this _____ day of _____ 2011

Total number of Units held (Note 4)

Signature(s) of Unitholder(s)/Common Seal



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Affix
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Stamp

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

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