
Acquisition of a one-third interest in Waterway Point

16 May 2019



Important Notice

This presentation shall be read in conjunction with Frasers Centrepoint Trust's ("FCT") announcement "ACQUISITION OF A 33⅓% INTEREST IN WATERWAY POINT FROM AN INTERESTED PERSON OF FRASERS CENTREPOINT TRUST" released on 16 May 2019.

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This advertisement has not been reviewed by the Monetary Authority of Singapore.

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Transaction Overview

Transaction Summary

Acquisition Structure

- ◆ Acquisition of 33 $\frac{1}{3}$ % of the total issued units of Sapphire Star Trust (“SST” and 33 $\frac{1}{3}$ % of the total issued units of SST, the “Target Units”) and the Vendor’s 33 $\frac{1}{3}$ % share of a unitholders’ loan previously extended by the unitholders of SST to SST. SST holds the retail units in Waterway Point (“Proposed Property Acquisition”)
- ◆ Acquisition of 33 $\frac{1}{3}$ % of the issued share capital of FC Retail Trustee Pte. Ltd., being the Trustee-Manager of SST (“Proposed SST Trustee-Manager Acquisition” and together with the Proposed Property Acquisition, the “Proposed Acquisition”)
- ◆ Proposed Acquisition is subject to FCT Unitholders’ Approval by way of ordinary resolution ^{(1), (2), (3)}

Proposed Funding

Proposed funding for the total outlay for the transaction (less the *pro rata* share of bank loan) will comprise:

- ◆ A private placement of new units to institutional and other investors;
- ◆ A non-renounceable preferential offering of new units to existing unitholders on a *pro rata* basis;

EGM

- ◆ Extraordinary General Meeting to be convened in due course

1. Proposed Acquisition is an interested person and party transaction under the Listing Manual of Singapore Exchange Securities Trading Limited and the Property Funds Appendix of the Code on Collective Investment Schemes. Thus, it is subject to FCT Unitholders’ approval.
2. Frasers Property Limited being FCT’s sponsor (the “Sponsor”), and its associates will abstain from voting on the proposed resolution as the Proposed Acquisition involves a transaction with associates of Frasers Property Limited.
3. Ordinary Resolution means 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.

Transaction Summary (cont'd)

Independent Valuation

- ◆ Proposed Property Acquisition: S\$1,305 million (JLL) / S\$1,295 million (CBRE) on a 100% basis
- ◆ Both valuations determined using capitalisation approach and discounted cash flow analysis

Agreed Property Value⁽¹⁾

- ◆ Proposed Property Acquisition: S\$1,300 million on a 100% basis

Estimated Total Outlay for the Transaction

Approximately S\$440.6 million, which comprises:

- ◆ Consideration for purchase of target Units: S\$240.8 million¹
- ◆ Proposed SST Trustee-Manager Acquisition: approximately \$8,700
- ◆ Pro-rata share of bank loan: S\$191.0 million ²
- ◆ Other acquisition related fees and expenses: S\$8.8 million

1. Based on the Agreed Property Value, taking into account the Vendor's Unitholders' Loan (of approximately S\$[94.8] million) and the estimated net assets and liabilities of SST

2. *Pro rata* share of a bank loan owed by SST to certain financial institutions attributable to the Target Units under the Proposed Property Acquisition

Property information of Waterway Point

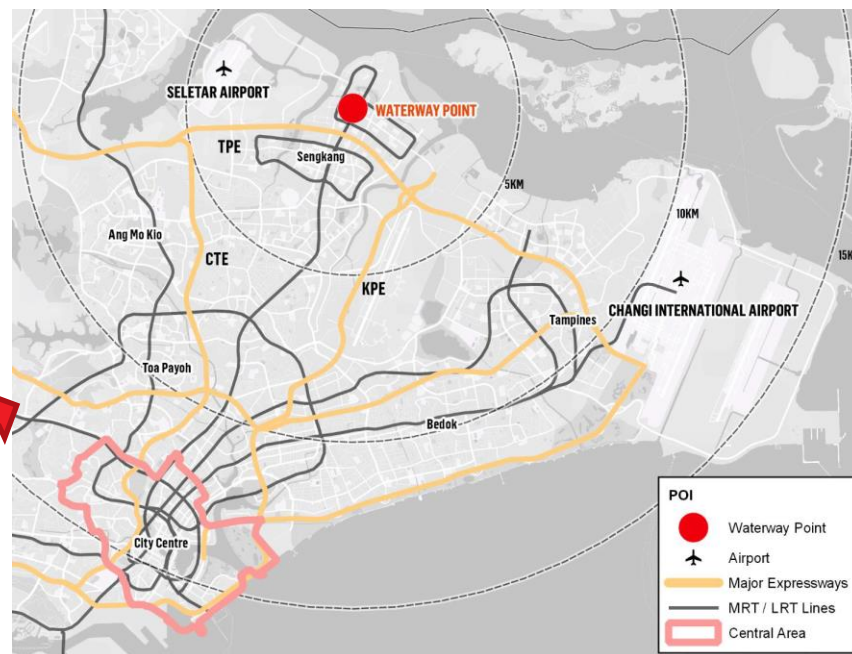
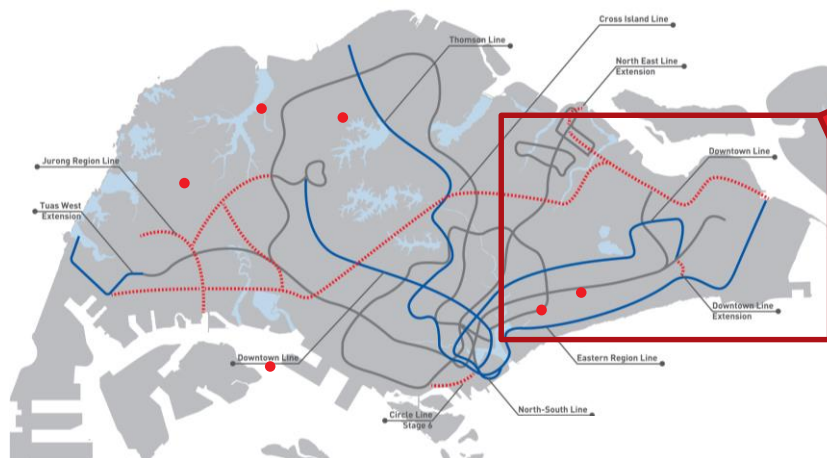


Year of Completion / Operation Date	2015 / April 2016
Location	83 Punggol Central, Singapore 828761
Title	99-year leasehold title commencing 18 May 2011
Gross Floor Area	542,493 sq ft
Net Lettable Area	371,200 sq ft ⁽¹⁾
No. of Storeys	Four (Includes two basement levels)
Car Park Lots	623
Committed Occupancy as at 31 March 2019	98.1%
Weighted Average Lease Expiry as at 31 March 2019	By Gross Rental Income: 1.80 years By NLA: 1.89 years
Key Tenants	FairPrice Finest, Shaw Theatres, Toys "R" Us, Best Denki, Daiso, Cotton On, H&M, Uniqlo, Koufu
NPI (FY2018)⁽²⁾	S\$61.1 million
NPI Yield (based on Agreed Property Value)	4.7%

1. This excludes the area of approximately 17,954 sq ft currently used as Community Sports Facilities Scheme space
2. NPI (adjusted for reduced maintenance fund contributions to the retail sub-management committee without Financial Reporting Standard Adjustments)

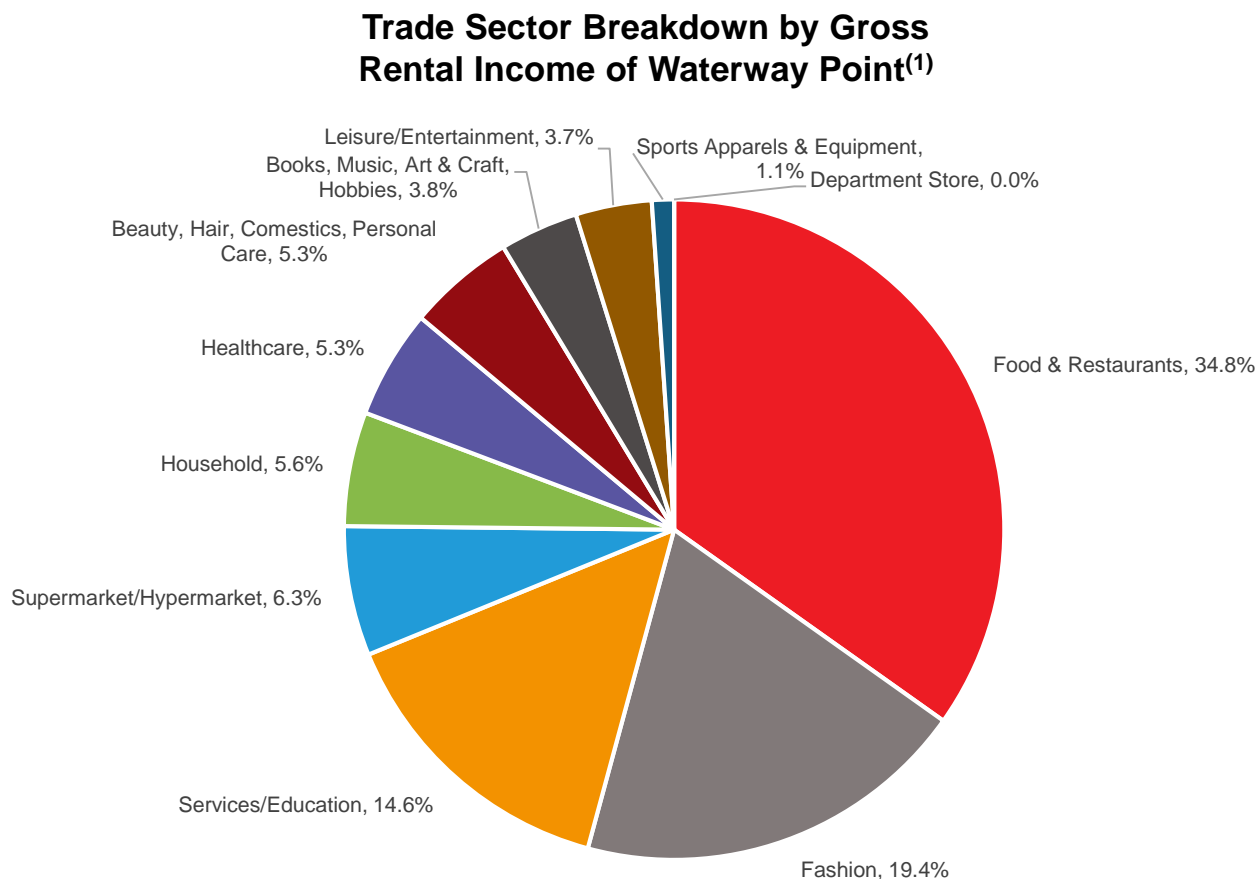
Property information of Waterway Point (cont'd)

- Waterway Point enjoys excellent connectivity to the public transportation system including the Punggol MRT & LRT stations and a temporary bus interchange
- It is also served by major expressways including the Tampines Expressway (TPE) and the Seletar Expressway (SLE)



Property information of Waterway Point (cont'd)

- Diversified tenant base includes a wide range of food & beverage outlets, convenience shopping and essential goods and services



Key Transaction Rationale

Key transaction rationale

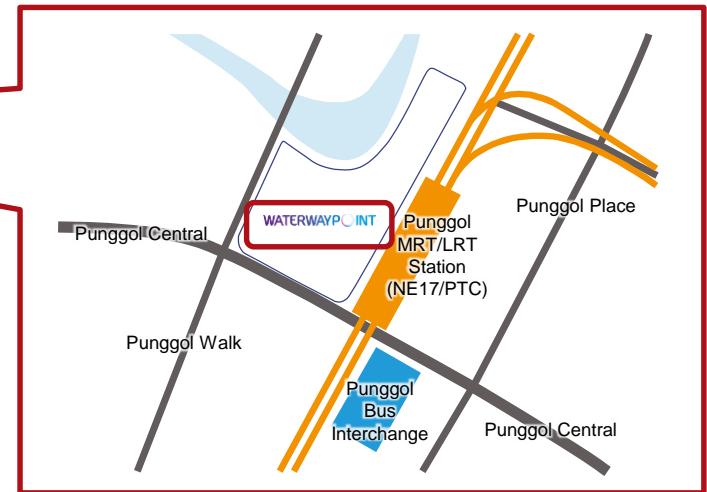
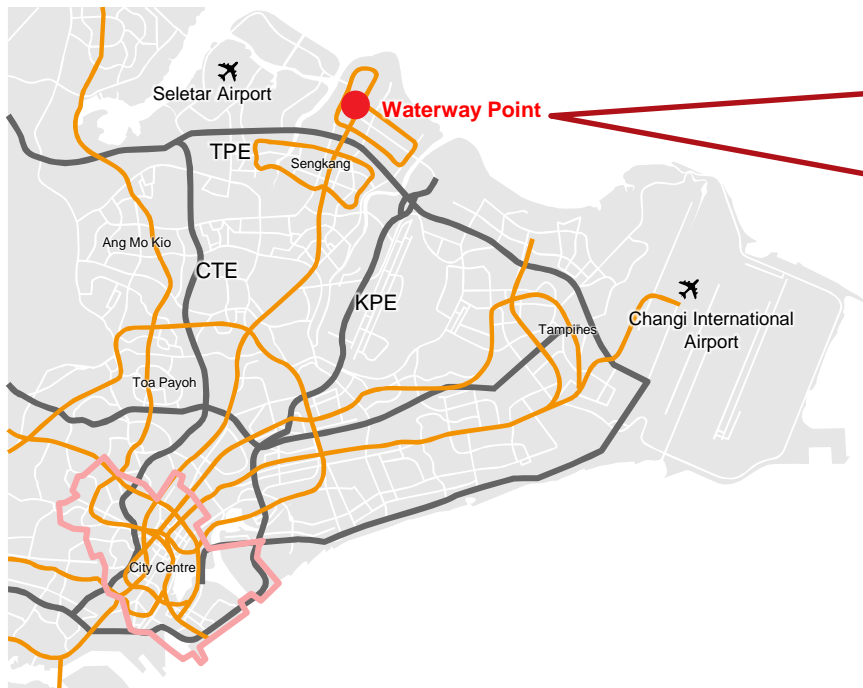


- 1 Competitive strengths of Waterway Point
- 2 Greater income diversification and enlarged tenant base of FCT's property portfolio
- 3 Managed by experienced and reputable property manager
- 4 DPU accretive transaction
- 5 Acquisition consistent with the Manager's investment strategy

1 Competitive strengths of Waterway Point

Strategic location and good connectivity in Punggol Central

- ◆ Excellent connectivity to public transport and expressways
- ◆ Supports strong residential catchment



- Waterway Point
- ✈ Airport
- MRT Lines
- Major Expressways
- Central Area



- ◆ Directly connected to Punggol LRT
- ◆ Next to Punggol MRT (North East Line)



- ◆ Punggol Bus Interchange



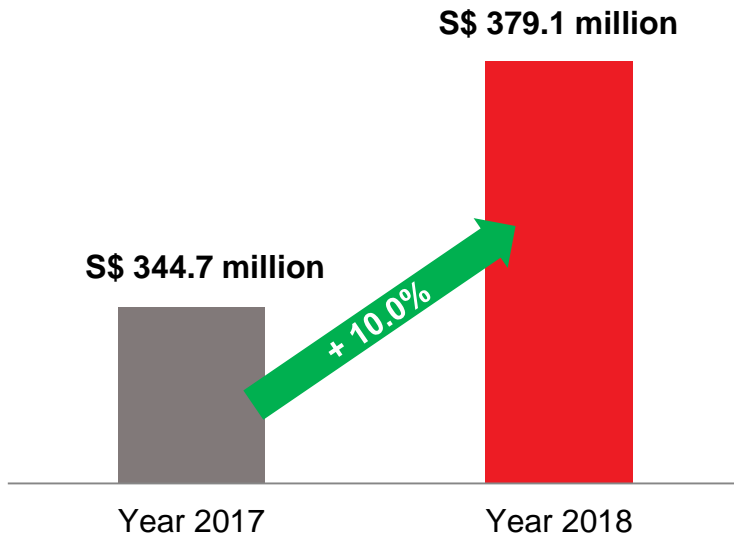
- ◆ Tampines Expressway (TPE)
- ◆ Seletar Expressway (SLE)

1 Competitive strengths of Waterway Point

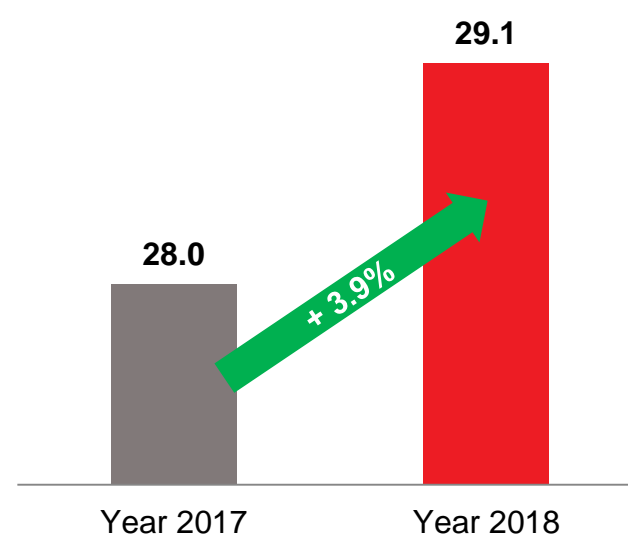
Suburban mall with proven, stabilised performance

- ◆ Strong tenants' sales growth and shopper traffic
- ◆ Committed mall occupancy of 98.1% as at 31 March 2019
- ◆ Average tenants' sales per sq ft per month of S\$85, in line with the average of better performing malls in Singapore of S\$80-S\$90 per sq ft per month⁽¹⁾

Tenants' Sale⁽²⁾



Annual Footfall (million)

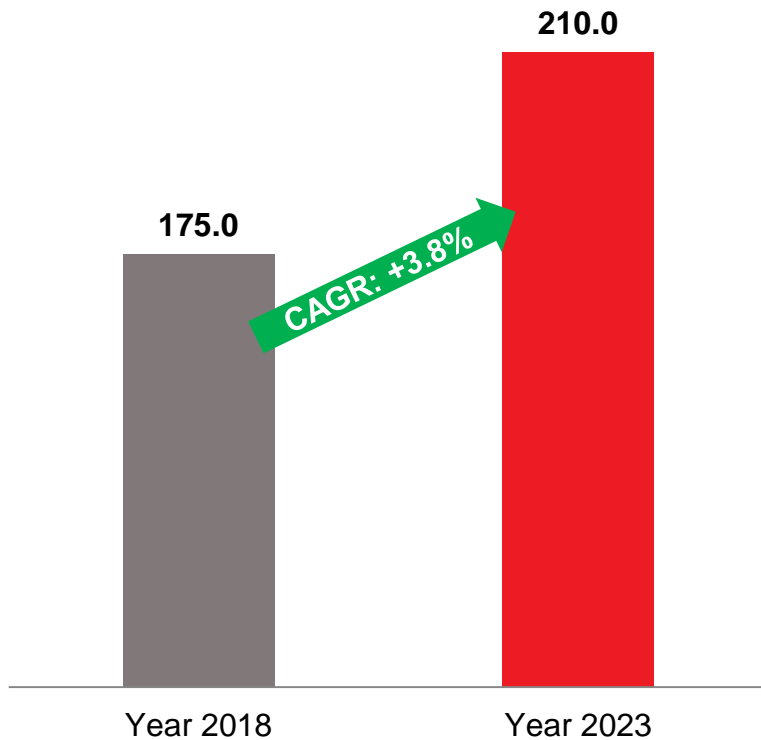


1. Source: Cistri
2. Based on tenants reporting turnover rent

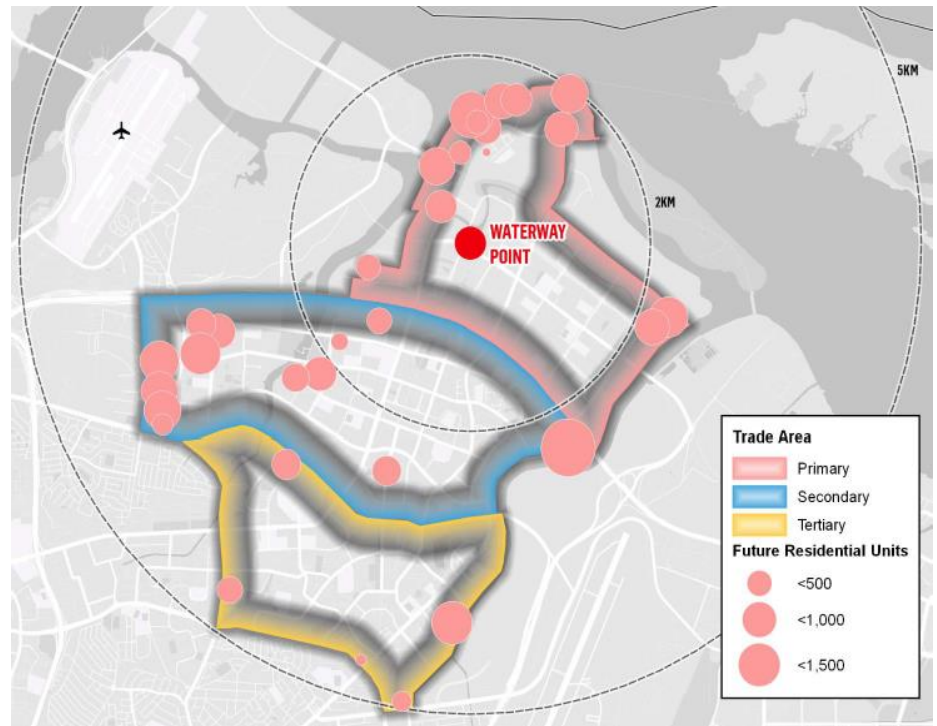
1 Competitive strengths of Waterway Point

Favourable Catchment Area Supported by Strong Population Growth

Population in Waterway Point's primary trade area ('000s)



Trade area and upcoming residential units in 2018 – 2023

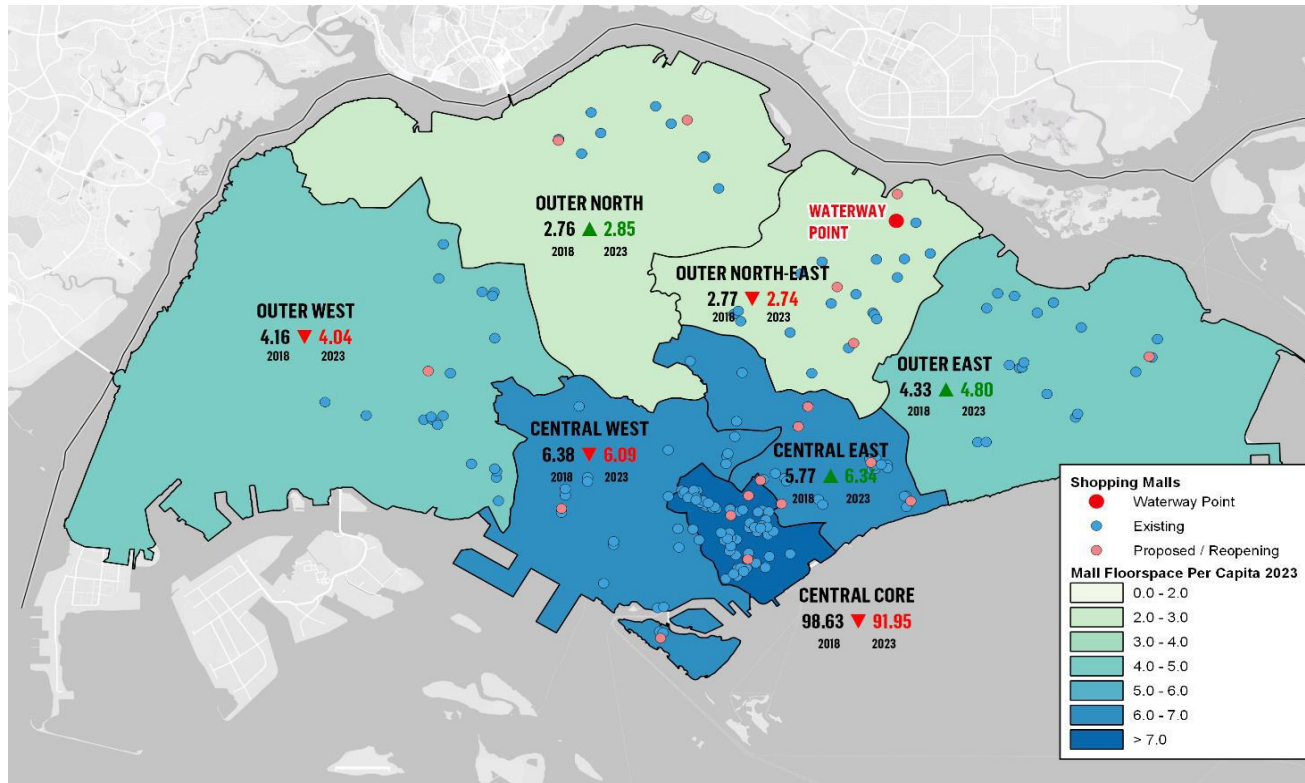


Source: Cistri

1 Competitive strengths of Waterway Point

Trade area has one of the lowest retail mall floor space per capita in Singapore

- Waterway Point's trade area has one of the lowest retail mall floor space per capita in Singapore at 2.77 sq ft, much lower than the Singapore's overall average of 5.9 sq ft

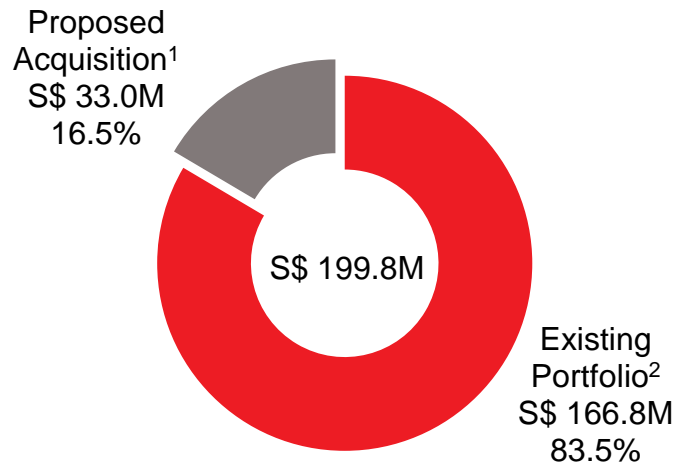


2 Greater Income Diversification and Enlarged Tenant Base of FCT's Property Portfolio

Income diversification and enlarged tenant base

- ◆ Waterway Point is expected to contribute 16.5%⁽¹⁾ of the total return of the enlarged FCT portfolio for FY2018 post acquisition
- ◆ Addition of more than 200 tenants to existing tenant base, including key tenants such as Best Denki, Daiso, H&M, Shaw Theatres and Uniqlo

**Total Return for FY2018 post Acquisition
(on *pro forma* basis)**



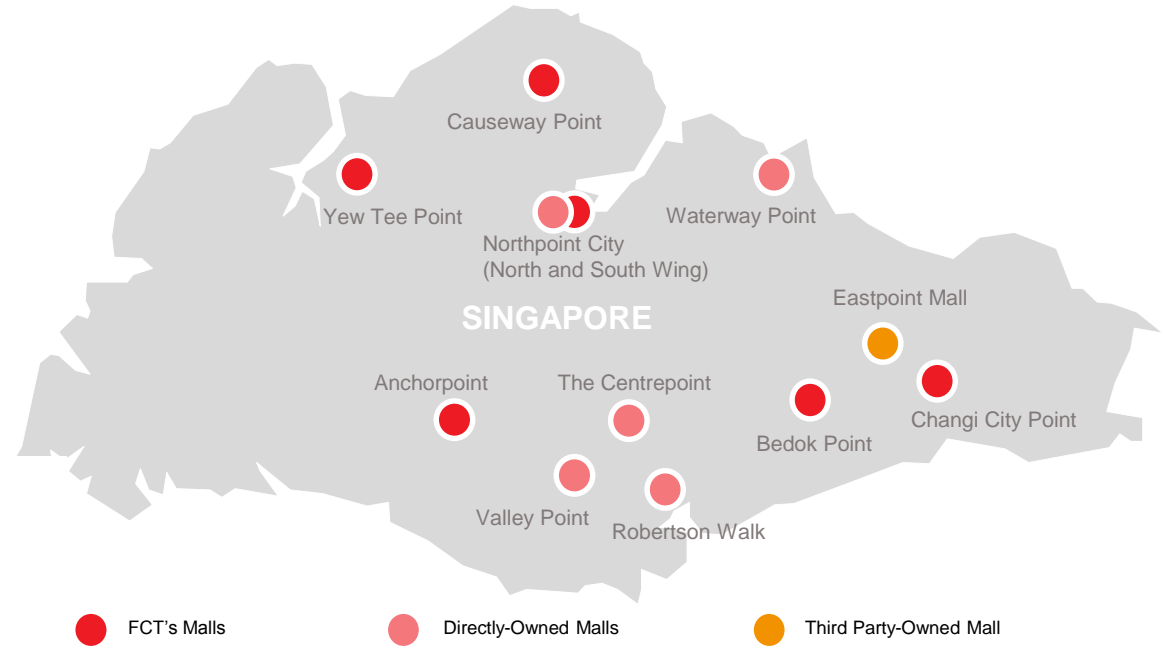
1. Based on FCT's 33⅓% share of the Proposed Acquisition's Total Return for FY2018

2. Based on FCT's audited financial statements for FY2018

3 Managed by experienced and reputable property manager

Managed by Frasers Property Retail Management Services Pte. Ltd., a wholly-owned subsidiary of Frasers Property Limited

- ◆ The property manager has extensive retail mall management experience and it manages 12 retail malls across Singapore



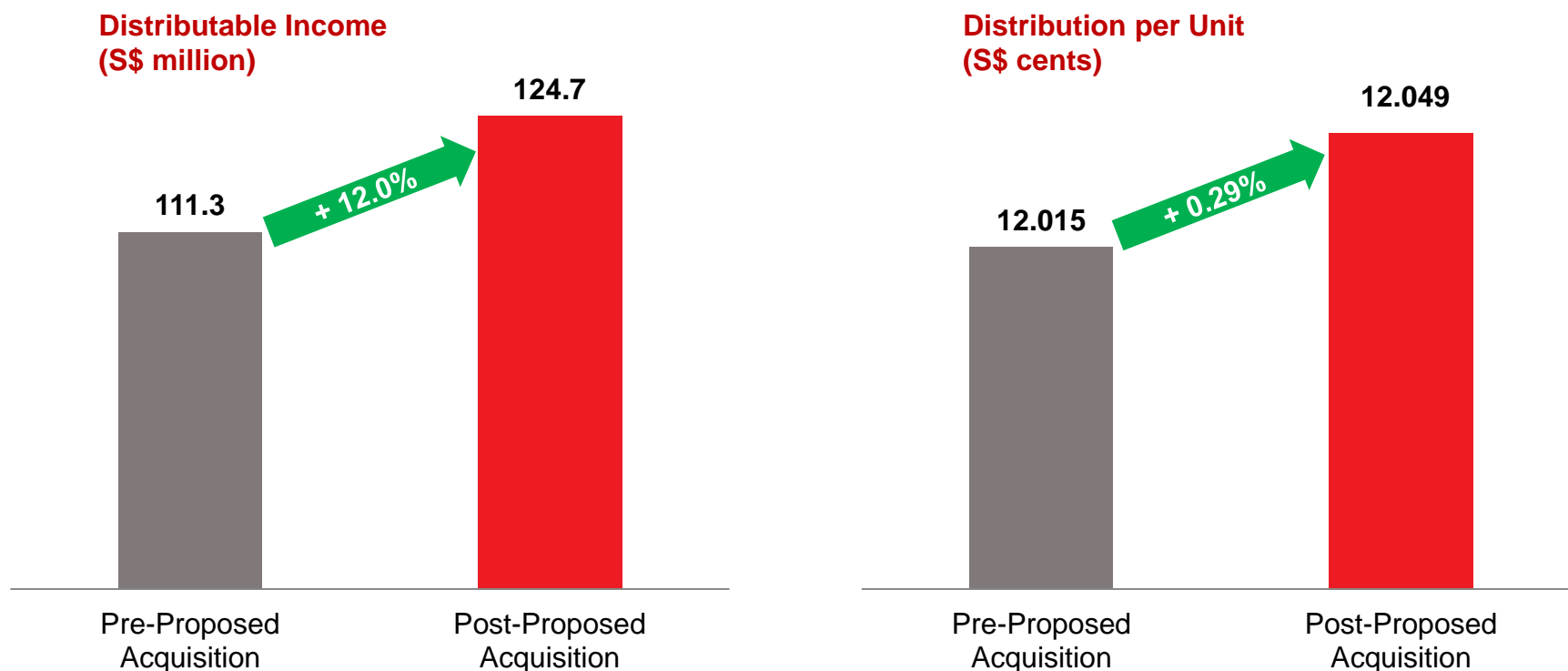
Figures as of 31 December 2018

1. Eastpoint Mall is a third party-owned mall managed by Frasers Property Singapore

4 DPU Accretive Transaction

The proposed transaction is expected to be DPU accretive
FY2018 Pro Forma Financials (for illustrative purposes only)

1. Based on FCT Audited Financial Statements
2. Assuming the issue of approximately 106.7 million new Units at S\$2.300 per Unit and the issue of 1.9 million new Units as payment of the acquisition fee for the Proposed Property Acquisition (the “Acquisition Fee”)
3. Calculated based on gross debt divided by total assets attributable to Unitholders.



5 Acquisition consistent with the Manager's investment strategy

Proposed Acquisition is in line with FCT's key objectives

- Invest in quality income-producing properties used primarily for retail purposes
- Deliver regular and stable distributions to Unitholders
- Provide Unitholders with long-term capital growth

Pro Forma Financial Effects

FY2018 Pro Forma Financials (for illustrative purposes only)

The Manager intends to finance the Proposed Acquisition from the issuance of new equity. In addition, the Manger may utilize part of the proceeds from equity fund raising to pare down bridging loans taken up by FCT in connection of the PREARFL Acquisition⁽¹⁾

	Before the Proposed Acquisition and PREARFL Acquisition⁽²⁾	After the Proposed Acquisition⁽³⁾	After the Proposed Acquisition and PREARFL Acquisition⁽⁴⁾
Total return for the year (S\$ '000)	166,820	199,781	215,363
Distributable income (S\$ '000)	111,316	124,728	134,743
DPU (Singapore cents)	12.015	12.049	12.093
DPU Accretion (%)	-	0.29%	0.65%
NAV per Unit (S\$)	2.08	2.10	2.11

1. On 28 Feb 2019 and 21 Mar 2019, FCT announced its acquisition of interests in PGIM Real Estate AsiaRetail Fund Limited (the "PREARFL Acquisition")
2. Based on FCT Audited Financial Statements for the financial year ended 30 September 2018
3. Assuming the issue of approximately 106.7 million new Units at S\$2.300 per Unit and the issue of 1.9 million new Units as payment of the Acquisition Fee for the Proposed Acquisition
4. Assuming the issue of approximately 184.0 million new Units at an issue price between S\$2.270 and S\$2.300 per Unit and the issue of 3.5 million new Units as payment of the Acquisition Fee for both the Proposed Acquisition and the PREARFL Acquisition

**Experience
matters.**

